



Lancor Holdings Limited

Registered Office:

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

CIN : L65921TN1985PLC049092

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the shareholders of the company will be held on Friday 26th day of December 2014 at 2.30 p.m at Hotel Quality Inn Sabari, No.29 Thirumalai Pillai Road, T. Nagar, Chennai – 600 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014, the Balance Sheet as at that date and the Report of Directors and Auditors thereon.
2. To declare dividend on equity shares of the company.
3. To appoint a Director in place of Mr. R.V.Shekar (DIN: 00259129) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provision of section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. G.M.Kapadia & Co., Chartered Accountants (FRN:104767W) be and is hereby re-appointed as the Statutory Auditor of the Company to hold office for a period of 3 years from the conclusion of this Annual General meeting to, till the conclusion of 32nd Annual General Meeting of the Company subject to ratification of the appointment by the shareholders at every Annual General Meeting held after this AGM on a remuneration to be decided by a Board of Directors.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement (including any modification or amendment thereof) Mr.S.V.Venkatesan (DIN: 00004010), a Non Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company to be held in the calendar year 2019 and not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement (including any modification or amendment thereof) Mr.T.P.Raman (DIN: 00320782), a Non Executive Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received

a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company to be held in the calendar year 2019 and not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement (including any modification or amendment thereof) Mr.R.Sankaranarayanan (DIN: 00172202), a Non Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company to be held in the calendar year 2019 and not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement (including any modification or amendment thereof) Mr.Harmohan Sahni (DIN: 00046068), a Non Executive Director of the Company be and is hereby appointed as an Independent

Director of the Company to hold office for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company to be held in the calendar year 2019 and not liable to retire by rotation.

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

RESOLVED THAT Mr. S.Sridharan (DIN: 01773791) who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161(1) of the Companies Act, 2013 in the category of Non-Executive Non Independent Director with effect from 13th November 2014 and who holds the office only upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. S.Sridharan for the office of Director be and is hereby appointed as a Director of the Company liable to retirement by rotation.

**By order of the Board
For Lancor Holdings Limited
Sd/-**

**P. Mahadevan
Company Secretary & Compliance Officer**

Date : November 13, 2014

Place : Chennai

Registered office

VTN Square, No.58 G.N. Chetty Road,
T. Nagar, Chennai - 600 017

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO**

BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.

A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.

Members/Proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution / Power of Attorney authorizing their respective to attend and vote at the Annual General Meeting.

2. Pursuant to the Provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the company shall remain closed from **24th day of December 2014 to 26th day of December 2014 (both days inclusive)** for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing 29th Annual General Meeting.
3. The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose name appear :
 - (a) as member in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the company or its registrar on or before Wednesday the 24th day of December 2014 and
 - (b) as beneficial owners as at the end of the business hours on 23rd day of December 2014 as per the list to be furnished by National Securities Depository Limited and / or Central Depository Service (India) Limited in respect of the shares held in electronic form.
4. Members are hereby requested to send all the correspondence concerning transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address to the Company's Registrar and Share Transfer Agent.
5. Members desiring to have any clarification on accounts are requested to write to the company

at an early date so as to enable the company keep the information ready.

6. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share capital and Debentures) Rules 2014, are requested to write to the Company's Registrar in the prescribed form. Nomination form (SH.13) may be downloaded from Company's Website www.lancor.in.
7. As per Clause 49 (IV) (G) (1) of the Listing Agreement, the brief profile of the Director retiring by rotation and eligible for re-appointment and the Directors proposed to be appointed at the ensuing Annual General Meeting is annexed to this Notice.
8. Electronic copy of the Annual Report 2014 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode
9. Electronic copy of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode
10. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2014 will be available on the Company's website, www.lancor.in The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or

have any other queries, may write to us at: compsecy@lancor.in

11. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holding shares in electronic form are, therefore requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents.
12. Members holding shares in electronic form may note that bank particulars registered with their respective depository accounts will be used by the company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the depository participant of the members.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents.
14. Members who are holding shares under more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details.
15. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the company for revalidation. Pursuant to the provision of Section 205A of the Companies Act 1956 dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
16. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide the facility

to Members to exercise their right to vote by electronic means for the Members, whose names appear in the Register of Members / list of Beneficial Owners as on **28th November 2014**.

The e-voting period will commence at **9.00 a.m on 19th December 2014 and will end at 5.00 p.m. on 21st December 2014**. The Company has appointed Mr.V.S.Sowrirajan, Practicing Company Secretary, Chennai to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th December 2014 at 9.00 am and ends on 21st December 2014 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 28th November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number is 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used

by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for **Lancor Holdings Limited**.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian

are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO.5

Mr. S.V.Venkatesan is a Non Executive Independent Director of the Company. He joined the Board on December 28, 2005. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the provisions of Clause 49 of the Listing Agreement Mr. S.V.Venkatesan, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing the candidature of Mr. S.V.Venkatesan for the office of

Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

Mr. S.V.Venkatesan has given his consent in writing to act as Director in (i) Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

The resolution seeks the approval of the Members for appointment of Mr. S.V.Venkatesan as an Independent Director for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors Mr. S.V.Venkatesan, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. S.V.Venkatesan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company’s Registered office during business hours on working days upto the date of the ensuing Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. S.V.Venkatesan as an Independent Director.

Mr.S.V.Venkatesan is a member of Audit Committee, Nomination and Remuneration committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company

The detailed profile of Mr. S.V.Venkatesan, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in Item No.5 of the Notice in relation to appointment of Mr. S.V.Venkatesan as an Independent Director.

Except Mr. S.V.Venkatesan, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

ITEM NO.6

Mr.T.P.Raman is a Non Executive Independent Director of the Company. He joined the Board on July 09, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 ('the Act') and the provisions of Clause 49 of the Listing Agreement Mr.T.P.Raman, is proposed to be appointed as an Independent Director for a term of five years.

Mr.T.P.Raman has given his consent in writing to act as Director in (i) Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,2014, (ii) intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

The resolution seeks the approval of the Members for appointment of Mr.T.P.Raman as an Independent Director for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors Mr.T.P.Raman, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr.T.P.Raman as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered office during business hours on working days upto the date of the ensuing Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.T.P.Raman as an Independent Director.

Mr.T.P.Raman is a member of Audit Committee, Nomination and Remuneration committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

The detailed profile of Mr.T.P.Raman, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in Item No.6 of the Notice in relation to appointment of Mr.T.P.Raman as an Independent Director.

Except Mr.T.P.Raman, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

ITEM NO.7

Mr.R.Sankaranarayanan is a Non Executive Independent Director of the Company. He joined the Board on 20.12.1990. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 ('the Act') and the provisions of Clause 49 of the Listing Agreement Mr.R.Sankaranarayanan, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing the candidature of Mr.R.Sankaranarayanan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

Mr.R.Sankaranarayanan has given his consent in writing to act as Director in (i) Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,2014, (ii) intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

The resolution seeks the approval of the Members for appointment of Mr.R.Sankaranarayanan as an Independent Director for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors Mr.R.Sankaranarayanan, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr.R.Sankaranarayanan as an Independent Director setting out the terms and conditions is available for inspection without any fee by

the members at the Company's Registered office during business hours on working days upto the date of the ensuing Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.R.Sankaranarayanan as an Independent Director.

Mr.R.Sankaranarayanan is a Chairman of Audit Committee, member of Nomination and Remuneration committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

The detailed profile of Mr.R.Sankaranarayanan, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in item No.7 of the Notice in relation to appointment of Mr.R.Sankaranarayanan as an Independent Director.

Except Mr.R.Sankaranarayanan, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

ITEM NO.8

Mr.Harmohan Sahni is a Non Executive Independent Director of the Company. He joined the Board on November 09, 2012. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 ('the Act') and the provisions of Clause 49 of the Listing Agreement Mr.Harmohan Sahni, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing the candidature of Mr.Harmohan Sahni for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

Mr.Harmohan Sahni has given his consent in writing to act as Director in (i) Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,2014, (ii) intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Act.

The resolution seeks the approval of the Members for appointment of Mr.Harmohan Sahni as an Independent

Director for a term of 5 (five) consecutive years, from the date of this Annual General Meeting till the conclusion of the Thirty fourth Annual General Meeting of the Company pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors Mr.Harmohan Sahni, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr.Harmohan Sahni as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered office during business hours on working days upto the date of the ensuing Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.Harmohan Sahni as an Independent Director.

The detailed profile of Mr.Harmohan Sahni, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in item No.8 of the Notice in relation to appointment of Mr.Harmohan Sahni as an Independent Director.

Except Mr.Harmohan Sahni, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

ITEM NO.9

The Board of Directors of the Company in their meeting held on November 13, 2014 have appointed Mr.S.Sridharan as Additional Director of the Company pursuant to section 161(1) of the Companies Act,2013 ('the Act') in the category of Non-Executive Non-Independent Director. As an Additional Director, Mr.S.Sridharan holds office only upto the date of this Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing the candidature of Mr.S.Sridharan to the office of Director.

Mr.S.Sridharan is a graduate in Chemistry from Annamalai University and a Fellow member of the Institute of Chartered Accountants of India. After practicing in India for a few years,

He joined and was a part of Ernst & Young Middle East for over 30 years. He was a partner for nearly 15 years and recently retired as the Managing Partner of the Muscat office of Ernst & Young. During his period with Ernst & Young, he has advised many of the well known and large global corporations in Oil & Gas, Construction, Technology, financial institutions and Industrial companies operating in the Middle East.

Mr.Sridharan is a Director and Chairman of the Audit Committee of a company, owned by the Government of Oman, entrusted with the task of promoting industrial development in Oman. In India, he spends his time on charitable activities associated with the education of under privileged children.

The Board of Directors consider that the association of Mr.S.Sridharan as Director of the Company will benefit our Company.

The detailed profile of Mr.S.Sridharan, Directorship position held by him in other companies is included separately in this Notice.

The Board of Directors commend passing of the resolution set out in item No.9 of the Notice.

Except Mr.S.Sridharan, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

**By order of the Board
For Lancor Holdings Limited
Sd/-**

**P. Mahadevan
Company Secretary & Compliance Officer**

Date : November 13, 2014

Place : Chennai

INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV) (G) (I) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED / RE-APPOINTED

Name of the Director	Mr.S.V.Venkatesan	Mr.T.P.Raman
Date of Birth	01.10.1939	23.03.1942
Director Identification No.	00004010	00320782
Date of Appointment	28.12.2005	09.07.2013
Expertise is specific functional areas	His career with State Bank of India, the largest Commercial Bank in India, spanned for 24 years. There, he held important responsibilities in India and abroad. He was a part of the team that set up the Offshore Banking branch of SBI at Singapore in 1977 and had a wide international exposure for about 7 years. He was associated with the committee appointed by the bank to aid in the formulation of corporate credit policies in 1986.	He started his career with State Bank of India and was with them for 31 years. He has been associated with Sundaram Mutual Fund since its inception in 1996 and was the Managing Director of Sundaram Asset Management Company Limited (SAMC) upto June 30, 2012
Qualifications	Gold medalist in Commerce from Madras University	Masters degree in Commerce and also a Certified Associate of the Indian Institute of Bankers
Directorship held in other companies	1.Essar Projects (India) Limited 2.Edelweiss Trustee Services Limited 3.Best & Crompton Engg. Limited 4.Essar Power M P Limited 5.Essar Power Gujarat Limited 6.Essar Power (Orissa) Limited 7.Essar Securities Limited 8.Essar Power Transmission company Limited	Sundaram Asset Management Company Limited
Membership /Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	Nil	Nil
Shareholdings in the Company	Nil	Nil

Name of the Director	Mr.R.Sankaranarayanan	Mr.Harmohan Sahni
Date of Birth	11.04.1944	23.02.1968
Director Identification No.	00172202	00046068
Date of Appointment	20.12.1990	09.11.2012
Expertise in specific functional areas	He has Over 35 years of experience in Finance Accounts and Taxation. Has been in the advisory and consultancy for three decades. He is a non-executive and Independent Director of the Company	He has a rich experience of 23 years out of which 4 years have been in the commodities space and the last 16 years in the property developments business. He has held positions and handled diversified portfolios ranging from finance, human resources, legal, information technology and now for the last nine years in general management position heading the business at G.Corp properties. He is a specialist in startup situations, structuring deals, legal matters related to property and financial structuring.
Qualifications	Graduate and Fellow Member of the Institute of Chartered Accountants of India and also the Member of the Institute of Company Secretaries of India	Commerce Graduate and Member of the Institute of Chartered Accountants of India
Directorship held in other companies	1. Lancor Maintenance & Services Limited 2. Lancor Guduvanchery Developments Limited	1. G.Corp Neerav Developers Private Limited 2. Sea View Development Infrastructure Private Limited 3. Beau Properties Private Limited 4. Garden View Developers Private Limited 5. G:Corp Developers Private Limited 6. G Corp Buildwell Private Limited 7. Zenith G Crop Realty Private Limited
Membership /Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	Nil	Nil
Shareholdings in theCompany	500	Nil

Name of the Director	Mr.S.Sridharan	Mr.R.V.Shekar
Date of Birth	01.11.1953	20.07.1949
Director Identification No.	01773791	00259190
Date of Appointment	13.11.2014	15.10.1994
Expertise in specific functional areas	He is a graduate in Chemistry from Annamalai University and a Fellow member of the Institute of Chartered Accountants of India. After practicing in India for a few years joined and was a part of Ernst & Young Middle East for over 30 years.	He has over 33 years of experience in various aspects of finance and management. Prior to joining Lancor Holdings Limited, he was with Sanmar Properties as its Vice President. He has been in the property development business for the last two decades.
Qualifications	Chemistry Graduate and Fellow Member of the Institute of Chartered Accountants of India	Commerce Graduate and Member of the Institute of Chartered Accountants of India and also a Member of the Institute of Company Secretaries of India
Directorship held in other companies	1. Takamul Investment Company SAOC, Muscat, Oman	1. Lancor Maintenance & Services Limited 2. Lancor Guduvanchery Developments Limited 3. Lancor Realty Limited 4. Lancor Egatoor Developments Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	Nil	Nil
Shareholdings in theCompany	Nil	59,11,607

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s):

Registered address:

E-mail Id:

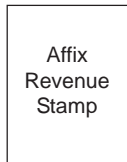
Folio No. / DP ID No. & Client ID No.:

I / We, being the member(s) of shares of the above mentioned company, hereby appoint

1 Name	2 Name	3 Name
Address.....	Address.....	Address.....
.....
.....
E-mail Id:	E-mail Id:	E-mail Id:

Signature, or failing him/her: Signature, or failing him/her: Signature..... as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Friday, 26th day of December 2014 at 2.30 p.m at Quality Inn Sabari, 29,Thirumalai Pillai Road, T.Nagar, Chennai 600 017 and at any adjournment thereof in respect of such resolutions as indicated overleaf.

Signed this.....day of..... 2014 Signature of Member



Signature of Proxy holder(s)

Note: This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for holding the aforesaid Meeting.

ATTENDANCE SLIP

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

DP ID	Client ID
Registered Folio No.*	No. of Shares

I/We

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

I hereby record my presence at the 29th Annual General Meeting of the Company at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 0017 on Friday, 26th day of December 2014 at 2.30 pm.

Member's / Proxy's Signature

* as applicable for investor holding shares in physical form

Resolution No.	Resolution	Vote (optional)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Accounts for the financial year ended 31st March 2014			
2	Declaration of Dividend for the financial year 2013 - 2014			
3	Re-appointment of Mr.R.V.Shekar (DIN 00259129) as a Director who retires by rotation			
4	Re-appointment of M/s. G.M.Kapadia & Co., Chartered Accountants as Auditors			
Special Business				
5	Appointment of Mr.S.V.Venkatesan (DIN 00004010) as an Independent Director			
6	Appointment of Mr.T.P.Raman (DIN 00320782) as an Independent Director			
7	Appointment of Mr.R.Sankaranarayanan (DIN 00172202) as an Independent Director			
8	Appointment of Mr.Harmohan Sahni (DIN 00046068) as an Independent Director			
9	Appointment of Mr.S.Sridharan (DIN 01773791) as a Director			

The Central Park Lake Front





N-GOING PROJECTS




CORNER
STONE
MANGALURU



town & country
Sriperumbudur



townsville
Sriperumbudur



SONNET
SQUARE
THIRUVANMIYUR




LUMINA
GUDUVANCHERY




KIRUBA
CIRRUS
MANGALURU




THE CENTRAL PARK
LAKE FRONT
DMY, SHOINGANALLUR

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

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Notice of AGM	Attached

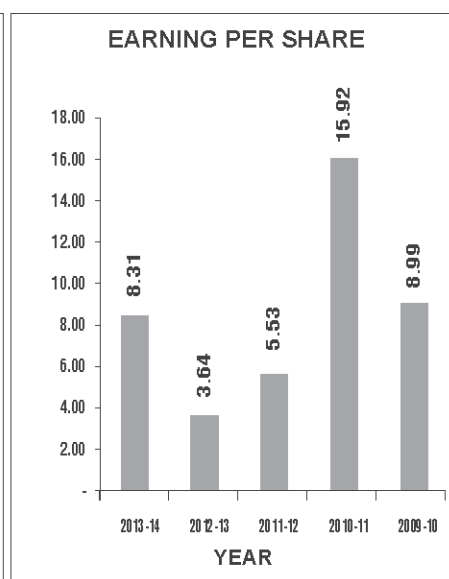
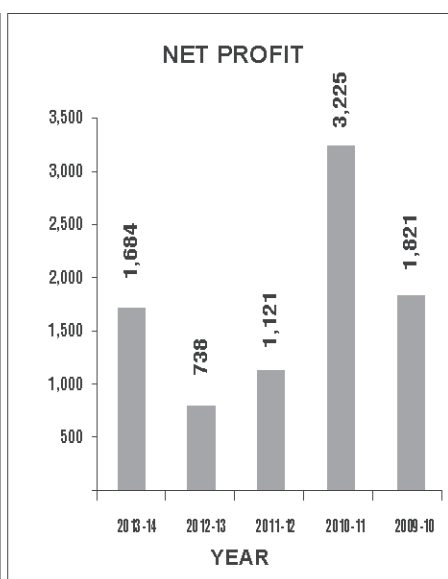
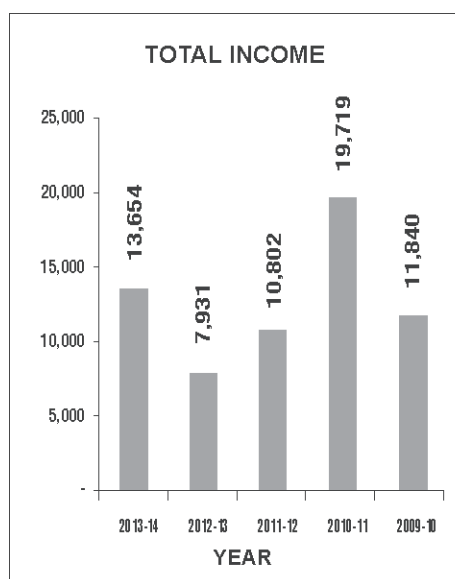
MISSION STATEMENT

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

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

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

S.NO.	PARTICULARS	2013 - 2014	2012-2013	2011-2012	2010-2011	2009-2010
1	CONSTRUCTED AREA (SQ.FT)	4,78,795	2,60,219	2,48,159	5,12,363	3,12,203
2	CONSTRUCTED AREA LINKED TO SALES (SQ.FT)	2,61,328	1,91,283	2,58,293	5,13,291	2,79,715
3	INCOME FROM OPERATIONS	11,307.32	5,232.94	8,016.01	18,054.94	10,524.58
4	TOTAL INCOME	13,654.09	7,931.00	10,802.8	19,719.44	11,840.31
5	EBIDTA	5,307.23	2855.35	3721.63	5462.74	3375.89
6	INTEREST	2,237.59	1576.45	784.09	553.71	484.44
7	DEPRECIATION	269.44	233.46	249.27	260.27	292.32
8	TAX	1,115.96	276.45	1,567.32	1,423.59	778.63
9	NET PROFIT	1,683.51	737.84	1120.64	3224.61	1820.50
10	EQUITY SHARE CAPITAL	405.00	405.00	405.00	405.00	405.00
11	NETWORTH	12,646.45	11,436.77	9,760.67	9,110.74	6,358.39
12	GROSS FIXED ASSETS	10,462.13	10241.27	6,912.33	6,648.37	6,586.42
13	NET FIXED ASSETS	8,748.02	8,777.18	5,701.95	5,694.64	5,886.12
14	TOTAL ASSETS	38,908.96	32,410.68	22,344.43	14,740.21	12,990.85
15	BOOK VALUE PER SHARE	62.45	56.48	48.20	44.99	31.40
16	TURNOVER PER SHARE	67.42	39.17	53.35	97.38	58.47
17	EARNINGS PER SHARE	8.31	3.64	5.53	15.92	8.99
18	EBIDTA/GROSS TURNOVER (%)	38.87	36.00	34.45	27.70	28.51
19	ROCE (%)	13.31	6.45	11.48	35.39	28.63



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Ninth Annual Report on the business and operations of your company together with Audited Accounts of the Company for the year ended 31st March 2014 and the Auditors' report thereon.

FINANCIAL RESULTS

(Amount in Rs. Lakhs)

Particulars	Standalone		Consolidated	
	2013 - 2014	2012 - 2013	2013 - 2014	2012 - 2013
Total Revenue	8,640.80	7,696.60	13,654.09	7,930.99
Expenditure	4,102.74	4,644.14	8,346.86	5,075.64
EBITDA	4,538.06	3,052.46	5,307.23	2,855.35
Interest	1,925.39	1,529.32	2,237.59	1,576.44
Depreciation	256.73	224.68	269.44	233.45
Profit / (Loss) before tax	2,355.94	1,298.44	2,800.20	1,045.44
Less : Provision for				
Current tax	759.49	373.87	1,046.09	434.86
Deferred tax	0.77	(13.67)	69.87	(157.15)
(Excess) / short provision of Tax earlier year	0.00	(0.35)	0.00	(1.26)
Profit / (Loss) after Tax	1,595.68	938.57	1,684.24	768.99
Minority Interest	0.00	0.00	0.00	0.92
Add : Balance brought forward from previous year (includes Lancor Projects Ltd)	7,709.36	7,335.35	7,935.19	7,761.90
Less : Prior year adjustments	0	0.00	0.00	30.23
Available for appropriation	9,305.03	8,273.92	9,618.70	8,499.75
Dividend	405.00	405.00	405.00	405.00
Tax on dividend	68.83	65.70	68.83	65.70
Transfer to General Reserve	159.56	93.85	159.66	93.86
Balance Carried to Balance Sheet	8,671.64	7,709.37	8,985.21	7,935.19

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

The general economy in Financial Year 2013-14 grew at a slower pace at 4.5%. Rising inflation with high interest rates led to contraction in demand for the real estate sector and the performance on the whole was very subdued.

The stable government now at the centre with focus on policy initiatives have spurred positive sentiments in the country. However it may take a few quarters before the demand picks up in the industry. Medium to long term (say between 12 to 36 months) demand for real estate is certain due to demographic advantages, rising income levels and rapid urbanization.

During the year your company had launched two projects with a total saleable area of 245308 sft.

Completed Projects: During the financial year 2013-14, your company has completed the residential project viz “The Coutryard” and handed over the apartments to the customers.

Ongoing Projects:

1. **The Central Park Lake Front (TCPLF), Sholinganallur:** The phase I of the TCPLF consisting of 136 apartments was launched in April 2014 and as on date of reporting, 64% has already been sold. The construction has been progressing well and the apartments are expected to be handed over for interiors to customers in the third quarter of next year.

The building plans for TCPLF Phase II have been submitted to Chennai Metropolitan Development Authority (CMDA) for approval, which will be launched by January 2015.

2. **Kiruba Cirrus:** The construction of Kiruba Cirrus is 90% complete with the finishing and final development works are under way. This is the first time ever that a large residential building using glass has been constructed in Chennai and the building looks very impressive catering to exclusive market.

The enquiry level for Kiruba Cirrus has been picking up and is expected to be sold in full as the market picks up say in the next 12 months.

3. **Corner Stone and Sonnet Square:** These two projects will be completed during the FY 2014-15.

SUBSIDIARY COMPANIES:

PROJECT COMPANIES:

LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED:

LUMINA: The construction of E & F blocks was completed and the customers have started living in “Lumina”. G block has been opened up for sale recently. Guduvanchery as a sub-market is well positioned being more close to GST Road and connected to OMR as well. When the market picks up with the all the infrastructure viz internal roads, power supply, DG supply, Sewerage Treatment Plant(STP), Water Treatment Plant(WTP), Reverse Osmosis Plant (RO), a modern club house, a bus etc., that are put in place in Lumina will make Lumina sell well

LANCOR SRIPERUMBUDUR DEVELOPMENTS LIMITED:

TOWNSVILLE: The construction of A, B & C blocks are completed and the apartments are being handed over to the customers. The construction of D block is under way. Sriperumbudur as a destination is getting focus with Japanese investments that are expected on NH-4 for “Chennai-Bangalore Expressway” connecting Chennai and Bangalore, should boost the sales of Townsville. Sriperumbudur has also been chosen as a satellite town under the centrally sponsored scheme of the Urban Infrastructure Development. In order to cater to the employees working in and around Sriperumbudur, apartments of sizes ranging from 500 sft to 750 sft are being designed with a price range starting from Rs.12 lakhs per apartment. These ticket sizes should create good interest levels amongst the end users in Sriperumbudur

LANCOR GST DEVELOPMENTS LIMITED:

The approval for wet land conversion is awaited. The building designs for the residential development are being drawn and during the current financial year the same will be submitted to authorities for approval.

SERVICE COMPANIES:

LANCOR MAINTENANCE & SERVICES LIMITED:

The Company (LHL) has completed the projects “The Courtyard”, Nanganallur and E & F blocks of “Lumina”, Guduvanchery, which are handed over to Lancor Maintenance & Services Ltd (LMSL) for facility management. A,B & C blocks of “Townsville”, Sriperumbudur are also in the process of handing over to the customers, which will also be taken up for maintenance by LMSL starting last quarter of Financial Year 2014-15. The above mentioned projects will add to the revenue of LMSL for the current financial year 2014-15. LMSL provides facility management services to all the new projects of LHL and the growth of LHL will organically grow LMSL as well

LANCOR REALTY LIMITED:

The office leasing has been picking up slowly and with IT Companies hiring employees, there will be enough absorption going forward. When the economy starts showing signs of recovery, the second hand residential market should also pick up. LRL hence should benefit from the sale/leasing of office/residential buildings.

ACCOUNTING POLICIES:

The “Kiruba Cirrus” was launched during the year 2012 – 2013 and construction is almost complete, due to the revised guidance note issued by, “The Institute of Chartered Accountants of India”, on accounting for real estate transactions, the revenues for the same could not be booked. This resulted in deferment of corresponding profit as well.

NON RESIDENTIAL SEGMENT:

Your company’s focus will continue to remain in residential segment only as the commercial market is still stressed for rentals.

CREDIT RATING:

CRISIL has Re-affirmed its rating of “BBB+” in respect of the companies long term bank loans.

DIVIDEND:

Your Directors are pleased to recommend dividend of 100% on the Paid-up capital of the company for approval of the members of the company, i.e. Rs.2/- per equity share of Rs.2/- each. The final dividend, if approved by the members would involve a cash outflow of Rs.4,05,00,000/- (excluding dividend distribution tax).

TRANSFER TO RESERVE:

Pursuant to the Companies (Transfer of Profits to Reserves) Rules 1975, the company proposes to transfer Rs.1,59,65,933/- to the General Reserve, out of amount available for appropriation.

FIXED DEPOSITS:

Your Company has not accepted any public deposit from the public or its employees during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

AMALGAMATION OF LANCOR GST DEVELOPMENTS LIMITED AND LANCOR REALTY LIMITED WITH COMPANY:

The Board of Directors in its meeting held on 30th May 2014 approved the scheme of amalgamation of Lancor GST Developments Limited and Lancor Realty Limited, wholly owned subsidiaries of the company with the company in accordance with section 391 and 394 of the Companies Act 1956.

Lancor Realty Limited and Lancor GST Developments Limited, wholly owned subsidiaries of the company are in business of realty services and development of lands into shops, malls, hotels, service apartments respectively will be amalgamated with your company and all assets and liabilities transferred to and vested in the company with effect from April 01, 2013, the appointed date.

The company has already filed the petition with Hon'ble High Court of Madras for amalgamation. On receiving the order from the Hon'ble High Court of Madras, the accounts of the company for the financial year 2013 – 2014 will be re-stated accordingly to give effect of the merger as on appointed date i.e April 01, 2013. The re-stated accounts for the financial year 2013 – 2014 will be placed before the shareholders.

SUBSIDIARY COMPANIES / ASSOCIATE AND CONSOLIDATED FINANCIAL STATEMENTS:

The company has six subsidiaries viz., Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor GST Developments Limited, Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited, Lancor Realty Limited. There has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in the Annual report.

As required under the listing agreements entered into with the Bombay Stock Exchange Limited, consolidated financial statements of its subsidiaries and associate are attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act 1956. These financial statements disclose the assets, liabilities, income, expenses and other details of the company, its subsidiaries and associate.

Pursuant to the provisions of section 212(8) of the companies act 1956, the ministry of corporate affairs vide its circular dated February 08, 2011 has granted general exemption from attaching the balance sheet, statement of Profit and Loss and other documents of the subsidiaries with the Balance sheet of the company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the Annual report. The annual accounts of these subsidiaries and the related detailed information will be made available to any members of the company / its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the company / its subsidiaries at the registered office of the company. The annual accounts of the said subsidiaries will also be available for inspection, as above at the registered office of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

As required under Companies Act 1956, the statement pursuant to section 212 containing the details required in respect of our subsidiaries namely, Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor GST Developments Limited, Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited, Lancor Realty Limited as on 31st March 2014 attached herewith.

STATUTORY STATEMENTS:

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

Lancor Holdings Limited does not carry on any manufacturing activity and accordingly the provision to furnish information as per section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars

in the report of Board of Directors) Rules 1988, particulars relating to Conservation of energy, Research and Development and Technology Absorption is not applicable.

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Rs.3,34,93,596/-

PARTICULARS OF EMPLOYEES

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year 2013 - 2014, the applicable Accounting Standards have been followed and there are no material departure;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis.

INTERNAL CONTROLS AND THEIR ADEQUACY:

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

STATEMENT PURSUANT TO LISTING AGREEMENT

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORATE

In compliance with the provisions of the Companies Act 2013 read with applicable rules thereof and in accordance with the Article 86 of the Company's Articles of Association, Mr.R.V.Shekar and Mr. T.P. Raman, Directors retire at this Annual General Meeting and being eligible, offers themselves for re-appointment.

As per Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Clause 49 of the Listing Agreement Mr.S.V.Venkatesan, Mr.T.P.Raman, Mr.R.Sankaranarayanan, Mr.Harmohan Sahni, Non Executive Directors will be appointed as Independent Directors of the Company for a term of five years.

Sri. S.Sridharan, who was appointed as Additional Director of the Company by the board at its meeting held on 13.11.2014 holds office as such up to the date of ensuing annual general meeting. In terms of 160 of the companies act 2013 read with rule 13 of the companies (appointment and Qualification of Directors) Rules 2014, the company has received notice in writing from member signifying his intention proposing the candidature of Sri.S.Sridharan for the office of Director of the company and accordingly the Board of Directors recommend the same for the approval of members.

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

AUDITORS

The retiring auditors, M/s.G.M.Kapadia & Co., Chartered Accountants have expressed their willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to Section 139 of the Companies Act, 2013 read together with the Companies (Audit and Auditors) Rules, 2014 and also confirmed that they satisfy the criteria prescribed in section 141 of the Act.

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

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

COST AUDITORS

As per the Companies (Cost Accounting Records) Rules 2011 cost audit is not applicable on the companies engaged in the construction and / or development (real estate) business. Hence, these companies are only required to maintain cost accounting records and file compliance report with the Central Government. Pursuant to the provision of the Companies (Cost Accounting Records) Rules 2011, M/s. Shivashankaran & Co., Cost Accountants have been appointed as Cost Auditor of the company to do the necessary work and issue the compliance report.

ACKNOWLEDGEMENT

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

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

Sd/-
R.V.Shekar
Chairman

Sd/-
R.Sankaranarayanan
Director

Date : November 13, 2014
Place: Chennai - 600 017

ANNEXURE – ‘A’

TO THE TWENTY NINTH ANNUAL REPORT OF THE BOARD OF DIRECTORS REPORT ON CORPORATE GOVERNANCE

COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The company is complying with the mandatory requirements of the code of corporate governance introduced by the SEBI and incorporated in clause 49 of the Listing Agreement in all material aspect.

The company aims to create profitable developments with Enduring value, distinguishing characteristics leading to high customer satisfaction with full compliance to building standards, rule and regulations.

The basic philosophy of the company towards corporate governance is to protect and enhance the long term value of all the stakeholders, shareholders, clients, creditors and employees. The company is committed to achieve these objectives within regulatory framework through transparency in dealings.

BOARD OF DIRECTORS

The Board of Directors of the company comprises of Non Executive Chairman, and Six Non-Executive Directors, including Four Independent Directors. The board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the company.

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

The Board of Directors meets at regular intervals. Policy formulation, evaluation of performance and control functions vests with the Board.

The composition of the Board, attendance of each director at the board meetings held during the year under review as well as in the last annual general meeting and number of other director ship / committee memberships held by them are as follows:-

Name of the Director	Designation	No. of Board meetings in the year during respective tenure of directors		Attendance of Last AGM	No. of directorships held in the other companies	No. of board committee memberships held in other companies
		Held	Attended			
Mr.R.V.Shekar	Chairman, Non Executive	05	05	Yes	05	Nil
Mr. S.V.Venkatesan	Director, Non Executive & Independent	05	05	Yes	08	Nil

Name of the Director	Designation	No. of Board meetings in the year during respective tenure of directors		Attendance of Last AGM	No. of directorships held in the other companies	No. of board committee memberships held in other companies
		Held	Attended			
Mr.R.Sankaranarayanan	Director, Non Executive & Independent	05	04	Yes	03	Nil
Mr. V.Chander *	Director, Non Executive	05	02	No	03	Nil
Mr. T.P.Raman #	Director, Non Executive & Independent	05	03	No	01	Nil
Mr.Harmohan Sahni	Director, Non Executive & Independent	05	04	Yes	07	Nil
Mrs.Sangeetha Shekar	Director, Non Executive	05	03	No	Nil	Nil

* resigned from the board w.e.f July 09, 2013

inducted in the board w.e.f July 09, 2013

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

- Mr. R.V.Shekar, Managing Director retired from the executive position with effect from 30th September 2014 and continues to be in the board as Non Executive Chairman.
- To strength the board, the Board of Directors at its meeting held on 13th November 2014, appointed Mr.S.Sridharan, a Chartered Accountant as Additional Director of the company.

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

The Board of Directors met five (05) times on 30.05.2013, 09.07.2013, 12.08.2013, 11.11.2013, 14.02.2014 and in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.

The annual general meeting for the financial year ended 31st March 2013 was held on 11th September 2013 by giving due notice to the members of the company and the resolutions passed there at were recorded in the minutes book maintained for the purpose.

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

SHAREHOLDING OF DIRECTORS

(As at March 31, 2014)

S.NO.	NAME OF THE DIRECTOR	NO. OF EQUITY SHARE
1	Mr.R.V.Shekar	59,11,607
2	Mrs. Sangeetha Shekar	13,76,850
3	Mr.R.Sankaranarayanan	500

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

Information about the directors proposed to be appointed / re-appointed required to be furnished pursuant to clause 49 of the listing agreement with the stock exchange is forming part of the notice of the twenty ninth annual general meeting to the shareholders of the company.

AUDIT COMMITTEE

TERMS OF REFERENCE

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

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

- Overseeing the company's financial reporting process and the disclosure of its financial information.
- Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any service.
- Reviewing with management the quarterly, half yearly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards, any related party transaction and stock exchange and legal requirements concerning financial statements, matters relating to be included in the Director's Responsibility Statement, Changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings and qualifications in the draft audit report.

- Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statues policies and procedures and ensure compliance of internal control systems and reviewing the company's financial and risk management policies.
- Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Discussions with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal controls systems of a material nature and reporting the matter to the board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non payment of declared dividends) and creditors.
- To scrutinize the inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc., of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

COMPOSITION AND ATTENDANCE

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

The Audit Committee met four (04) times during the year on 30.05.2013, 12.08.2013, 11.11.2013 and 14.02.2014 and the details of the number of meetings held and attendance record of the members are as follows.

Name of the Director	No. of Meetings	
	Held	Attended
Mr. R.Sankaranarayanan, Chairman	04	04
Mr. S.V.Venkatesan, Member	04	04
Mr. T.P.Raman, Member	04	03

Company Secretary is the Compliance Officer of the committee. Mr. K.Srinivasan, Chief Financial Officer is the special invitee of the audit committee.

NOMINATION AND REMUNERATION COMMITTEE

Your company has constituted a Nomination and Remuneration Committee under the Chairmanship of Mr.R.Sankaranarayanan. The committee consisting of directors Mr.R.Sankaranarayanan, Mr.T.P. Raman and Mr.S.V.Venkatesan as members to decide the structure of the executive director's Remuneration. One meeting was held during the year under review.

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

The company has a Managing Director. The remuneration paid to him during the period 01.04.2013 to 31.03.2014 was as under.

Name & Designation	Period	Basic Salary	Perquisites	Total
Mr. R.V.Shekar, Managing Director	01.04.2013 to 31.03.2014	38,15,081	27,88,410	66,03,490

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

Mr. R.V.Shekar retired from the position of Managing Director with effect from 30th September 2014 and is continuing in the Board as Non Executive Chairman.

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

NON-EXECUTIVE DIRECTOR

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

None of the non-executive directors has pecuniary relationship with company, its promoters, management or its subsidiaries.

STAKE HOLDERS RELATIONSHIP COMMITTEE

As per the provisions of Section 178(5) of the Companies Act, 2013 read with Clause 49 (as amended on 17.04.2014) of the Listing Agreement, the Share Transfer and Investors Grievance Committee of the Board was renamed as Stake Holders Relationship Committee and re-constituted with the following members

1. Mr.R.Sankaranarayanan,
2. Mr.T.P.Raman
3. Mr.S.V.Venkatesan

The Stake Holders Relationship Committee of the Board oversees redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

COMPOSITION AND ATTENDANCE

The Committee met at regular intervals. Company Secretary is the compliance officer of the Committee.

The Company used to give a details report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, breakup of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchange / SEBI / Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how many days / weeks.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the provisions of Section 135 of the Companies Act, 2013, the company constituted the Corporate Social Responsibility Committee. The committee consists of the Independent Directors Mr.R.Sankaranarayanan, Mr.T.P.Raman and Mr.S.V.Venkatesan.

To carry out the company's CSR activities, the company is in the process of formation of separate trust in the name of "Lancor Foundations".

RISK MANAGEMENT COMMITTEE

During the year, Company constituted the Risk Management committee and lay down the appropriate procedures and policies for risk assessment and their minimization process. The committee consists of the Independent Directors Mr.R.Sankaranarayanan, Mr.T.P.Raman and Mr.S.V.Venkatesan. In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures are received from the individual functional heads of the Company and placed before the Committee.

VIGIL MECHANISM COMMITTEE

As per the provision of Section 177(9) read with Rule 7 (3) of the companies (Meeting of Board and its Powers) Rules 2014 the Audit Committee of the Company was designated as the vigil mechanism Committee to oversee the vigil mechanism.

Mr.R.Sankaranarayanan, Independent Director was designated as Chairman of the vigil mechanism committee.

The committee shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee.

COMPLIANCE OFFICER

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

INVESTOR GRIEVANCE REDRESSAL

The number of complaints received and resolved to the satisfaction of investors during the year.

S.No.	Type of Complaints	No. of Complaints
1	Non Receipt of Annual Reports	02
2	Non Receipt of Dividend Warrants	-
3	Non Receipt of Interest/redemption warrants	-
4	Non Receipt of Warrants	-
5	Non Receipt of Certificates	-
	TOTAL	02

GENERAL BODY MEETINGS

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

Financial Year	Venue	Date & Time
2012 – 2013	Quality Inn Sabari, Rivera, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	September 11, 2013 3.30 pm
2011- 2012	Quality Inn Sabari, Rivera, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	July 27, 2012 2.30 pm
2010 - 2011	Quality Inn Sabari, Rivera, 6 th floor,29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	July 29, 2011 2.30 pm

All the resolutions as set out in the respective notices were passed by the shareholders. No special resolution was passed during the last three annual general meetings. There is no proposal to pass any resolution by postal ballot.

RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS

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

1. Approval for Borrowing in excess of the Paid Up capital and free reserves pursuant to Section 180(1) (c) of the Companies Act, 2013
2. Approval for creation of charges / mortgage etc., on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013

DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

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

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The details of the transaction with related parties or others if any as prescribed in the listing agreement are being placed before the Audit committee from time to time. Material significant related party transactions during the year 2013-2014 have been given in Note No.4.08 & 4.09 of Notes to Accounts to the Annual Accounts for the year 2013-2014. There were no other transactions of material had been entered into by the Company with related parties (i.e.) Directors of Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2014.

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

CODE OF CONDUCTOR FOR THE DIRECTORS AND SENOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2014. A declaration to this effect signed by Mr.R.V.Shekar, Managing Director of the Company forms part of this report.

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

CEO/CFO CERITIFICATION

In terms of Clause 49 (V) of the Listing Agreement, the certificate duly signed by Ms.Mallika Ravi, Chief Executive Officer (CEO) and Mr.Srinivasan, Chief Financial Officer (CFO) was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2014 at its meeting held on 14.05.2014.

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

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

COMPLIANCES BY THE COMPANY

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

DETAILS OF NON-COMPLIANCES WITH REGARD TO CAPITAL MARKET

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

SUBSIDIARY MONITORING FRAMEWORK

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies *inter alia*, by the following means;

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

During the year Mr.R.Sankaranarayanan, Non Executive and Independent Director of the Company was nominated and inducted in the Board of M/s. Lancor Guduvanchery Developments Limited, Material Unlisted Subsidiary Company. He was also holding the position of Director in M/s.Lancor Maintenance and Services Limited.

The Audit Committee of the Company reviews the financial statements, quarterly and annual financial statements. The Minutes of the Subsidiaries are placed and approved by the Board at regular interval.

MEANS OF COMMUNICATION TO SHAREHOLDERS

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

GENERAL SHAREHOLDER'S INFORMATION

Financial calendar (Tentative)

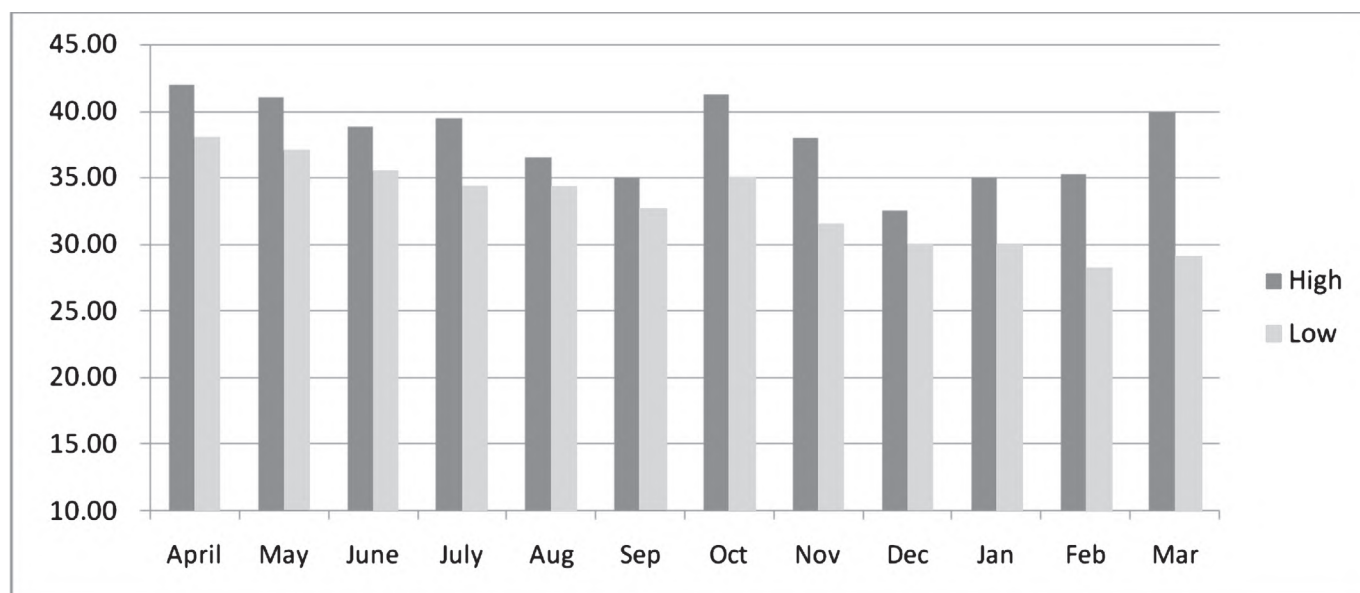
Financial Year	April 01, 2014 to March 31, 2015
First Quarter Result	August 08, 2014
Second Quarter Result	November 13, 2014
Third Quarter Result	February 14, 2015
Fourth Quarter Result	May 30, 2015
Date of Book Closure	24 th December 2014 to 26 th December 2014 (Both inclusive)
Annual General Meeting	
Date	26 th December 2014
Day	Friday
Time	2.30 p.m
Venue	Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai – 600 017
Dividend Payment Date	Within 30 days from the date of Annual General Meeting
Scrip code	509048
Listing at	Bombay Stock Exchange Limited
Demat ISIN	INE572G01025
Listing fee	Annual listing fee for the year 2014 – 2015 has been duly paid to the exchange

STOCK PRICE MOVEMENT

Stock market data for the period of April 01, 2013 to March 31, 2014 and graphical representation of volume of shares traded at BSE for the year 2013 – 2014.

Month	Price		Volume
	High	Low	
April 2013	42.00	38.00	10,635
May 2013	41.00	37.00	13,391
June 2013	38.85	35.50	2,249
July 2013	39.45	34.30	2,976
August 2013	36.5	34.30	6,078
September 2013	35.00	32.60	5,20,605
October 2013	41.25	35.00	3,936
November 2013	38.00	31.45	9,053
December 2013	32.55	29.90	17,786
January 2014	35.00	30.05	18,722
February 2014	35.30	28.25	28,169
March 2014	39.90	29.10	179,909

The chart given hereunder plots the movements of the company's share price on Bombay Stock exchange Limited for the year 2013 - 2014



DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity shares of the company are made available for dematerialisation under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The shares of your company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialised upto March 31, 2014 are as under:

S.No.	Particulars	No. of Shares	% of total issued capital
1	Listed Capital	2,02,50,000	100.00
2	Held in Dematerialisation form - NSDL	1,87,84,945	92.76
3	Held in Dematerialisation form - CDSL	13,39,045	6.62
4	Physical shares	1,26,010	0.62

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

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

“Cameo Corporate Services Limited”
 Subramanian Buildings
 No.1, Club House Road
 Chennai 600 002
 Phone No.044-28460390-94, Fax No.28460129
 Email: investor@cameoindia.com

SHARE TRANSFER SYSTEM

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

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

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014

Category (amount)	No. of cases,	% of cases	Total Shares	Amount in Rs.	% of Amount
1 – 5000	1650	90.81	4,79,954	9,89,908	2.37
5001 -10000	71	3.91	2,70,265	5,40,530	1.33
10001 - 20000	37	2.04	2,76,138	5,52,276	1.37
20001 – 30000	14	0.77	1,62,712	3,25,424	0.80
30001 – 40000	2	0.11	34,431	68,862	0.17
40001 – 50000	3	0.16	69,848	1,39,696	0.35
50001 – 100000	12	0.66	4,04,864	8,09,728	2.00
100001 and above	28	1.54	1,85,51,788	3,71,03,576	91.61
TOTAL	1,817	100.00	2,02,50,000	4,05,00,000	100.00

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

CATEGORIES OF SHAREHOLDINGS AS ON MARCH 31, 2014

S.No.	Category of Shareholders	No. of Shares held	Percentage of holdings
1	Promoters	1,25,70,832	62.07
2	Foreign Institutional Investors / Mutual Funds	1,39,479	0.688
3	Body Corporate	40,31,925	19.91
4	Individual shareholders holding nominal share capital upto Rs.1 lakh	13,94,450	6.88
5	Individual shareholders holding nominal share capital excess of Rs.1 lakh	14,64,204	7.23
6	Clearing Members	235	0.00
7	Hindu Undivided Family	35,656	0.17
8	Non Resident Indians	6,13,219	3.02
	Total	2,02,50,000	100.00

MAJOR SHAREHOLDERS

Details of shareholders holding more than 1% of the paid up capital of the company as on March 31, 2014 are given below:

Name of the Shareholder	No. of Shares	Percentage of Paid up capital	Category
Mr.R.V.Shekar	59,11,607	29.19	Promoter
Mrs.Shyamala Shekar	39,05,575	19.29	Promoter
Mrs.Sangeetha Shekar	13,76,850	6.80	Promoter
Mrs.Swetha Shekar	13,76,800	6.80	Promoter
M/s.G Corp Projects Pvt. Ltd	29,00,000	14.32	Body Corporate
M/s.G Corp Private Limited	7,60,999	3.76	Body Corporate
Mrs.Rajeswari Sridharan	4,32,959	2.14	General Public

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

Members who have not encashed their dividend warrants yet for the previous years are advised to forward such warrants to the company for revalidation. Pursuant to the provision of Section 205A of the Companies Act, 1956 dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.

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

Financial Year	Date of Declaration	Date of Payment	Last date for claiming unpaid dividend
2007 – 2008	10.09.2008	13.09.2008	12.09.2015
2008 – 2009	29.09.2009	03.10.2009	02.10.2016
2009 – 2010	15.01.2010	18.01.2010	17.01.2017
2009 – 2010	23.07.2010	26.07.2010	25.07.2017
2010 – 2011	29.07.2011	03.08.2011	02.08.2018
2011 – 2012	27.07.2012	31.07.2012	30.07.2019
2012 – 2013	11.09.2013	12.09.2013	12.09.2020

COMPANY REGISTRATION DETAILS

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

LEGAL PROCEEDINGS

There is no legal proceeding pending against the Company.

Certain disputes have arisen with the owners of land with whom the Company had entered into a joint development agreement in respect of a project for which the company has been defending. The detail of the suit is more fully stated in 4.10 to notes to accounts attached to the Auditor's Report.

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

Address for Communication LANCOR HOLDINGS LIMITED

VTN Square, 58, G N Chetty Road
 T.Nagar, Chennai – 600 017
 Phone: 044-28345880 – 84
 Fax : 044-2834 5885
 Email : compsecy@lancor.in
 Website : www.lancor.in

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

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

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

I, R.V.Shekar, Managing Director of the Company declare and confirm that the company has in respect of the financial year ended March 31, 2014 received from the senior Management team of the Company and the member of the Board a declaration of the compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Executive Officer, Chief Financial Officer, Employees in the Vice President cadre and the Company Secretary as on March 31, 2014.

Date: May 14, 2014

R.V Shekar
Managing Director

COMPLIANCE CERIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 14th day of May 2014, obtained from Statutory Auditors of the Company M/s.G.M Kapadia & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

For and on behalf of the Board of Directors of
LANCOR HOLDINGS LIMITED
Sd/-
R.V.Shekar
Chairman

Date : November 13, 2014
Place :Chennai - 600 017

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

To the Members of **Lancor Holding Limited**

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

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

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its official and agents, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For G.M KAPADIA & CO

Chartered Accountants

Firm Registration No.104767 W

Satya Ranjan Dhall

Partner

Membership No.214046

Place: Chennai

Date : May 14, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In the last report, emphasis was laid on cash flow management and advance receipts from customers coinciding with construction progress in such a manner that the credit limits from the banks are utilized carefully and diligently. However external factors with regard to the management of the macro economy in the last twelve months have deteriorated substantially. The ways and means to manage the project to keep the pace of construction have come under great stress. Lot of hope is placed on the new stable government but unfortunately the damage suffered by the economy over the last two to three years, resulting in high interest rate, high inflation and low growth could not be mitigated just by one event of formation of a stable government. It is quite apparent that the recovery process will take several quarters i.e up to 2016 and hence your company is building defensive position to meet these challenges.

OPPORTUNITY:

The management expects that your company will be the first off the block in the recovery process as the demand picks up because it has completed most of the projects, which are primarily located in the city limits. These projects also will have a decent margin cover, which leads to rising opportunities at the point of sale.

The completed projects will provide wholesome opportunity for liquid funds, which will be exploited in the next two quarters to have favourable effect on debt management.

Your company continues in exploring opportunity to provide housing on a mass scale using its land bank in Sriperumbudur.

The response from senior citizens to “The Central Park Lake Front” project at Sholinganallur has only been lukewarm.

RISK CONCERN AND THREATS:

As mentioned in the last report, high inflation, high interest cost, low growth rate are the greatest risks to any growing economy and these risks also persist for your company. However great hope is placed on the new government to make policy formation, which will mitigate each of these negative aspects over a reasonable time.

INTERNAL CONTRL SYSTEMS AND THEIR ADEQUACY:

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

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PREFORMANCE:

During the year under review the company has registered an aggregate turnover of Rs.86.40 Crores as against the previous year turnover of Rs.76.96 Crores and posted a net profit of Rs.15.95 Crores as against the previous year's net profit of Rs.9.38 Crores.

HUMAN RESOURCES:

Number of employees as on March 31, 2014 was 240 which include 52 women employees and relationship remains very cordial.

RISK MANAGEMENT:

The risk management is a corner stone of the management policy by its mitigation and hedging measures. Factors such as high inflation, reducing GDP growth, high interest costs and reducing opportunities weigh heavily in the minds of the management.

CAUTIONARY STATEMENT:

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

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

Sd/-
R.V.SHEKAR
Chairman

Sd/-
R.SANKARANARAYANAN
Director

Date : November 13, 2014

Place : Chennai - 600 017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lancor Holdings Limited

We have audited the accompanying consolidated financial statements of Lancor Holdings Limited, its subsidiaries and its joint venture, which comprise the consolidated balance sheet as at March 31, 2014, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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 but not for the purpose of expressing the opinion on the effectiveness of the entity's internal control. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at March 31, 2014;

- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date;
and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other matter

We did not audit the financial statements of Lancor Maintenance & Services Limited and Lancor Realty Limited, whose financial statements reflect total assets (net) of Rs. 1,152.93 lakhs, total revenues of Rs. 790.82 lakhs and net cash inflows amounting to Rs. (241.67) lakhs for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For G M Kapadia & Co.,
Chartered Accountants,
Firm's Registration No. 104767W

Satya Ranjan Dhall
Partner
Membership No. 214046

Place of Signature : Chennai

Date : May 14, 2014

Consolidated Balance Sheet as on 31st March, 2014

(Figures in Indian Currency)

	Notes	As at March 31	
		2014	2013
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	4,05,00,000	4,05,00,000
Reserves and surplus	2.02	1,22,41,45,932	1,10,31,77,274
		1,26,46,45,932	1,14,36,77,274
		4,29,945	3,57,478
Minority Interest			
Non-current liabilities			
Long-term borrowings	2.03	90,18,75,951	83,30,36,709
Trade payables	2.04	1,99,17,654	78,28,725
Other long-term liabilities	2.04	15,26,10,643	16,05,46,817
Long-term provisions	2.05	95,70,444	92,85,973
		1,08,39,74,692	1,01,06,98,224
Current liabilities			
Short-term borrowings	2.06	43,85,62,393	54,12,22,800
Trade payables	2.07	22,52,84,465	12,35,46,299
Other current liabilities	2.07	82,03,33,188	36,91,40,439
Short-term provisions	2.05	5,76,66,170	5,24,25,710
		1,54,18,46,216	1,08,63,35,248
Total		3,89,08,96,785	3,24,10,68,225
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	87,46,55,809	87,74,56,910
Intangible assets	2.09	1,46,584	2,61,363
Capital work-in-progress	2.10	28,94,84,397	28,00,36,267
Goodwill on Consolidation		80,45,413	80,45,413
Non-current investments	2.11	30,01,800	30,01,800
Deferred tax assets (net)	2.12	28,84,241	98,71,345
Long-term loans and advances	2.13	5,59,83,224	6,97,12,919
Trade receivables	2.14	-	33,61,834
Other non-current assets	2.15	74,84,000	74,84,000
		1,24,16,85,468	1,25,92,31,851
Current assets			
Current investments	2.16	63,07,494	5,47,97,111
Inventories	2.17	2,37,66,44,559	1,72,54,76,822
Trade receivables	2.14	3,30,54,491	2,92,89,942
Cash and bank balances	2.18	7,77,37,346	6,69,00,425
Short-term loans and advances	2.13	14,99,80,078	9,97,84,884
Other current assets	2.15	54,87,348	55,87,190
		2,64,92,11,317	1,98,18,36,373
Total		3,89,08,96,785	3,24,10,68,225

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants
Firm Reg No.104767 W

Satya Ranjan Dhall
Partner

Date : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

Consolidated Statement of Profit & Loss for the year ended 31st March, 2014

(Figures in Indian Currency)

	Notes	Year ended March 31,	
		2014	2013
Continuing operations			
Income			
Revenue from operations	3.01	1,35,99,61,807	78,14,74,196
Other income	3.02	54,47,326	1,16,25,591
Total Revenue		1,36,54,09,133	79,30,99,787
Expenses			
Land and land related expenses	3.03	14,49,11,885	28,36,69,889
Cost of materials and construction expenses	3.03	1,14,37,16,304	75,38,45,135
Changes in inventories of constructed premises, work-in-progress & construction material	3.03	(65,11,67,738)	(74,07,87,998)
Maintenance expenditure		4,95,45,042	4,53,17,947
Employee benefits expense	3.04	7,43,52,583	7,48,30,366
Other expenses	3.05	7,33,27,570	9,06,89,449
Total Expenses		83,46,85,647	50,75,64,788
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)		53,07,23,487	28,55,35,000
Depreciation and amortisation expense	3.06	2,69,44,192	2,33,45,777
Finance costs	3.08	22,37,59,252	15,76,44,791
Profit/(loss) before Exceptional, Extraordinary items and Tax and Prior period Items		28,00,20,043	10,45,44,431
Prior Period Items	3.07	-	30,23,047
Profit/(loss) before Exceptional, Extraordinary items and Tax		28,00,20,043	10,15,21,384
Exceptional items		-	-
Profit / (loss) before Extraordinary items and Tax		28,00,20,043	10,15,21,384
Extraordinary items		-	-
Profit / (loss) before tax		28,00,20,043	10,15,21,384
Tax expenses			
Current tax		8,91,39,700	4,34,86,977
Other Current tax	4.11	1,52,67,556	-
Deferred tax		69,87,102	(1,57,15,402)
(Excess) / Short Provision for Tax of earlier years		2,01,584	(1,26,200)
Profit / (loss) for the year from continuing operations (Before adjusting Minority Interest)		16,84,24,100	7,38,76,009
Share of profit transferred to Minority Interest		72,468	91,788
Profit/Loss for the period		16,83,51,632	7,37,84,221
Earnings per equity share (Nominal Value of share Rs. 2 each)	4.02		
Basic & Diluted			
Computed on the basis of profit from continuing operations and total operations		8.31	3.64
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For G. M. Kapadia & Co.Chartered Accountants
Firm Reg No.104767 W**Satya Ranjan Dhall**
PartnerDate : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer**K.Srinivasan**
Chief Financial Officer**H.Viswanath**
Company Secretary**R.Sankaranarayanan**
Director**R.V.Shekar**
Managing Director

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Figures in Indian Currency)

	Year ended March 31,	
	2014	2013
Cash flow from operating activities		
Profit Before Tax from continuing operations	280,020,043	101,521,384
Profit Before Tax	280,020,043	101,521,384
Non-cash adjustment to Profit Before Tax:		
Depreciation/amortization on continuing operations	26,944,192	23,345,777
Loss/(profit) on sale of assets	(213,391)	(197,576)
Provision for Employee Benefits	628,448	5,818,670
Sundry balances written back	-	(509,432)
Interest expense	223,759,252	157,644,791
Interest income	(2,228,138)	(1,926,831)
Dividend income	(2,857,297)	(8,964,773)
Operating profit before working capital changes	526,053,109	276,732,010
Movements in working capital:		
Increase/(decrease) in trade payables	113,827,095	23,404,324
Increase/(decrease) in provisions	(93,684)	990,161
Increase/(decrease) in other current liabilities	90,502,027	146,980,685
Decrease/(increase) in trade receivables	(402,715)	931,266
Decrease/(increase) in inventories	(651,167,737)	(745,986,989)
Decrease/(increase) in loans and advances	(38,416,788)	41,917,436
Decrease/(increase) in other current assets	1,414,051	(11,815,708)
Cash generated from/(used in) operations	41,715,358	(266,846,815)
Direct taxes paid (net of refunds)	(97,696,294)	(43,360,777)
Net cash flow from/(used in) operating activities (A)	(55,980,937)	(310,207,592)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(34,384,003)	(25,964,589)
Proceeds from sale of fixed assets	837,000	3,687,523
Purchase of current investments	(300,000)	(849,651)
Proceeds from sale/maturity of current investments	48,789,617	180,201,203
Interest received	913,929	1,799,449
Dividends received	2,857,297	8,964,773
Net cash flow from/(used in) investing activities (B)	18,713,840	167,838,708
Cash flow from financing activities		
Proceeds from borrowings	649,144,000	763,571,277
Repayment of borrowings	(330,210,618)	(451,858,877)
Interest paid	(223,759,252)	(157,644,791)
Dividends paid on equity shares	(40,500,000)	(40,500,000)
Tax on equity dividend paid	(6,570,113)	(6,571,125)
Net cash flow from/(used in) financing activities (C)	48,104,018	106,996,484
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	10,836,921	(35,372,400)
Cash and cash equivalents at the beginning of the year	66,900,425	102,232,520
Pursuant to acquisition Lancor GST Developments Limited	-	40,305
Cash and cash equivalents at the end of the year	77,737,346	66,900,425
Components of cash and cash equivalents		
Cash on hand	233,545	138,505
Cheques / drafts on hand	-	-
With banks		
on current account	45,935,347	57,342,570
on deposit account	30,769,015	8,619,015
unpaid dividend accounts*	799,439	800,335
Total cash and cash equivalents (Note No. 2.18)	77,737,346	66,900,425

Note: Figures in bracket represents outflows

Significant accounting policies

1

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

As per our report of even date attached

For and on behalf of the Board of Directors

For G. M. Kapadia & Co.Chartered Accountants
Firm Reg No.104767 W**CA. Mallika Ravi**
Chief Executive Officer**R.Sankaranarayanan**
Director**R.V.Shekar**
Managing Director**Satya Ranjan Dhall**
Partner**K.Srinivasan**
Chief Financial OfficerDate : May 14, 2014
Place: Chennai**H.Viswanath**
Company Secretary

Notes to Consolidated Financial Statements for the period ended March 31, 2014**1.01 Corporate information**

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

1.02 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current – non current classification of assets and liabilities.

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

Summary of significant accounting policies**1.03 Use of estimates**

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

1.04 Tangible fixed assets

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

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

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

1.05 Depreciation on tangible fixed assets

Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment of assets,

depreciation is provided on the revised carrying amounts of assets over its remaining useful life. The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (WDV) (%)
Office Equipment	13.91
Computers	40.00
Furniture and fixtures	18.10
Vehicles	25.89
Electrical Equipments	18.10
Plant and Machinery	13.91

The depreciation in case of buildings is provided on straight line method at the rate (1.63%) and manner prescribed in Schedule XIV to the Companies Act, 1956

Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

1.06 Intangible assets

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

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

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

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

	No. of Years
Computer Software	5

1.07 Leases

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

Where the Company is lessee- Operating Lease

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

Where the Company is the lessor- Operating Lease

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

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

1.08 Borrowing costs

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

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. Where borrowings are specifically for obtaining a qualifying asset for developments, the amounts capitalised is borrowing cost incurred on those borrowings less any income on temporary investment of those borrowings.

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

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

1.09 Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.10 Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.11 Inventories

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

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

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

1.12 Revenue recognition

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

Income from services

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

Revenue from real estate projects under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property and is accounted on percentage completion method. Sales consideration includes the aggregate amounts of the sales price of the land and the development consideration as per the agreements entered into with the buyer and is recognised as a percentage of the construction cost incurred for work performed upto the reporting date bear to the estimated construction cost of the project. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The expenditure incurred is accumulated under the head work-in-progress and collections are accumulated and carried forward under the head advance received from customers.

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

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

Interest

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

Dividends

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

1.13 Foreign currency translation

Foreign currency transactions and balances

Initial recognition

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

Exchange differences

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

1.14 Employee benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

c) Short Term Employee Benefit

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

1.15 Income taxes

a) Provision for current tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the provisions of Income Tax Act, 1961.

b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods

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

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

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

1.16 Earnings Per Share

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

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

1.18 Provisions

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

1.19 Contingent liabilities & Contingent Assets

a) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of i. a probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation. ii. a possible obligation, unless the probability of out flow of resources is remote.

b) Contingent Assets are neither recognised nor disclosed

1.20 Cash and cash equivalents

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

1.21 Measurement of EBITDA

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

(Figures in Indian Currency)

2.01 Share Capital	As at March 31,	
	2014	2013
Authorized shares		
75,000,000 (March 31, 2013: 75,000,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, subscribed & fully paid up equity shares		
20,250,000 (March 31, 2013: 20,250,000) equity shares of Rs.2/- each (fully paid up)	40,500,000	40,500,000
Total issued, subscribed and fully paid-up share capital	40,500,000	40,500,000

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

Equity shares	As at March 31			
	2014		2013	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	20,250,000	40,500,000	20,250,000	40,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>20,250,000</u>	<u>40,500,000</u>	<u>20,250,000</u>	<u>40,500,000</u>

b. Rights, preference and restrictions attached to shares:

Equity Shares

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

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

During the year March 31, 2014, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2013: Rs.2).

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

	As at March 31,			
	2014		2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid				
R.V.Shekar	5,911,607	29.19%	5,911,607	29.19%
Shyamala Shekar	3,905,575	19.29%	3,905,575	19.29%
G Corp Projects Pvt Ltd	2,900,000	14.32%	2,900,000	14.32%
Sangeetha Shekar	1,376,850	6.80%	1,376,850	6.80%
Swetha Shekhar	1,376,800	6.80%	1,376,800	6.80%

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

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

2.02 Reserves and surplus

	As at March 31,	
	2014	2013
Capital Reserve on Consolidation	4,465,511	4,465,511
Revaluation reserve		
Balance as at the end of the year	141,747,452	141,747,452
Add: Revaluation Reserve Created on account revaluation of Land	-	-
Less: Reversal on account of sale of land	-	-
	141,747,452	141,747,452
General reserve		
Balance as at the beginning of the year	163,445,547	154,059,810
Add: amount transferred from surplus balance in the statement of profit and loss	15,965,933	9,385,737
Balance at the end of the year	179,411,480	163,445,547
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	793,518,764	776,190,393
Profit for the year	168,351,632	73,784,221
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,882,975	6,570,113
Transfer to general reserve	15,965,933	9,385,737
Total appropriations	63,348,908	56,455,850
Net surplus in the statement of profit and loss	898,521,489	793,518,764
Total reserves and surplus	1,224,145,932	1,103,177,274

2.03 Long-term borrowings

	Non-current portion		current portion	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	243,152,604	311,538,059	67,688,199	54,059,507
Catholic Syrian Bank- Term Loan II (Machinery)	-	-	962,284	-
Catholic Syrian Bank- Term Loan III (Vehicle)	-	-	869	28,768

Axis Bank-Term Loan - I	99,115,444	147,603,833	63,154,719	-
Axis Bank-Term Loan- II	100,552,091	74,099,811	64,070,130	-
City Union Bank Ltd - I	55,037,018	70,720,006	18,759,182	16,725,766
City Union Bank Ltd - II	92,093,102	-	100,033,456	-
From Financial Institutions				
Axis Finance Limited-Term Loan- I	150,000,000	-	-	-
HDFC- Term loan I (Vehicle)	-	-	-	368,526
"HDFC- Term loan II	-	169,075,000	122,205,145	-
HDFC- Term loan III	161,925,692	60,000,000	27,063,131	40,000,000
	901,875,951	833,036,709	463,937,115	111,182,567
The above amount includes				
Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)				
	-	-	463,937,115	111,182,567
Net Amount	901,875,951	833,036,709	-	-

The above amount includes aggregate amount of secured borrowings Rs.90,18,75,951 (March 31, 2013: Rs.83,30,36,709)

(b) Nature of Security and terms of repayment for secured borrowings :

Nature of Security	Terms of Repayment
i. Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company .	The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal montly instalments of Rs. 77,34,981 (with 6% increase in montly installments per annum) as per the terms of the loan agreement. The present applicable rate is 13.75%
ii. Term loan II (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortgagage of land and building owned by the Company.	The loan is repayable in 60 equal monthly installments amounting to Rs.7,92,000 from the date December, 2011. The applicable rate of interest is 15.25% per annum.
iii. Term loan III (Vehicle) from Catholic Syrian Bank Limited is secured by hypothecation of motor car as per the hypothecation agreement.	The total amount of loan sanctioned to the Company is amounting to Rs. 33,87,000. The loan is repayable in 60 equal monthly installments amounting to Rs. 77,500 from the date December, 2011. The applicable rate of interest is 12.50% per annum.
iv. Term Loan I from Axis Bank Limited is secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).	The loan is repayable in 30 equal monthly instalments, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 13.75% per annum.i.e base rate @ 10% + 3.75%.

- v. Term Loan II from Axis Bank Limited is secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at "The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).
- The loan sanctioned to the Company is amounting to Rs. 19 crore. The loan is repayable by 30 equal monthly instalment, after principal repayment moratorium of 18 months from August 2012..The applicable rate of interest is 13.75% per annum.i.e base rate @ 10.75% + 3.25%.
- vi. Term loan I from City Union Bank Limited is secured by mortgage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.
- The loan sanctioned to the Company amounting to Rs. 10 crore is repayable in 60 equated monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e base rate @ 10.75% + 3.25%.
- vii. Term Loan II from City Union Bank Limited is secured by land measuring 4.02 acres (net area 3.56 acres) & 16.15 acres situated at Sriperumbudur Village, Sriperumbudur Taluk, Kancheepuram District in the name of the company.
- The Total Loan of Rs. 20 crores was taken from Bank. The loan is repayable in 18 equal monthly instalments, after a moratorium period of 15 months from June 2013. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25% and / or for NOC Rs. 1,500 per apartment upto first 72 apartments and entire sale proceeds after 72nd apartments upto 144 apartments whichever is earlier.
- viii. The Term Loan I from Axis Finance Limited is secured by way of a) Exclusive 1st charge by way of registered mortgage on 5.17 acres of non agricultural land at sholinganallur, chennai including project land admeasuring 2.14 acres and all development, present and future over the project land. b) Exclusive 1st charge by way of registered mortgage of 27 cents of non agricultural land at Sholinganallur, Chennai situated adjacent to the project land. c) Exclusive charge on current assets of the project including customer receivables and all other cash flows, both present and future, entered into with various customers/obligors of the borrower.
- The loan is repayable in 8 equal quarterly instalments, after an initial moratorium period of 24 months from the 1st disbursement of the loan. The applicable rate of interest is 14.50% per annum payable monthly.
- ix. Term Loan I (Vehicle) from HDFC Limited is secured by hypothecation of motor cars under the hypothecation agreement.
- The loan is repayable in 60 equal monthly installments amounting to Rs. 33,507 from April 5, 2009. The present applicable rate of interest is 11.25% per annum.

- x. Term loan II from HDFC Limited is secured by mortgage of plot of land owned by the Company measuring 28.87 acres at Sriperumbudur. The loan is repayable in nine equal installments at 2.5 crores from the end of 25th month of the date of first disbursement of the loan on March 31, 2012. The applicable rate of interest is 15% per annum plus/minus 275 basis points.
- xi. Term loan III from HDFC Limited is secured by mortgage of residential project "Lumina" situated at Kayarambedu Village, Guduvanchery and also secured by present and future scheduled receivables /sale proceeds from the customers of the project "Lumina- Phase-I" owned by the Company. Charge is created on the total loan except for 7 Crore loan amount received during March 2014. Company is in the process of the doing the same. The loan is repayable to the extent of 30 % each scheduled receivables/sale proceeds from the customers of the property and the period of repayment of said loan is 36 months as per the terms of the loan agreement. The rate of interest applicable on the said loan is linked with HDFC CPLR with negative sped of 350 basis points. The present applicable interest rate is 14.60 %.

(Figures in Indian Currency)

2.04	Other long-term liabilities	As at March 31,			
		2014	2013		
	Trade payables				
	Retention Money	19,917,654	7,828,725		
	Others				
	Security Deposit	50,600,001	50,600,001		
	Rental Deposits	102,010,642	109,946,816		
		<u>152,610,643</u>	<u>160,546,817</u>		
		<u>172,528,297</u>	<u>168,375,543</u>		
2.05	Provisions	Long-term		Short-term	
		As at March 31,		As at March 31,	
		2014	2013	2014	2013
	Provision for employee benefits				
	Provision for gratuity (refer note no. 4.05)	9,570,444	9,285,973	4,107,825	3,946,839
	Provision for bonus	-	-	459,916	360,500
		<u>9,570,444</u>	<u>9,285,973</u>	<u>4,567,741</u>	<u>4,307,339</u>
	Other provisions				
	Proposed equity dividend	-	-	40,500,000	40,500,000
	Provision for tax on proposed equity dividend	-	-	6,882,975	6,570,113
	Provision for Income tax (Net of advance tax)	-	-	5,715,454	1,038,146
	Provision for the Compliance fees	-	-	-	10,112
		<u>-</u>	<u>-</u>	<u>53,098,429</u>	<u>48,118,371</u>
		<u>9,570,444</u>	<u>9,285,973</u>	<u>57,666,170</u>	<u>52,425,710</u>
2.06	Short-term borrowings	As at March 31,			
		2014		2013	
	Loans repayable on demand				
	Secured				
	Catholic Syrian Bank	357,370,937		364,414,699	
	Axis Bank - I	4,374,932		24,799,067	
	Axis Bank - II	18,403,553		49,999,100	
	City Union Bank I	50,594,521		50,725,995	
	City Union Bank II	1,364,911		44,830,401	
	Loans and Advance from Related parties				
	Unsecured	6,453,539		6,453,539	
		<u>6,453,539</u>		<u>6,453,539</u>	
		<u>438,562,393</u>		<u>541,222,800</u>	

(a) Nature of Security for secured borrowings :

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

(Figures in Indian Currency)

2.07 Other current liabilities	As at March 31,	
	2014	2013
Trade payables		
Trade payables	207,170,603	101,680,902
Retention Money	18,113,862	21,865,397
	<u>225,284,465</u>	<u>123,546,299</u>
Other liabilities		
Current maturities of long-term borrowings (refer note no. 2.03)	463,937,115	111,182,567
Advances received from customers	326,335,706	240,775,749
Unclaimed dividend	719,289	719,289
Contractually reimbursable expenses	689,726	2,872,089
Payables on purchase of non current assets	1,259,788	1,253,995
Rental deposits	9,824,062	4,715,320
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	14,905,038	7,316,463
Interest accrued and due on borrowings	2,383,965	-
Others	278,500	304,967
	<u>820,333,188</u>	<u>369,140,439</u>
	<u>1,045,617,653</u>	<u>492,686,739</u>

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 46,39,37,115 (March 31, 2013: Rs.11,11,82,567)

2.08

Tangible Assets	Gross Block				Depreciation			Net Block			
	As at April 1, 2013	Addition	Acquisition	Disposal / Adjustment	As at March 31, 2014	As at April 1, 2013	Acquisition	For the Year	Disposal/ Adjustments	As at March 31, 2014	As at March 31, 2013
Own Assets:											
Land	339,589,184	-	-	-	339,589,184	-	-	-	-	-	339,589,184
Building	38,868,694	-	-	-	38,868,694	2,572,368	-	628,422	-	3,200,790	35,667,904
Plant & Machinery	31,434,056	23,470,516	-	447,597	54,456,975	4,935,535	-	5,858,451	92,068	10,701,918	43,755,057
Electrical Installation	1,673,457	40,280	-	-	1,713,737	1,109,448	-	103,903	-	1,213,352	500,385
Air conditioners	2,064,049	90,585	-	-	2,154,634	1,171,850	-	134,458	-	1,306,308	848,326
Furniture & Fixtures	12,640,007	140,877	-	-	12,780,884	8,468,499	-	756,995	-	9,225,494	3,555,390
Computers	5,367,804	630,040	-	-	5,997,844	4,506,148	-	387,455	-	4,893,603	1,104,241
Office Equipment	2,231,929	50,675	-	-	2,282,604	1,370,948	-	124,554	-	1,495,503	787,101
Vehicles	14,207,418	196,449	-	2,118,758	12,285,109	9,825,447	-	1,095,877	1,850,678	9,070,646	3,214,463
Total	448,076,598	24,619,422	-	2,566,355	470,129,665	33,960,243	-	9,090,115	1,942,746	41,107,613	429,022,052

Assets given on Operating Lease:

Buildings	433,446,294	-	-	-	433,446,294	39,857,735	-	7,162,064	-	47,019,799	386,426,495
Plant & Machinery	54,935,842	-	-	-	54,935,842	25,407,388	-	4,105,526	-	29,512,914	25,422,928
Electrical Installation	43,260,970	-	-	-	43,260,970	24,809,626	-	3,339,693	-	28,149,319	15,111,651
Air Conditioner	36,162,601	-	-	-	36,162,601	16,353,941	-	2,750,971	-	19,104,912	17,057,689
Furniture & Fixtures	6,481,995	-	-	-	6,481,995	4,682,083	-	325,784	-	5,007,867	1,474,128
Office Equipment	183,484	-	-	-	183,484	19,859	-	22,760	-	42,619	140,865
Total	574,471,187	-	-	-	574,471,187	111,130,632	-	17,706,798	-	128,837,430	445,633,757

Total	1,022,547,785	24,619,422	-	2,566,355	1,044,600,852	145,090,875	-	26,796,913	1,942,746	169,945,042	874,655,809
As At March 31, 2013	689,653,964	26,208,640	329,153,923	22,468,742	1,022,547,785	119,915,083	1,739,250	25,448,196	2,011,654	145,090,875	877,456,910

2.09

Intangible Assets	Gross Block				Depreciation			Net Block			
	As at April 1, 2013	Addition	Acquisition	Disposal	As at March 31, 2014	As at April 1, 2013	Acquisition	For the Year	Disposal/ Adjustments	As at March 31, 2014	As at March 31, 2013
Computer software	1,579,383	32,500	-	-	1,611,883	1,318,020	-	147,279	-	1,465,299	146,584
Total	1,579,383	32,500	-	-	1,611,883	1,318,020	-	147,279	-	1,465,299	146,584
As At March 31, 2013	1,579,383	-	-	-	1,579,383	1,123,474	-	194,546	-	1,318,020	455,909

		(Figures in Indian Currency)	
		As at March 31,	
		2014	2013
2.10	Capital Work in Progress		
	Opening Capital Work in Progress	280,036,267	88,902,988
	Addition during the year	9,448,131	191,133,279
	Closing Capital Work in Progress	289,484,397	280,036,267
	Land Cost	22,494,448	22,494,448
	Purchase of material & Construction expenses	67,701,395	58,458,056
	Approval charges	-	-
	Cost of services	16,805,509	16,805,509
	Staff welfare expenses	390,395	390,395
	Travelling and conveyance	7,492,261	7,492,261
	Printing and stationery	40,617	40,617
	Communication expenses	150,378	150,378
	Repairs and maintenance	19,620	19,620
	Business support services	9,728,148	9,728,148
	Interest expenses	49,289,744	49,289,744
	Depreciation	111,484	111,484
	Fringe benefit tax	26,577	26,577
	Professional charges	111,293,984	111,089,192
	Power and fuel	358,267	358,267
	Rates and taxes	539,492	539,492
	Other expenses	3,042,079	3,042,079
	Closing Capital Work in Progress	289,484,398	280,036,267
2.11	Non-current investments		
	Others		
	Unquoted equity instruments		
	28,000 (March 31, 2013: 28,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	3,001,800	3,001,800
		3,001,800	3,001,800
	Aggregate amount of unquoted investments	3,001,800	3,001,800
2.12	Deferred tax assets/ liabilities(net)		
		As at March 31,	
		2014	2013
	Deferred tax liability		
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	2,624,616	1,779,418
	Gross deferred tax liability	2,624,616	1,779,418
	Deferred tax asset		
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	988,528	274,040
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	4,177,185	4,561,589
	Provision for doubtful debts and advances	339,900	324,450
	Unabsorbed business Loss	-	6,487,594
	Others	3,245	3,090
	Gross deferred tax asset	5,508,857	11,650,764
	Net deferred tax asset	2,884,241	9,871,345

(Figures in Indian Currency)

2.13	Loans and Advances	Non-current portion		Current portion	
		As at March 31, 2014	2013	As at March 31, 2014	2013
	Capital advances				
	Unsecured, considered good	462,750	178,800	-	-
	(A)	<u>462,750</u>	<u>178,800</u>	-	-
	Security deposit				
	Unsecured, considered good	31,132,239	50,953,239	23,440,000	2,240,000
	(B)	<u>31,132,239</u>	<u>50,953,239</u>	<u>23,440,000</u>	<u>2,240,000</u>
	Loan and advances to related parties				
	Advance for Land / Purchase of Property	-	-	11,205,507	-
	(C)	-	-	<u>11,205,507</u>	-
	Other loans and advances (Advances recoverable in cash or kind) Unsecured, considered good“				
	Advance for land	-	-	1,350,000	4,100,000
	Advance to suppliers	18,767,102	-	48,518,373	12,972,129
	Advance to contractors	1,636,539	916,693	17,452,216	63,203,983
	Prepaid expenses	-	179,474	1,205,491	1,546,676
	Reimbursement expenses	-	-	3,817,147	5,722,950
	Other advances	100,000	12,016,497	42,690,836	9,047,022
	Doubtful	-	-	1,000,000	1,000,000
		20,503,641	13,112,664	116,034,063	97,592,760
	Provision for doubtful advances	-	-	1,000,000	1,000,000
	(D)	<u>20,503,641</u>	<u>13,112,664</u>	<u>115,034,063</u>	<u>96,592,760</u>
	Advance income-tax (net of provision for taxation)	3,884,594	5,468,216	300,508	952,124
	(E)	<u>3,884,594</u>	<u>5,468,216</u>	<u>300,508</u>	<u>952,124</u>
	Total (A+B+C+D+E)	<u>55,983,224</u>	<u>69,712,919</u>	<u>149,980,078</u>	<u>99,784,884</u>

2.14	Trade Receivables	Non-current portion		Current portion	
		As at March 31, 2014	2013	As at March 31, 2014	2013
	Unsecured, considered good unless stated otherwise				
	Unsecured, considered good	-	3,361,834	33,054,491	29,289,942
		-	<u>3,361,834</u>	<u>33,054,491</u>	<u>29,289,942</u>
	Outstanding for a period exceeding six months from the date they are due for payment	-	3,040,858	16,417,784	17,956,143
	Other receivables	-	320,976	16,636,707	11,333,799
		-	3,361,834	33,054,491	29,289,942
	Total (A+B)	-	<u>3,361,834</u>	<u>33,054,491</u>	<u>29,289,942</u>

(Figures in Indian Currency)

2.15	Other Assets:	Non-current portion		Current portion	
		As at March 31, 2014	2013	As at March 31, 2014	2013
	Unsecured, considered good unless stated otherwise				
	Interest accrued but not due on deposits	-	-	1,950,313	636,104
	Income Tax refund receivables	-	-	34,467	35,107
	Contractually reimbursable expenses	-	-	3,349,608	3,975,412
	Unbilled Revenue	-	-	152,960	940,567
	Deposits with Original Maturity for more than 12 months (2.18)	7,484,000	7,484,000	-	-
		7,484,000	7,484,000	5,487,348	5,587,190
2.16	Current investments			As at March 31,	As at March 31,
				2014	2013
	Current investments(valued at lower of cost and fair value, unless stated otherwise)				
	Unquoted				
	Mutual Funds				
	Investments in Birla Sun Life Savings Fund - Inst.-Daily Div Reinvestment			380,579	5,235,205
	{(March 31, 2014: 3,789.647 units @ Rs. 100.4261 Per unit)				
	(March 31, 2013: 52,302.468 units @ Rs. 100.0948)				
	(Face value of Rs.100 each)}				
	HDFC Cash Management Fund - Treasury Advantage Plan			-	20,266,684
	{(March 31, 2014: Nil) (March 31, 2013: 20,20,304.479 units @ 10.0315 per unit)}				
	Investment in DWS Ultra Short Term Fund			5,926,915	29,295,222
	{(March 31, 2014: 5,91,213.444 units @ 10.0250 per unit)				
	(March 31, 2013: 29,24,287.729 units @ 10.0179 per unit)				
	(Face Value - Rs.10/- each)}			6,307,494	54,797,111
	Aggregate amount of unquoted investments			6,307,494	54,797,111

(Figures in Indian Currency)

2.17 Inventories	Current Portion As at March 31,	
	2014	2013
(a) Constructed premises/ properties held for sale at cost		
Opening constructed premises held for sale	1,500,000	4,250,000
Add: Transfer from construction work in progress	-	-
Add: Purchase cost of properties	-	-
Less: Sale of constructed premises	-	(2,750,000)
Closing stock of unsold constructed premises	1,500,000	1,500,000
(b) Construction materials at Cost		
Opening construction materials	19,986,331	17,426,428
Add: Purchase of materials	488,175,095	249,952,540
Add: Goods in Transit	1,249,624	-
Less: Consumption of materials	461,065,017	247,392,637
Closing construction materials	48,346,033	19,986,331
(c) Closing work in progress at cost (under broad head)		
Land and land related expenses	944,520,922	944,779,389
Material cost	387,467,590	222,607,221
Other construction expenses	453,697,529	253,047,204
Borrowing cost	306,920,728	157,145,247
Approval charges	175,376,135	101,410,987
Professional fee	18,650,437	7,052,267
Power & Fuel	7,199,166	4,890,002
Rates and taxes	7,556,360	1,691,446
Other expenses	25,409,659	11,366,726
	<u>2,326,798,526</u>	<u>1,703,990,490</u>
Total (a+b+c)	2,376,644,559	1,725,476,822
2.18 Cash and Bank Balance		
	Current Portion As at March 31,	
	2014	2013
Cash & Cash Equivalents		
Balances with banks:		
On current accounts	45,935,347	57,342,570
Cash on hand	233,545	138,505
Deposits with original maturity of less than 3 months	25,353,000	3,203,000
	<u>71,521,892</u>	<u>60,684,075</u>
Other Bank Balance		
Deposits with original maturity for more than 12 months (held for guarantee with bank)	7,484,000	7,484,000
Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank & VAT Authority)	5,416,015	5,416,015
Unpaid dividend account (Earmarked)	799,439	800,335
	<u>13,699,454</u>	<u>13,700,350</u>
Less: Amount disclosed under the head 'other non current asset' (refer note no.2.15)	7,484,000	7,484,000
	<u>77,737,346</u>	<u>66,900,425</u>

(Figures in Indian Currency)

3.01	Revenue from operations	Year ended March 31,	
		2014	2013
	Revenue from operations		
	Revenue from real estate development	1,130,732,401	523,294,205
	Contract revenue	15,983,367	43,354,390
	Rental income	133,380,931	133,320,164
	Project management fee	5,146,963	3,364,717
	Maintenance income	69,051,215	69,229,188
	Brokerage income	4,239,132	7,471,055
	Other operating revenues	1,427,798	1,440,477
		1,359,961,807	781,474,196
		<hr/>	<hr/>
3.02	Other Income	Year ended March 31,	
		2014	2013
	Interest Income on		
	Bank Deposits	1,683,965	1,202,937
	Subsidiaries	-	-
	Others	544,173	723,894
	Dividend Income On		
	Current investments		
	Equity Shares with Catholic Syrian Bank	42,000	31,500
	Mutual Funds	2,815,297	8,933,273
	Excess liabilities/provisions no longer required	-	183,434
	Other non - operating income	361,891	550,553
	(net of expenses directly attributable to such income)		
		5,447,326	11,625,591
		<hr/>	<hr/>
3.03	Project development expenses	Year ended March 31,	
		2014	2013
	a) Land and land related expenses	144,911,885	283,669,889
		<hr/>	<hr/>
	b) Cost of Materials and Construction Expenses		
	Purchase of material	489,424,719	249,952,540
	Construction expenses	486,287,731	344,457,908
	Approval charges	113,962,767	123,628,786
	Professional charges	5,669,922	14,479,071
	Power and Fuel	6,910,375	9,046,871
	Rates and taxes	15,183,124	3,644,605
	Other expenses	26,277,667	8,635,354
		1,143,716,304	753,845,135
		<hr/>	<hr/>
	c) Changes in inventories of constructed premises held for sale, work in progress and construction materials		
	Inventory at the beginning of the year		
	Construction materials	19,986,331	17,426,428
	Work in progress	1,703,990,490	963,012,395
	Constructed premises/ properties for sale	1,500,000	4,250,000
	Inventory at the end of the year		
	Construction material	48,346,033	19,986,331
	Work in progress	2,326,798,526	1,703,990,490
	Constructed premises/ properties for sale	1,500,000	1,500,000
	Increase or decrease in inventories	(651,167,738)	(740,787,998)
	Total (a+b+c)	637,460,451	296,727,026
		<hr/>	<hr/>

(Figures in Indian Currency)

3.04 Employee Benefit Expense	Year ended March 31,	
	2014	2013
Salaries, wages and bonus	65,684,342	59,992,000
Contribution to provident and other fund	5,051,065	5,165,206
Gratuity expense (refer note no. 4.05)	628,448	5,818,670
Staff welfare expenses	2,988,728	3,854,490
	74,352,583	74,830,366
3.05 Other Expenses	Year ended March 31,	
	2014	2013
Directors' sitting fees (board meeting)	87,224	100,000
Advertisement and sales promotion	25,078,095	47,284,781
Printing & stationery	1,389,215	1,298,682
Communication costs	1,872,792	1,676,802
Traveling & conveyance	1,308,263	2,095,449
Vehicle maintenance	4,948,855	3,631,426
Rates & taxes	3,019,126	2,556,512
Legal expenses & professional fees	5,954,594	12,585,205
Repairs & maintenance		
- Building	11,947,056	6,437,731
- Plant & Machinery	194,954	236,203
- Others	2,563,406	816,385
Rent	3,820,076	3,936,014
Power and fuel	4,145,839	1,079,050
Insurance	882,182	424,059
Payment to auditors (Refer details below)	2,010,225	1,795,366
Brokerage	807,069	453,357
Loss on sale of fixed assets (net)	-	26,979
Other sundry expenses	3,298,601	4,255,448
	73,327,570	90,689,449
Payment to Auditors	Year ended March 31,	
	2014	2013
As auditor:		
Audit fee	1,950,000	1,633,770
In other Capacity:		
Taxation matters	60,225	73,034
Company law matters	-	88,562
	2,010,225	1,795,366
3.06 Depreciation and amortization expense	Year ended March 31,	
	2014	2013
Depreciation of tangible assets	26,796,913	23,151,232
Amortization of Intangible assets	147,279	194,546
	26,944,192	23,345,777

Note: Out of total amount of depreciation for the year ended 2014, depreciation amounting to Rs. 5,180,577 (March 31 2013: Rs. 22,96,963) has been capitalised as indirect expenses in the construction work in progress for the ongoing projects.

(Figures in Indian Currency)

3.07	Prior Period Items	Year ended March 31,	
		2014	2013
	Prior Period Income		
	Depreciation	-	(34,441)
	Prior Period Expenses		
	Loss on Sale of building	-	3,057,488
		<u>-</u>	<u>3,023,047</u>
3.08	Finance Costs	Year ended March 31,	
		2014	2013
	Interest on borrowings	213,899,395	145,877,268
	Interest on Statutory dues	188,634	-
	Loan Processing, preclosure & other Charges	9,365,656	11,610,475
	Bank Charges & Commission	305,567	157,048
		<u>223,759,252</u>	<u>157,644,791</u>

4.01 Principles of consolidation

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

Name of the subsidiary	Country of incorporation	Voting power held as at "March 31,	
		2014	2013
Lancor Realty Limited	India	100%	100%
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Egatoor Developments Limited	India	100%	100%
Lancor Guduvanchery Developments Limited.	India	100%	100%
Lancor Sriperumbudur Developments Limited	India	100%	100%
Lancor GST Developments Limited	India	100%	100%

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

Name of the partnership firm	Profit sharing percentage	Country of incorporation	Contingent Liabilities as at March 31, 2014	Capital commitments as at March 31, 2014
Central Park West Venture	100%	India	1,002,000	Nil

(Figures in Indian Currency)

4.02 Earnings Per Share (EPS)

Year ended March 31,
2014 2013

Basic earnings per share amounts is calculated by dividing profit for the year attributable to the equity share holders by the weighted average number of equity shares outstanding during the year. As there are no dilutive instruments outstanding, basic and dilutive earning per shares are identical.

Continuing operations & Total operation

Net profit / (loss) for the year from continuing operations	168,351,632	73,784,221
Weighted average number of equity shares	20,250,000	20,250,000
Par value per share	2	2
Earnings per share from continuing operations - Basic and Diluted	8.31	3.64

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

4.03 Details of contract revenue and costs.

Year ended March 31,
2014 2013

Contract revenue recognised during the year	15,983,367	43,354,390
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	14,689,872	43,354,390
Advances received for contracts in progress	-	-
Retention money for contracts in progress	-	255,905
Gross amount due from customers for contract work (asset)	16,671,326	6,455,977
Gross amount due to customers for contract work (liability)	-	-

4.04 Details of Borrowing cost capitalised

Year ended March 31,
2014 2013

Borrowing costs capitalised during the year		
- as part of work in progress for property development	187,760,490	123,014,131
- as part of purchase of residential property	11,205,508	-
	198,965,998	123,014,131

4.05 Gratuity benefit plans

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

- (ii) The present value of the defined benefit obligations and the related current service cost were measured using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.
- (iii) The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(Figures in Indian Currency)

	Gratuity	
	Year ended March 31,	
	2014	2013
Current service cost	1,794,134	840,383
Interest cost on benefit obligation	1,055,745	451,282
Expected return on plan assets	-	-
Net actuarial(gain)/loss recognized in the year	(2,221,432)	4,527,005
Net benefit expense	628,447	5,818,670
Balance sheet		
Benefit asset/liability recognised in the Balance Sheet		
	Gratuity	
	Year ended March 31,	
	2014	2013
Present value of defined benefit obligation	13,678,268	13,196,812
Fair Value of the Plan Assets	-	-
Liability/ (asset) recognised	13,678,268	13,196,812

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

	Gratuity	
	Year ended March 31,	
	2014	2013
Opening defined benefit obligation	13,196,812	5,157,511
Current service cost	1,794,134	840,383
Interest cost	1,055,745	451,282
Liability Transfer in	-	2,331,357
Benefits paid	(146,991)	(110,726)
Actuarial (gains)/losses on obligation	(2,221,432)	4,527,005
Closing defined benefit Obligation	13,678,268	13,196,812

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2014	2013
Discount rate	9.31%	8.00%
Expected rate of return on assets	NA	NA
Employee turnover	8.25%	8.25%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	10%	10%

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

4.06 Leases

Operating lease: Company as lessee

The Company has entered into commercial leases on office building. The lease has a life of five years with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. Rental expenses debited to Statement of profit & loss amounting to Rs 38,20,076 (March 31, 2013: Rs.39,36,014)

Operating lease: Company as lessor

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

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

	Year ended March 31,	
	2014	2013
Rental income credited to statement of profit and loss	133,380,931	133,821,229
Within one year	63,155,084	108,031,612
After one year but not more than five years	43,406,324	179,349,757
More than five years	-	-
	106,561,408	287,381,369

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

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

4.07 Interest in a joint venture

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

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

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2014 (PY : March 31, 2013) are as follows: (before inter Company elimination)

	Year ended March 31,	
	2014	2013
Current assets	1,587,282	1,562,410
Non-current assets	96,638,524	96,426,009
Current liabilities	7,113,856	10,301,089
Non-current liabilities	33,700,000	33,700,000
Revenue from operation	77,214	576,396
Cost of materials and construction expenses	-	-
Changes in inventories of constructed premises for sale, work-in-progress & construction materials	-	-
Finance cost	528	3,568
Other expenses	168,436	1,564,752
Profit/(Loss) before tax	(91,750)	(991,924)
Income-tax expense	-	91,093
Profit after tax	(91,750)	(900,831)

- a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs.1,002,000 for service tax matter.
- b) The Company has not entered in to any capital commitments in relation to its interest in the partnership firm.

4.08 Segment information

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

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

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

Particulars	Period / Year Ended	Property Development	Property Rental	Others	Total
External Revenue	31/3/2014	1,146,715,768	133,380,931	81,294,607	1,361,391,306
	31/3/2013	566,648,595	133,320,164	89,213,168	789,181,927
Inter segment Revenue	31/3/2014	-	-	-	-
	31/3/2013	-	-	-	-
Total Revenue	31/3/2014	1,146,715,768	133,380,931	81,294,607	1,361,391,306
	31/3/2013	566,648,595	133,320,164	89,213,168	789,181,927
Segment Result	31/3/2014	288,285,031	79,524,741	31,749,565	399,559,336
	31/3/2013	226,058,048	73,824,999	43,895,221	343,778,268
Less: Interest	31/3/2014	-	-	-	35,998,761
	31/3/2013	-	-	-	157,644,791
Unallocable Other Expenditure	31/3/2014	-	-	-	87,558,358
	31/3/2013	-	-	-	85,506,906
Add: Unallocable other Income	31/3/2014	-	-	-	4,017,827
	31/3/2013	-	-	-	3,917,861
Profit Before Taxation	31/3/2014				280,020,043
	31/3/2013				104,544,432
Segment Assets	31/3/2014	2,678,148,163	449,712,482	46,850,669	3,174,711,314
	31/3/2013	1,860,308,081	550,455,389	94,574,356	2,505,337,826
Unallocable Assets	31/3/2014	-	-	-	716,185,471
	31/3/2013	-	-	-	735,730,397
Total Assets	31/3/2014				3,890,896,785
	31/3/2013				3,241,068,223
Segment Liabilities	31/3/2014	2,837,709,739	422,675,507	20,742,841	3,281,128,087
	31/3/2013	1,745,115,411	480,048,702	-339,765,311	1,885,398,802
Unallocable Liabilities	31/3/2014	-	-	-	-654,877,233

Particulars	Period / Year Ended	Property Development	Property Rental	Others	Total
	31/3/2013	-	-	-	211,992,147
Total liabilities	31/3/2014				2,626,250,854
	31/3/2013				2,097,390,949
Capital Expenditure					
Segment Capital Expenditure	31/3/2014	23,068,945	-	-	23,068,945
	31/3/2013	-	7,275,003	-	7,275,003
Unallocable Capital Expenditure	31/3/2014	-	-	-	24,651,922
	31/3/2013	-	-	-	18,933,637
Total Capital Expenditure	31/3/2014	23,068,945	-	-	47,720,867
	31/3/2013	-	7,275,003	-	26,208,640
Segment Depreciation	31/3/2014		17,706,798	-	17,706,798
	31/3/2013		18,978,186	-	18,978,186
Unallocable Depreciation	31/3/2014	-	-	-	4,056,816
	31/3/2013	-	-	-	6,664,556
Non cash Expenses other than Depreciation					
Segment Non Cash Expenditure	31/3/2014	-	-	-	-
	31/3/2013	-	-	-	-
Unallocable Non Cash Expenditure	31/3/2014	-	-	-	-
	31/3/2013	-	-	-	-
Total Non cash expenses		-	-	-	-

4.09 Related party disclosures

Names of related parties and related party relationship

Joint Ventures

- a) Central park West Venture

Key Management Personnel (KMP) & relatives

- a) R.V. Shekar
- b) Sangeetha Shekar
- c) Shwetha Shekar
- d) Mallika Ravi

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Year / Period ended	Subsidiary	Key management Personnel	Total
a. Expenditure				
Remuneration paid				
R.V.Shekhar	31/3/2014	-	5,898,615	5,898,615
	31/3/2013	-	5,981,923	5,981,923
Mallika Ravi	31/3/2014	-	5,327,939	5,327,939
	31/3/2013	-	5,218,920	5,218,920
b. Income				
Income from real estate Development				
Sangeetha shekar	31/3/2014	-	3,131,764	3,131,764
	31/3/2013	-	15,515,957	15,515,957
Shwetha shekar	31/3/2014	-	3,131,764	3,131,764
	31/3/2013	-	15,515,957	15,515,957
Mallika Ravi	31/3/2014	-	5,951,943	5,951,943
	31/3/2013	-	5,344,676	5,344,676
c. Advances received towards sale of properties				
Sangeeta shekar	31/3/2014	-	-	-
	31/3/2013	-	1,912,519	1,912,519
Shewatha shekar	31/3/2014	-	-	-
	31/3/2013	-	1,912,519	1,912,519
Mallika Ravi	31/3/2014	-	347,541	347,541
	31/3/2013	-	1,953,105	1,953,105

4.10 Capital and other commitments

	Year ended March 31,	
	2014	2013
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	13,580,747	5,430,400
Intangible assets	150,000	-
Other commitments (specify nature)	-	-
	<u>13,730,747</u>	<u>5,430,400</u>

4.11 Other Current Tax

Other Current tax indicates income tax amounting to Rs. 1,52,67,556 on interest income, which has been eliminated on consolidation as the same was in the nature of unrealized gain. The contra impact of the income was given in the cost of construction work in progress and capial work in progress. No deferred tax assets can be recognised in terms of "Consolidated Financial Statements" (AS 21), though it is in the nature of timing difference at the Group level.

4.12 Contingent liabilities

- a) The Arbitration proceeding on the "Menon Eternity" is still pending. In this regard the Company has made a claim of Rs. 9,98,47,408 while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing the a rejoinder. As per the interim order dated October 20, 2010 of the sole arbitrator the Company has given possession of the area belonging to the land onwers on receipt of

Rs. 4.82 Crores being refundable deposits from them along with the bank guarantee of Rs. 1.66 Crores to the arbitrator. In view of the management, the claims are frivolous and are not sustainable. Accordingly the company does not acknowledge claims of the land owners.

- b) The Company has certain dispute with a lessee which has arisen on termination of lease agreement by the lessee within the lock in period. In terms of the lease agreement the Company has forfeited the deposit amount. The lessee has demanded refund of rental deposit of Rs. 2,18,35,938 along with interest and damages amounting to Rs. 2,55,78,957. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrieved by the order of the single judge, the lessee has filed an appeal before the larger bench and same is pending. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.
- c) Other claims other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 45,04,320 (excluding interest). The Company has furnished a bank guarantee in this regard.
- d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarantee and the matter is pending. In view of the management the increased demand is based revision in the guideline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.
- e) Claims against the Company in respect of the service tax matter not acknowledged as debt amounting to Rs.11,29,547 (March 31, 2013: 12,04,358), against which an amount of Rs.60,000/- has been remitted as pre-deposit as per the direction of CESTAT. During the year an amount of Rs. 74,811 has been remitted to Govt. account as per orders received from Commissioner (Appeals).
- f) The service tax department has raised a demand of Rs. 1,56,10,334 and also a penalty of equal amount on Lancor GST for wrong availment of Cenvat Credit. This demand was raised before acquisition of stake by the Company. The erstwhile holding Company of Lancor GST has undertaken to reimburse to the Company to the extent of Rs. 39,02,584 in the event the Company is made liable to pay the demand. The matter is pending before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.

4.13 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has not received any relevant information from its creditors about their coverage under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). Accordingly no disclosure is made u/s 22 of the Act.

4.14 Previous year figures

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

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants
Firm Reg No.104767 W

Satya Ranjan Dhall
Partner

Date : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

**STATEMENT PURSUANT TO GENERAL EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Sl. No.	Name of the Subsidiary Company'	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	Lancor Maintenance & Services Ltd	INR	25,17,500	6,09,86,864	8,53,08,890	8,53,08,890	73,07,494	7,47,46,998	37,76,367	1,04,24,993	NIL	INDIA
2	Lancor Realty Ltd	INR	5,00,000	2,85,89,621	2,99,84,220	2,99,84,220	NIL	43,34,518	7,37,556	13,19,625	NIL	INDIA
3	Lancor Guduvanchery Developments Ltd	INR	5,00,000	3,61,90,116	68,54,88,136	68,54,88,136	NIL	39,98,91,031	1,81,06,950	5,16,53,571	NIL	INDIA
4	Lancor Sripurumbudur Developments Ltd	INR	5,00,000	(17,48,704)	26,21,90,644	26,21,90,644	NIL	11,69,88,858	60,38,585	1,61,52,264	NIL	INDIA
5	Lancor Egatoor Developments Ltd	INR	5,00,000	(1,96,021)	3,47,766	3,47,766	NIL	NIL	NIL	(73,192)	NIL	INDIA
6	Lancor GST Developments Ltd	INR	96,00,000	11,07,97,981	54,01,07,805	54,01,07,805	NIL	NIL	NIL	(13,97,193)	NIL	INDIA

INDEPENDENT AUDITOR'S REPORT

To the Members of Lancor Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Lancor Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 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

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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

Auditor's Responsibility

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.

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 but not for the purpose of expressing the opinion on the effectiveness of the entity's internal control. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2014
- (b) in the case of the Statement of Profit and Loss, of the Profit 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

1. 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.
2. 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G M Kapadia & Co.,
Chartered Accountants,
Firm's Registration No. 104767W

Satya Ranjan Dhall
Partner
Membership No. 214046

Place of Signature: Chennai

Date: May 14, 2014

Annexure

Re: **Lancor Holdings Limited**

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date, of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets.
- (b) As per the plan and programme of the management certain assets have been physically verified. The programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and no discrepancies were noticed on verification between the physical stocks and books of accounts.
- (iii) (a) The Company has granted unsecured loans to six Companies and one firm covered in the register maintained under Section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated to Rs. 50,52,19,168 (excluding interest) and maximum amount outstanding during the year was Rs. 78,28,33,771.
- (b) According to the information and explanation given to us, the terms & conditions of loans given to the Company concerned in the register maintained under Section 301 of the Act are not prima-facie prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us, and as per the terms and conditions, the Companies are regular in payment of principal and interest. In case of the firm & three companies, as per the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.
- (d) As stated above, in case of Companies, there are no overdue amounts in excess of rupees one lakh and in case of the firm & three companies, as no repayment schedules have been specified, there are no overdue amounts in excess of Rupees one lakh.
- (e) The Company has taken unsecured loan from two Companies covered in the register maintained under section 301 of Companies Act, 1956. The maximum amount involved during the year was Rs. 3,07,63,315 & the year-end balance of such loan taken was Rs. 21,80,050.

- (f) The above referred loans taken were interest free and do not carry any other terms and condition other than repayable on demand. In our opinion, the term and conditions on which loan has been taken from the Company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
- (g) According to the information and explanation given to us and on our perusal of books of account, as no repayment schedule has been specified the question of regularity of the repayment of the principal amount does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) a) Based on the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- b) According to sub clause (v) (b) of clause 4 of the Order, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence there is no question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.
- (vii) The scope of internal audit needs to be broadened to make it commensurate with the size of the Company and nature of the business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to construction and development activity, pursuant to the order made by the Central Government for the maintenance of cost record under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a cost auditor.
- (ix) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty and other material statutory dues as applicable. *With respect to service tax, certain discrepancy has been found relating to timing of its remittance that arises on reverse charge mechanism.*

No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable except for Rs. 206,000 in relation to income tax.

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

- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty or cess and service tax except for interest on service tax and penalty which is under dispute. The Company has filed an appeal before the Custom, Excise and Service Tax Appellate Tribunal (CESTAT) on May 10, 2012.

Sl.No	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount (Rs.)
1.	Finance Act 1994	Penalty & interest on Service Tax	Custom, Excise and Service Tax Appellate Tribunal	Not yet determined.

- (x) The Company has neither accumulated losses nor incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. In view of the same, the clause (x) of clause 4 of the order regarding comparison of the net worth with accumulated losses is not applicable.
- (xi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of its dealings in shares and other investments and timely entries have been made there in. All the investments have been held by the Company in its own name.
- (xv) As informed to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loan has been utilized for the purpose for which it has been raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we are of the opinion that no funds raised on short term basis has been used for long term investment by the Company.

- (xviii) During the year, the Company has not made any preferential allotment of share to parties and Companies covered in the register maintained under section 301 of the Act. Hence reporting whether the price at which shares have been issued are not prejudicial to the interest of the Company is not required.
- (xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.
- (xx) The Company has not raised money by public issue hence the sub clause (xx) of the clause 4 of the Order is not applicable to the Company.
- (xxi) According to the information and explanation given to us by the management and which has been relied by us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For G M Kapadia & Co.,
Chartered Accountants,
Firm's Registration No. 104767W

Satya Ranjan Dhall
Partner
Membership No. 214046

Place : Chennai

Date : May 14, 2014

Balance Sheet as at March 31, 2014

(Figures in Indian Currency)

	Notes	As at March 31	
		2014	2013
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	4,05,00,000	4,05,00,000
Reserves and surplus	2.02	1,04,56,96,910	93,35,12,307
		<u>1,08,61,96,910</u>	<u>97,40,12,307</u>
Non-current liabilities			
Long-term borrowings	2.03	64,78,57,157	77,30,36,709
Trade payables	2.04	69,93,837	71,38,908
Other long-term liabilities	2.04	11,89,10,643	12,68,46,817
Long-term provisions	2.05	77,11,419	74,73,099
		<u>78,14,73,056</u>	<u>91,44,95,533</u>
Current liabilities			
Short-term borrowings	2.06	43,42,88,904	53,47,69,261
Trade payables	2.07	14,83,12,364	8,68,98,221
Other current liabilities	2.07	54,52,97,236	17,64,68,926
Short-term provisions	2.05	5,65,43,412	5,23,72,632
		<u>1,18,44,41,915</u>	<u>85,05,09,041</u>
Total		<u>3,05,21,11,882</u>	<u>2,73,90,16,880</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	55,67,93,340	55,93,18,874
Intangible assets	2.09	93,662	1,54,749
Capital Work-in-Progress	2.12	92,43,339	-
Non-current investments	2.10	2,59,51,451	2,59,51,451
Deferred tax assets (net)	2.11	37,95,966	38,72,647
Long-term loans and advances	2.13	39,17,65,632	41,74,35,179
Other Non Current Assets	2.15	6,72,74,660	2,43,10,777
		<u>1,05,49,18,051</u>	<u>1,03,10,43,677</u>
Current assets			
Inventories	2.16	1,65,23,12,316	1,23,32,19,358
Trade receivables	2.14	2,34,66,765	2,71,82,053
Cash and bank balances	2.17	4,41,57,585	2,05,00,834
Short-term loans and advances	2.13	24,38,16,679	40,21,50,278
Other current assets	2.15	3,34,40,486	2,49,20,680
		<u>1,99,71,93,830</u>	<u>1,70,79,73,203</u>
Total		<u>3,05,21,11,882</u>	<u>2,73,90,16,880</u>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants
Firm Reg No.104767 W

Satya Ranjan Dhall
Partner

Date : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

Statement of Profit & Loss for the year ended March 31, 2014

(Figures in Indian Currency)

	Notes	Year ended March 31,	
		2014	2013
Continuing operations			
Income			
Revenue from operations	3.01	77,98,95,356	70,87,78,444
Share of profit / (loss) from investment in partnership firm	4.06	(91,750)	(9,00,832)
Other income	3.02	8,42,76,144	6,17,82,919
Total Revenue		86,40,79,750	76,96,60,531
Expenses			
Land and land related expenses		14,49,77,660	28,36,69,889
Cost of materials and construction expenses	3.03	55,51,08,226	59,90,30,372
Changes in inventories of constructed premises, work-in-progress & construction material	3.04	(41,90,92,958)	(54,81,31,866)
Employee benefits expense	3.05	6,35,22,186	6,75,57,785
Other expenses	3.06	6,57,59,503	6,22,88,314
Total Expenses		41,02,74,617	46,44,14,494
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)			
		45,38,05,133	30,52,46,037
Depreciation and amortization expense	3.07	2,56,72,650	2,24,68,758
Finance costs	3.08	19,25,38,841	15,29,32,874
Profit/(loss) before Exceptional, Extraordinary items and Tax		23,55,93,642	12,98,44,405
Exceptional items		-	-
Profit / (loss) before Extraordinary items and Tax		23,55,93,642	12,98,44,405
Extraordinary items	-	-	-
Profit / (loss) before tax		23,55,93,642	12,98,44,405
Tax expenses			
Current tax		7,58,51,750	3,73,87,713
Deferred tax	2.11	76,681	(13,65,570)
(Excess) / Short Provision for Tax of earlier years		97,633	(35,107)
Profit / (loss) for the year from continuing operations		15,95,67,578	9,38,57,369
Earnings per equity share (Nominal Value of share Rs. 2 each) Basic & Diluted	4.01		
Computed on the basis of profit from continuing and total operations		7.88	4.63
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For G. M. Kapadia & Co.Chartered Accountants
Firm Reg No.104767 W**Satya Ranjan Dhall**
PartnerDate : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer**K.Srinivasan**
Chief Financial Officer**H.Viswanath**
Company Secretary**R.Sankaranarayanan**
Director**R.V.Shekar**
Managing Director

Cash Flow Statement for the year ended March 31, 2014

(Figures in Indian Currency)

	As at March 31	
	2014	2013
Cash flow from operating activities		
Profit Before Tax from Continuing Operations	235,593,642	129,844,405
Profit Before Tax	235,593,642	129,844,405
Non-cash Adjustment to Profit Before Tax:		
Share of (profit)/loss from investment in partnership firm	91,750	900,832
Depreciation/amortization on continuing operation	25,672,650	22,468,758
Sundry balances written back	-	(183,434)
Provision for Gratuity	518,941	5,089,260
Loss/(profit) on sale of assets	(213,391)	(224,555)
Interest expense	192,538,841	152,932,874
Interest income	(83,872,253)	(56,904,262)
Dividend income	(42,000)	(4,470,668)
Operating profit before working capital changes	370,288,180	249,453,210
Movements in working capital:		
Increase/(decrease) in trade payables	61,269,072	13,417,306
Increase/(decrease) in provisions	(9,478)	23,081
Increase/(decrease) in other liabilities	95,234,175	39,218,287
Decrease/(increase) in trade receivables	3,715,288	(9,121,545)
Decrease/(increase) in inventories	(419,092,958)	(545,834,901)
Decrease/(increase) in loans and advances	181,826,604	(344,301,929)
Decrease/(increase) in other current assets	1,414,051	(10,951,496)
Cash generated from/(used in) operations	294,644,935	(608,097,989)
Direct taxes paid (net of refunds)	(69,993,867)	(36,349,571)
Net cash flow from/(used in) operating activities (A)	224,651,067	(644,447,560)
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(33,236,926)	(22,312,792)
Proceeds from sale of fixed assets	837,000	664,475
Purchase of investments	-	(321,618,982)
Proceeds from sale/maturity of current investments	-	509,429,485
Interest received	30,974,513	56,145,763
Dividends received	42,000	4,470,668
Net cash flow from/(used in) investing activities (B)	(1,383,413)	226,778,616
Cash flow from financing activities		
Proceeds from borrowings	299,586,862	658,697,233
Repayment of borrowings	(259,588,811)	(105,625,282)
Interest paid	(192,538,841)	(152,932,874)
Dividends paid on equity shares	(40,500,000)	(40,500,000)
Tax on equity dividend paid	(6,570,113)	(6,571,125)
Net cash flow from/(used in) in financing activities (C)	(199,610,903)	353,067,952

Cash Flow Statement for the year ended March 31, 2014

(Figures in Indian Currency)

Net increase/(decrease) in cash and cash equivalents (A+B+ C)	23,656,751	(64,600,991)
Cash and cash equivalents at the beginning of the year	20,500,834	83,207,825
Pursuant to merger		
Lancor Projects Limited	-	1,894,000
Cash and cash equivalents at the end of the year	44,157,585	20,500,834
Components of cash and cash equivalents		
Cash on hand	191,800	56,978
Cheques / drafts on hand	-	-
With banks		
on current account	13,912,026	11,939,201
on deposit account	29,254,320	7,704,320
unpaid dividend accounts*	799,439	800,335
Total cash and cash equivalents (Note No.2.17)	44,157,585	20,500,834

Significant accounting policies

1

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

As per our report of even date attached

For G. M. Kapadia & Co.Chartered Accountants
Firm Reg No.104767 W**Satya Ranjan Dhall**
PartnerDate : May 14, 2014
Place: Chennai**CA. Mallika Ravi**
Chief Executive Officer**K.Srinivasan**
Chief Financial Officer**H.Viswanath**
Company Secretary

For and on behalf of the Board of Directors

R.Sankaranarayanan
Director**R.V.Shekar**
Managing Director

Notes to the Financial Statements

1.01 Corporate information

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

1.02 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current – non current classification of assets and liabilities.

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

Summary of significant accounting policies

1.03 Use of estimates

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

1.04 Tangible fixed assets

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

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

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

1.05 Depreciation on tangible fixed assets

Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment of assets, depreciation is provided on the revised carrying amounts of assets over its remaining useful life. The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (WDV) (%)
Office Equipment	13.91
Computers	40.00
Furniture and fixtures	18.10
Vehicles	25.89
Electrical Equipments	18.10
Plant and Machinery	13.91

The depreciation in case of buildings is provided on straight line method at the rate (1.63%) and manner prescribed in Schedule XIV to the Companies Act, 1956

Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

1.06 Intangible assets

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

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

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

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

	No. of Years
Computer Software	5

1.07 Leases

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

Where the Company is lessee- Operating Lease

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

Where the Company is the lessor- Operating Lease

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

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

1.08 Borrowing costs

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

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. Where borrowings are specifically for obtaining a qualifying asset for developments, the amounts capitalised is borrowing cost incurred on those borrowings less any income on temporary investment of those borrowings.

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

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

1.09 Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.10 Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.11 Inventories

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

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

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

1.12 Revenue recognition

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

Income from services

Revenue from real estate projects under development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property and is accounted on percentage completion method. Sales consideration includes the aggregate amounts of the sales price of the land and the development consideration as per the agreements entered into with the buyer and is recognised as a percentage of the construction cost incurred for work performed upto the reporting date bear to the estimated construction cost of the project. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The expenditure incurred is accumulated under the head work-in-progress and collections are accumulated and carried forward under the head advance received from customers.

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

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

Interest

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

Dividends

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

1.13 Foreign currency translation**Foreign currency transactions and balances**Initial recognition

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

Exchange differences

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

1.14 Employee benefitsa) Defined Contribution Plan

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

b) Defined Benefit Plan

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

c) Short Term Employee Benefit

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

1.15 Income taxes

- a) Provision for current tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods
- c) Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the statement of profit & loss in the period of enactment of the change.
- d) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

1.16 Earnings Per Share

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

1.17 Provisions

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

1.18 Contingent liabilities & Contingent Assets

- a) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of
 - i. a probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of out flow of resources is remote.
- b) Contingent Assets are neither recognised nor disclosed

1.19 Cash and cash equivalents

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

1.20 Measurement of EBITDA

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

Notes to the Financial Statements

(Figures in Indian Currency)

2.01 Share Capital	As at March 31,	
	2014	2013
Authorized shares		
7,50,00,000 (March 31, 2013: 7,50,00,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, subscribed & fully paid up equity shares		
2,02,50,000 (March 31, 2013: 2,02,50,000) equity shares of Rs.2/- each (fully paid up)	40,500,000	40,500,000
Total issued, subscribed and fully paid-up share capital	40,500,000	40,500,000

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

Equity shares	As at March 31			
	2014		2013	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	20,250,000	40,500,000	20,250,000	40,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>20,250,000</u>	<u>40,500,000</u>	<u>20,250,000</u>	<u>40,500,000</u>

b. Rights, preference and restrictions attached to shares:

Equity Shares

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

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

During the year March 31, 2014, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2013: Rs.2).

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

	As at March 31,			
	2014		2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid				
R.V.Shekar	5,911,607	29.19%	5,911,607	29.19%
Shyamala Shekar	3,905,575	19.29%	3,905,575	19.29%
G Corp Projects Pvt Ltd	2,900,000	14.32%	2,900,000	14.32%
Sangeetha Shekar	1,376,850	6.80%	1,376,850	6.80%
Shwetha Shekhar	1,376,800	6.80%	1,376,800	6.80%

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

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

(Figures in Indian Currency)

2.02 Reserves and surplus	As at March 31,	
	2014	2013
General reserve		
Balance as at the beginning of the year	162,575,938	153,090,201
Add: amount transferred from surplus balance in the statement of profit and loss	15,956,758	9,385,737
Add: Pursuant to amalgamation with Lancor Projects Limited	-	100,000
Balance at the end of the year	178,532,696	162,575,938
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	770,936,369	707,989,090
Profit for the year	159,567,578	93,857,369
Add: Pursuant to amalgamation with Lancor Projects Limited	-	25,545,760
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,882,975	6,570,113
Transfer to general reserve	15,956,758	9,385,737
Total appropriations	63,339,733	56,455,850
Net surplus in the statement of profit and loss	867,164,215	770,936,369
Total reserves and surplus	1,045,696,910	933,512,307

2.03 Long-term borrowings	Non-current portion		current portion	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	243,152,604	311,538,059	67,688,199	54,059,507
Catholic Syrian Bank- Term Loan II (Machinery)	-	-	962,284	-
Catholic Syrian Bank- Term Loan III (Vehicle)	-	-	869	28,768
Axis Bank-Term Loan -I	99,115,444	147,603,833	63,154,719	-
Axis Bank-Term Loan- II	100,552,091	74,099,811	64,070,130	-
City Union Bank Ltd - Term Loan I	55,037,018	70,720,006	18,759,182	16,725,766
From Financial Institutions				
Axis Finance Limited-Term Loan- I	150,000,000	-	-	-
HDFC- Term loan I (Vehicle)	-	-	-	368,526
HDFC- Term loan II	-	169,075,000	122,205,145	-
	647,857,157	773,036,709	336,840,528	71,182,567
Amount disclosed under the head other current liabilities (refer note no. 2.07)	-	-	336,840,528	71,182,567
Net amount	647,857,157	773,036,709	-	-

The above amount includes aggregate amount of secured borrowings Rs.64,78,57,157 (March 31, 2013: Rs.77,30,36,709/-)

(b) Nature of Security and terms of repayment for secured borrowings :

Nature of Security	Terms of Repayment
i. Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company.	The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal montly instalments of Rs. 77,34,981 (with 6% increase in montly installments per annum) as per the terms of the loan agreement. The present applicable rate is 13.75%
ii. Term loan II (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortgagge of land and building owned by the Company.	The loan is repayable in 60 equal monthly installments amounting to Rs.7,92,000 from the date December 2011. The applicable rate of interest is 15.25% per annum.
iii. Term loan III (Vehicle) from Catholic Syrian Bank Limited is secured by hypothecation of motor car as per the hypothecation agreement.	The total amount of loan sanctioned to the Company is amounting to Rs. 33,87,000. The loan is repayable in 60 equal monthly installments amounting to Rs. 77,500 from the date December, 2011. The applicable rate of interest is 12.50% per annum.
iv. Term Loan I from Axis Bank Limited is secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).	The loan is repayable in 30 equal monthly instalments, after principal repayment moratorium of 18 months from August 2012. The applicable rate of interest is 14.00% per annum.i.e base rate @ 10.25% + 3.75%.
v. Term Loan II from Axis Bank Limited is secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at "The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).	The loan sanctioned to the Company is amounting to Rs. 19 crores. The loan is repayable by 30 equal monthly instalment, after principal repayment moratorium of 18 months from August 2012.The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%.
vi. Term Loan I from City Union Bank Limited is secured by mortgagge of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.	The loan sanctioned to the Company amounting to Rs. 10 crore is repayable in 60 equated monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e base rate @ 10.75% + 3.25%.

Nature of Security	Terms of Repayment
vii. The Term Loan I from Axis Finance Limited is secured by way of a) Exclusive 1st charge by way of registered mortgage on 5.17 acres of non agricultural land at sholinganallur, chennai including project land admeasuring 2.14 acres and all development, present and future over the project land. b) Exclusive 1st charge by way of registered mortgage of 27 cents of non agricultural land at sholinganallur, Chennai situated adjacent to the project land. c) Exclusive charge on current assets of the project including customer receivables and all other cash flows, both present and future, entered into with various customers/obligors of the borrower	The loan is repayable in 8 equal quarterly instalments, after an initial moratorium period of 24 months from the 1st disbursement of the loan. The applicable rate of interest is 14.50% per annum payable monthly.
viii. Term Loan I (Vehicle) from HDFC Limited is secured by hypothecation of motor cars under the hypothecation agreement.	The loan is repayable in 60 equal monthly installments amounting to Rs. 33,507 from April 5, 2009. The present applicable rate of interest is 11.25% per annum.
ix. Term Loan II from HDFC Limited is secured by mortgagage of plot of land owned by the Company measuring 28.87 acres at Sriperumbudur.	The loan is repayable in nine equal installments at 2.5 crores from the end of 25th month of the date of first disbursement of the loan on March 31, 2012. The applicable rate of interest is 14.60% per annum plus/minus 275 basis points.

(Figures in Indian Currency)

2.04 Other long-term liabilities	As at March 31,			
	2014	2013		
Trade payables				
Retention Money	6,993,837	7,138,908		
	<u>6,993,837</u>	<u>7,138,908</u>		
Others				
Rental deposits	102,010,642	109,946,816		
Security Deposit	16,900,001	16,900,001		
	<u>118,910,643</u>	<u>126,846,817</u>		
	<u>125,904,480</u>	<u>133,985,726</u>		
2.05 Provisions	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Provision for employee benefits				
Provision for gratuity (refer note no. 4.05)	7,711,419	7,473,099	4,099,605	3,903,878
Provision for bonus	-	-	435,916	360,500
	<u>7,711,419</u>	<u>7,473,099</u>	<u>4,535,521</u>	<u>4,264,378</u>
Other provisions				
Provision for Taxation	-	-	4,624,916	1,038,142
Proposed equity dividend	-	-	40,500,000	40,500,000
Provision for tax on proposed equity dividend	-	-	6,882,975	6,570,113
	<u>-</u>	<u>-</u>	<u>52,007,891</u>	<u>48,108,255</u>
	<u>7,711,419</u>	<u>7,473,099</u>	<u>56,543,412</u>	<u>52,372,633</u>

2.06 Short-term borrowings	As at March 31,	
	2014	2013
Loans repayable on demand		
Secured		
From Banks		
Catholic Syrian Bank	357,370,937	364,414,699
Axis Bank I	4,374,932	24,799,067
Axis Bank II	18,403,553	49,999,100
City Union Bank I	50,594,521	50,725,995
City Union Bank II	1,364,911	44,830,401
Loans and Advance from Related parties		
Unsecured	2,180,050	-
	434,288,904	534,769,261

(a) Nature of Security for secured borrowings :

Nature of Borrowing	Nature of Security
i Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited	Secured by equitable mortgage of premises owned by the Company in the building "Westminster" and "Citi Tower"
ii The Overdraft from Axis bank I amounting to Rs.3.00 crore, is repayable in 48 months from August 2012.	Secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).
iii The Overdraft from Axis Bank II sanctioned to the Company amounting to Rs. 5.00 crore, is repayable in 48 months from August 2012. The applicable rate of interest is 13.75% per annum.i.e base rate @ 10% + 3.75%.	Secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at " The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).
iv The Overdraft from City Union Bank Limited sanctioned to the Company amounting to Rs. 5 crore bears interest at 14% per annum.i.e base rate @ 10.75% + 3.25%.	Secured by mortgage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

Nature of Borrowing

- v Term Loan II from City Union Bank Limited is secured by mortgage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company and 4) Land measuring 3.56 acres situated at Sriperumbudur village.owned by Lancor Sriperumbudur Developments Limited, subsidiary of Lancor Holdings limited.

- vi Loan from Lancor Maintenance & Services Limited (related party) is without interest and is an unsecured loan.

Nature of Security

The loan is repayable in 8 equal quarterly installments of Rs. 62.50 lac from April, 2014. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%.

The loan is to be repayable on demand.

(Figures in Indian Currency)

2.07 Other current liabilities	As at March 31,	
	2014	2013
Trade payables		
Trade payables	134,391,546	71,712,583
Retention money	13,920,818	15,185,638
	<u>148,312,364</u>	<u>86,898,221</u>
Other liabilities		
Current maturities of long-term borrowings (refer note no. 2.03)	336,840,528	71,182,567
Advances received from customers	191,819,202	95,566,927
Unclaimed dividend	719,289	719,289
Contractually reimbursable expenses	310,870	613,336
Payables on purchase of non current assets	1,259,788	1,253,995
Rental deposits	9,492,320	4,504,320
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	4,576,739	2,323,527
Others	278,500	304,965
	<u>545,297,236</u>	<u>176,468,926</u>
	<u>693,609,599</u>	<u>263,367,147</u>

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs.33,68,40,528 (March 31, 2013: Rs.7,11,82,567)

2.08	Tangible Assets	Gross Block					Depreciation			Net Block		
		As at April 1, 2013	Addition	Disposal / Adjustment	Amalgamation	As at March 31, 2014	As at April 1, 2013	For the Year	Disposal/ Adjustments	As at March 31, 2014	As at March 31, 2013	
	Own Assets:											
	Land	56,282,736	-	-	-	56,282,736	-	-	-	-	56,282,736	56,282,736
	Building	6,056,562	-	-	-	6,056,562	768,743	109,754	-	878,497	5,178,064	5,287,819
	Plant & Machinery	26,518,549	22,763,978	447,597	-	48,834,930	3,218,322	5,361,602	92,068	8,487,856	40,347,074	23,300,227
	Electrical Installation	1,666,172	40,280	-	-	1,706,452	1,102,162	103,903	-	1,206,065	500,387	564,010
	Air conditioners	2,331,313	90,585	-	-	2,421,898	1,407,387	134,458	-	1,541,845	880,053	923,926
	Furniture & Fixtures	12,605,109	140,877	-	-	12,745,986	8,437,422	756,304	-	9,193,726	3,552,260	4,167,687
	Computers	4,805,861	590,740	-	-	5,396,601	4,081,468	323,033	-	4,404,501	992,100	724,393
	Office Equipment	1,882,051	50,675	-	-	1,932,726	1,129,570	109,462	-	1,239,032	693,694	752,481
	Vehicles	13,428,721	-	2,118,758	-	11,309,963	9,421,953	973,748	1,850,678	8,545,022	2,764,941	4,006,768
	Total	125,577,074	23,677,135	2,566,355	-	146,687,854	29,567,027	7,872,264	1,942,746	35,496,545	111,191,308	96,010,047
	Assets given on Operating Lease:											
	Buildings	433,446,294	-	-	-	433,446,294	39,857,734	7,162,064	-	47,019,798	386,426,496	393,588,560
	Plant & Machinery	54,935,842	-	-	-	54,935,842	25,407,387	4,105,526	-	29,512,913	25,422,929	29,528,454
	Electrical Installation	43,260,970	-	-	-	43,260,970	24,809,626	3,339,693	-	28,149,319	15,111,651	18,451,344
	Air Conditioner	35,891,442	-	-	-	35,891,442	16,114,509	2,750,971	-	18,865,480	17,025,962	19,776,933
	Furniture & Fixtures	6,481,995	-	-	-	6,481,995	4,682,083	325,784	-	5,007,867	1,474,128	1,799,912
	Office Equipment	183,484	-	-	-	183,484	19,859	22,760	-	42,619	140,865	163,625
	Total	574,200,027	-	-	-	574,200,027	110,891,198	17,706,799	-	128,597,995	445,602,032	463,308,827
	Total	699,777,101	23,677,135	2,566,355	-	720,887,881	140,458,225	25,579,063	1,942,746	164,094,540	556,793,340	559,318,874
	As At March 31, 2013	674,190,314	22,558,843	2,169,589	5,197,533	699,777,101	114,393,468	3,119,043	24,675,383	1,729,669	440,582,225	559,318,873
	As At March 31, 2014	674,190,314	22,558,843	2,169,589	5,197,533	699,777,101	114,393,468	3,119,043	24,675,383	1,729,669	440,582,225	559,318,873

Note: Out of total amount of depreciation for the year ended 2014, depreciation amount Rs.51,80,577 (March 31, 2013 : Rs.22,96,963) has been capitalised as indirect expenses in the construction work in progress the ongoing projects

2.09	Intangible Assets	Gross Block			Amortisation			Net Block				
		As at April 1, 2013	Addition	Disposal	Amalgamation	As at March 31, 2014	For the Year	Disposal/ Adjustments	As at March 31, 2014	As at March 31, 2013		
	Computer software	1,059,647	32,500	-	-	1,092,147	904,898	93,587	-	998,485	93,662	154,749
	Total	1,059,647	32,500	-	-	1,092,147	904,898	93,587	-	998,485	93,662	154,749
	As At March 31, 2013	776,408	-	-	283,239	595,735	218,826	90,337	-	904,898	154,749	180,673

		(Figures in Indian Currency)	
		As at March 31,	
		2014	2013
2.10	Non-current investments		
	Trade investments (valued at cost)		
	Unquoted equity instruments		
	Investment in subsidiaries		
	50,000 Equity shares (March 31, 2013: 50,000) of Rs. 10 each fully paid up in Lancor Guduvanchery Developments Ltd	500,000	500,000
	50,000 Equity shares (March 31, 2013: 50,000) of Rs. 10 each fully paid up in Lancor Egatoor Developments Ltd	500,000	500,000
	50,000 Equity shares (March 31, 2013: 50,000) of Rs. 10 each fully paid up in Lancor Sriperumbudur Developments Ltd	500,000	500,000
	96,000 Equity shares (March 31, 2013: 96,000) of Rs. 10 each fully paid up in Lancor GST Developments Limited	849,651	849,651
	Others		
	Investment in Capital of partnership firm Central Park West Venture	20,000,000	20,000,000
		22,349,651	22,349,651
	Other investments (valued at cost)		
	Unquoted Equity Instruments		
	Investment in subsidiaries		
	2,50,000 Equity shares (March 31, 2013: 2,50,000) of Rs. 10 each fully paid up in Lancor Maintenance & Services Limited	100,000	100,000
	50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Projects Limited	-	-
	50,000 Equity shares (March 31, 2013: 50,000) of Rs. 10 each fully paid up in Lancor Realty Limited	500,000	500,000
	Others		
	28,000 (March 31, 2013: 28,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	3,001,800	3,001,800
		3,601,800	3,601,800
	Aggregate amount of unquoted investments	25,951,451	25,951,451
	Investments in partnership firm (Central Park West Venture)	As at March 31,	
		2014	2013
	Name of the partner and share in profits(%)		
	Lancor Holdings Limited	100	100
	Lancor Maintenance & Services Limited	-	-
	Clasic Farms (Chennai) Limited	-	-
	Total capital of the firm	41,000,000	41,000,000

Note: As per the deed of partnership, the Clasic Farms (Chennai) Limited and Lancor Maintenance & Services Limited had guaranteed profits in the projects that were under development. On completion of the said projects, the partners other than Lancor Holdings Limited (the Company) do not have any interest in the profit/loss of the entity.

(Figures in Indian Currency)

2.11	Deferred tax assets/ liabilities(net)	As at March 31,			
		2014	2013		
	Deferred tax liability				
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	489,444	119,525		
	Others	-	-		
	Gross deferred tax liability	489,444	119,525		
	Deferred tax asset				
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	3,945,510	3,667,722		
	Provision for doubtful debts and advances	339,900	324,450		
	Gross deferred tax asset	4,285,410	3,992,172		
	Net deferred tax asset	3,795,966	3,872,647		
2.12	Capital Work-in-Progress	As at March 31,			
		2014	2013		
	Opening Capital Work In Progress	-	-		
	Addition During the Year	9,243,339	-		
	Closing Capital Work In Progress	9,243,339	-		
	Material cost	2,872,880	-		
	Other construction expenses	6,370,459	-		
		9,243,339	-		
2.13	Loans and Advances	Non-current portion		Current portion	
		As at March 31,		As at March 31,	
		2014	2013	2014	2013
	Capital advances				
	Unsecured, considered good	460,750	176,800	-	-
	(A)	460,750	176,800	-	-
	Security deposit				
	Unsecured, considered good	30,560,452	50,381,452	23,440,000	2,240,000
	(B)	30,560,452	50,381,452	23,440,000	2,240,000
	Loan and advances to related parties (refer note no. 4.08)				
	Unsecured, considered good	356,571,731	349,469,911	148,647,437	331,002,275
	(C)	356,571,731	349,469,911	148,647,437	331,002,275

(Figures in Indian Currency)

	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Other loans and advances (Advances recoverable in cash or kind)				
Unsecured, considered good				
Advance for land	-	-	1,350,000	4,100,000
Advance to suppliers	-	-	15,823,346	12,972,129
Advance to contractors	1,636,539	916,693	17,277,216	43,183,281
Prepaid expenses	-	179,474	1,035,797	1,462,622
Other advances	-	11,916,497	36,193,975	6,630,514
Doubtful	-	-	1,000,000	1,000,000
	<u>1,636,539</u>	<u>13,012,664</u>	<u>72,680,334</u>	<u>69,348,545</u>
Provision for doubtful advances	-	-	1,000,000	1,000,000
	(D) <u>1,636,539</u>	<u>13,012,664</u>	<u>71,680,334</u>	<u>68,348,545</u>
Advance income-tax (net of provision for taxation)	2,536,160	4,394,352	48,908	559,458
	(E) <u>2,536,160</u>	<u>4,394,352</u>	<u>48,908</u>	<u>559,458</u>
Total (A+B+C+D+E)	<u>391,765,632</u>	<u>417,435,179</u>	<u>243,816,679</u>	<u>402,150,278</u>

2.14 Trade Receivables

	current portion	
	As at March 31,	
	2014	2013
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	23,466,765	27,182,053
	<u>23,466,765</u>	<u>27,182,053</u>
Outstanding for a period exceeding six months from the date they are due for payment	10,200,579	16,505,410
Other receivables	13,266,186	10,676,643
	<u>23,466,765</u>	<u>27,182,053</u>

2.15 Other Assets:

	Non-current portion		current portion	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Unsecured, considered good unless stated otherwise				
Interest accrued but not due on advances	59,790,660	16,826,777	28,031,732	19,333,490
Interest accrued but not due on deposits	-	-	1,871,719	636,104
Income Tax refund receivables	-	-	34,467	35,107
Contractually reimbursable expenses	-	-	3,349,608	3,975,412
Unbilled Revenue	-	-	152,960	940,567
Deposits with Original Maturity for more than 12 months (refer note no.2.17)	7,484,000	7,484,000	-	-
	<u>67,274,660</u>	<u>24,310,777</u>	<u>33,440,486</u>	<u>24,920,680</u>

(Figures in Indian Currency)

2.16 Inventories	Current portion	
	As at March 31,	
	2014	2013
(a) Constructed premises held for sale at cost		
Opening constructed premises held for sale	1,500,000	4,250,000
Add: Transfer from construction work in progress	-	-
Less: Sale of constructed premises	-	(2,750,000)
Closing stock of unsold constructed premises	1,500,000	1,500,000
(b) Construction materials at Cost		
Opening construction materials	15,278,066	16,540,520
Add: Purchase of materials	227,766,663	192,076,713
Less: Consumption of materials	221,638,998	193,339,167
Closing construction materials	21,405,731	15,278,066
(c) Closing work in progress at cost (under broad head)		
Land and land related expenses	738,334,913	702,077,404
Material cost	242,699,389	165,578,044
Other construction expenses	245,065,071	166,756,349
Borrowing cost	217,688,265	93,710,442
Approval charges	149,109,818	74,326,283
Professional fee	18,650,437	7,052,267
Power & Fuel	4,642,113	3,637,566
Rates and taxes	1,993,125	1,305,053
Other expenses	11,223,454	1,997,883
	1,629,406,585	1,216,441,292
Total (a+b+c)	1,652,312,316	1,233,219,358
2.17 Cash and Bank Balance		
	Current portion	
	As at March 31,	
	2014	2013
Cash & Cash Equivalents		
Balances with banks:		
On current accounts	13,912,026	11,939,201
On fixed deposit	24,750,000	3,200,000
Cash on hand	191,800	56,978
	38,853,826	15,196,179
Other Bank Balance		
Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank)	4,504,320	4,504,320
Deposits with original maturity for more than 12 months (held for guarantee with bank)	7,484,000	7,484,000
Unpaid dividend account (Earmarked)	799,439	800,335
	12,787,759	12,788,655
Less: Amount disclosed under the head 'other non current asset' (refer note no.2.14)	7,484,000	7,484,000
	44,157,585	20,500,834

(Figures in Indian Currency)

3.01	Revenue from operations	Year ended March 31,	
		2014	2013
Revenue from operations			
	Revenue from real estate development	613,911,302	522,204,205
	Rental income	132,776,291	133,320,164
	Project management fee	5,146,963	3,364,717
	Employee Deputation charges	12,077,433	6,534,968
	Contract revenue	15,983,367	43,354,390
		779,895,356	708,778,444
3.02 Other Income			
		Year ended March 31,	
		2014	2013
Interest income on			
	Bank deposits	1,547,961	1,104,612
	Subsidiaries	81,780,119	55,649,180
	Others	544,173	150,470
Dividend income on			
	Current investments		
	Equity Shares with Catholic Syrian Bank	42,000	4,470,668
	Trade payables written back	-	183,434
	Other non - operating income (net of expenses directly attributable to such income)	361,891	224,555
		84,276,144	61,782,919
3.03 Cost of Materials and Construction Expenses			
		Year ended March 31,	
		2014	2013
	Purchase of materials	227,766,663	192,076,713
	Construction expenses	202,742,047	284,013,278
	Approval charges	104,724,863	96,717,211
	Professional charges	5,669,922	14,479,071
	Power and Fuel	3,671,173	7,807,835
	Rates and taxes	1,803,136	3,274,110
	Other expenses	8,730,423	662,154
		555,108,226	599,030,372

(Figures in Indian Currency)

3.04	Changes in Inventories of constructed premises held for sale, work in progress and construction material	Year ended March 31,	
		2014	2013
Inventory at the beginning of the year			
	Construction materials	15,278,066	16,540,520
	Work in progress	1,216,441,292	664,296,972
	Constructed premises for sale	1,500,000	4,250,000
Inventory at the end of the year			
	Construction materials	21,405,731	15,278,066
	Work in progress	1,629,406,585	1,216,441,292
	Constructed premises for sale	1,500,000	1,500,000
	Increase / (decrease) in inventories	(419,092,958)	(548,131,866)
<hr/>			
3.05	Employee Benefits Expense	Year ended March 31,	
		2014	2013
	Salaries, wages and bonus	56,187,746	55,242,324
	Contribution to provident and other fund	4,340,272	4,286,092
	Gratuity expense (refer note no. 4.04)	518,941	5,089,260
	Staff welfare expenses	2,475,227	2,940,109
		63,522,186	67,557,785
<hr/>			
3.06	Other Expenses	Year ended March 31,	
		2014	2013
	Directors' sitting fees	65,000	80,000
	Advertisement and sales promotion	19,777,856	24,036,752
	Printing & stationery	1,252,316	1,143,380
	Communication costs	1,472,579	1,305,300
	Traveling & conveyance	1,122,350	1,466,419
	Vehicle maintenance	4,796,076	3,435,262
	Rates & taxes	2,683,592	2,413,705
	Legal expenses & professional fees	5,487,752	10,654,203
	Repairs & maintenance		
	- Building	12,751,116	5,540,891
	- Plant & Machinery	194,954	236,203
	- Others	2,499,595	951,459
	Rent	3,820,076	3,936,014
	Power and fuel	3,986,569	938,658
	Insurance	833,881	401,165
	Payment to auditors (refer details below)	1,215,000	1,144,746
	Brokerage	744,562	453,357
	Other sundry expenses	3,056,231	4,150,801
		65,759,503	62,288,314

(Figures in Indian Currency)

Other Expenses	Year ended March 31,	
	2014	2013
As auditor:		
Audit fee	1,215,000	1,095,510
In other Capacity:		
Company law matters	-	49,236
	<u>1,215,000</u>	<u>1,144,746</u>
3.07 Depreciation and amortization expense	Year ended March 31,	
	2014	2013
Depreciation of tangible assets	25,579,063	22,378,422
Amortisation of Intangible assets	93,587	90,337
	<u>25,672,650</u>	<u>22,468,758</u>
3.08 Finance Costs	Year ended March 31,	
	2014	2013
Interest on borrowings	186,836,127	143,426,777
Interest to others	188,634	-
Loan processing, preclosure & other charges	5,291,466	9,363,275
Bank charges & commission	222,614	142,822
	<u>192,538,841</u>	<u>152,932,874</u>
4.01 Earnings Per Share (EPS)	Year ended March 31,	
	2014	2013
Basic earning per share amounts is calculated by dividing profit for the year attributable to the equity share holders by the weighted average number of equity share outstanding during the year. As there are no dilutive instruments outstanding, basic and dilutive earning per shares are identical.		
Continuing operations & Total operation		
Net profit / (loss) for the year from continuing operations	159,567,578	93,857,369
Weighted average number of equity shares	20,250,000	20,250,000
Par value per share	2	2
Earnings per share from continuing operations - Basic and Diluted	7.88	4.63

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

(Figures in Indian Currency)

4.02 Details of contract revenue and costs	Year ended March 31,	
	2014	2013
Contract revenue recognised during the year	15,983,367	43,354,390
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	14689872	43,354,390
Advances received for contracts in progress	-	-
Retention money for contracts in progress	-	255,905
Gross amount due from customers for contract work (asset)	16,671,326	6,455,977
Gross amount due to customers for contract work (liability)	-	-

4.03 Details of Borrowing cost capitalised	Year ended March 31,	
	2014	2013
Borrowing costs capitalised during the year		
- as part of work in progress for residential property development	146,066,293	87,836,645
	<u>146,066,293</u>	<u>87,836,645</u>

4.04 Gratuity benefit plans

- (i) The Company has one defined benefit plan with respect to gratuity for its employees. Under the gratuity plan, every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972 and the same is payable at the time of separation from the Company or retirement whichever ever is earlier.
- (ii) The present value of the defined benefit obligations and the related current service cost were measured using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.
- (iii) The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity	
	Year ended March 31,	
	2014	2013
Current service cost	1,348,912	557,695
Interest cost on benefit obligation	910,158	354,768
Expected return on plan assets	-	-
Net actuarial(gain)/loss recognized in the year	(1,740,130)	4,176,797
Net benefit expense	<u>518,940</u>	<u>5,089,260</u>

(Figures in Indian Currency)

Balance sheet

Benefit asset/liability recognised in the Balance Sheet

	Gratuity	
	Year ended March 31,	
	2014	2013
Present value of defined benefit obligation	11,811,023	11,376,977
Fair Value of the Plan Assets	-	-
Liability/(asset) recognised	11,811,023	11,376,977

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

	Gratuity	
	Year ended March 31,	
	2014	2013
Opening defined benefit obligation	11,376,977	4,054,495
Current service cost	1,348,912	557,695
Interest cost	910,158	354,768
Liability Transfer in	-	2,331,357
Benefits paid	(84,894)	(98,135)
Actuarial (gains)/losses on obligation	(1,740,130)	4,176,797
Closing defined benefit Obligation	11,811,023	11,376,977

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2014	2013
Discount rate	9.31%	8.00%
Expected rate of return on assets	NA	NA
Employee turnover	8.25%	8.25%
Mortality	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Salary Escalation	10%	10%

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

4.05 Leases

Operating lease: Company as lessee

The Company has entered into commercial leases on office building. The lease has a life of five years with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. Rental expenses debited to Statement of profit & loss amounting to Rs 38,20,076 (March 31, 2013: Rs.39,36,014)

Operating lease: Company as lessor

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

(Figures in Indian Currency)

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

	Year ended March 31,	
	2014	2013
Rental income credited to statement of profit and loss	132,776,291	133,320,164
Within one year	62,901,892	107,741,562
After one year but not more than five years	43,222,094	179,089,877
More than five years	-	-
	<u>106,123,986</u>	<u>286,831,439</u>

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

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

4.06 Interest in a joint venture

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

The Company holds 100% interest in Central Park West Venture(firm), a jointly controlled entity which is involved in construction and sale of residential properties.

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2014 (March 31, 2013) are as follows: (before inter Company elimination)

(Figures in Indian Currency)

	Year ended March 31,	
	2014	2013
Current assets	1,587,282	1,562,410
Non-current assets	96,638,525	96,426,009
Current liabilities	7,113,856	10,301,089
Non-current liabilities	33,700,000	33,700,000
Revenue from operation	77,214	576,396
Cost of Materials and Construction expenses	-	-
Changes in inventories of constructed premises, work-in-progress & construction materials	-	-
Finance cost	528	3,568
Other expenses	168,436	1,564,752
Profit before tax	(91,750)	(991,924)
Income-tax expense	-	91,093
Profit/(loss) after tax	(91,750)	(900,831)

- The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,000.
- The Company has not entered in to any capital commitments in relation to its interest in the partnership firm.

4.07 Segment information

As permitted by paragraph 4 of Accounting Standard -17 (AS 17), 'Segment Reporting', as prescribed in the Companies Accounting Standard Rules, 2006 if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Therefore disclosures required by AS 17 are given in the consolidated financial statements.

4.08 Related party disclosures

Names of related parties and related party relationship

Subsidiaries

- Lancor Maintenance & Services Limited
- Lancor Realty Limited
- Lancor Guduvanchery Developments Limited
- Lancor Egatoor Developments Limited
- Lancor Sriperumbudur Developments Limited
- Lancor GST Developments Limited

Joint Ventures

- a) Central Park West Venture

Key Management Personnel (KMP) & relatives

- a) R.V. Shekar
 b) Sangeetha Shekar
 c) Shwetha Shekar
 d) Mallika Ravi

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Year Ended	Subsidiaries	Joint venture	Key management personnel	Total
a. Expenditure					
Remuneration paid					
R.V.Shekar	31/03/2014	-	-	5,898,615	5,898,615
	31/03/2013	-	-	5,981,923	5,981,923
Mallika Ravi	31/03/2014	-	-	5,327,939	5,327,939
	31/03/2013	-	-	5,218,920	5,218,920
Maintenance charges paid					
Lancor Maintenance and Services Limited	31/03/2014	943,434	-	-	943,434
	31/03/2013	553,331	-	-	553,331
b. Income					
Income from real estate development					
Lancor Maintenance and Services Limited	31/03/2014	-	-	-	-
	31/03/2013	1,750,000	-	-	1,750,000
Sangeetha shekar	31/03/2014	-	-	3,131,764	3,131,764
	31/03/2013	-	-	15,515,957	15,515,957
Shwetha shekar	31/03/2014	-	-	3,131,764	3,131,764
	31/03/2013	-	-	15,515,957	15,515,957
Mallika Ravi	31/03/2014	-	-	5,951,943	5,951,943
	31/03/2013	-	-	5,344,676	5,344,676

Particulars	Year Ended	Subsidiaries	Joint venture	Key management personnel	Total
Income From Employee Deputation					
Lancor Guduvanchery Developments Limited	31/03/2014	8,437,617	-	-	8,437,617
	31/03/2013	4,397,389	-	-	4,397,389
Lancor Sriperumbudur Developments Limited	31/03/2014	3,639,816	-	-	3,639,816
	31/03/2013	2,137,579	-	-	2,137,579
Interest income:					
Lancor Guduvanchery Developments Limited	31/03/2014	30,026,288	-	-	30,026,288
	31/03/2013	31,899,219	-	-	31,899,219
Lancor Sriperumbudur Developments Limited	31/03/2014	2,146,542	-	-	2,146,542
	31/03/2013	6,923,184	-	-	6,923,184
Lancor GST Developments Limited	31/03/2014	49,607,289	-	-	49,607,289
	31/03/2013	16,826,777	-	-	16,826,777
c. Advances received towards sale of properties					
Lancor Realty Limited	31/03/2014	26,628,897	-	-	26,628,897
	31/03/2013	-	-	-	-
Sangeeta shekar	31/03/2014	-	-	-	-
	31/03/2013	-	-	1,912,519	1,912,519
Shewatha shekar	31/03/2014	-	-	-	-
	31/03/2013	-	-	1,912,519	1,912,519
Mallika Ravi	31/03/2014	-	-	347,541	347,541
	31/03/2013	-	-	1,953,105	1,953,105
d. Trade Receivables					
Lancor Maintenance and Services Limited	31/03/2014	-	-	-	-
	31/03/2013	1,750,000	-	-	1,750,000
e. Loans/advances given and (receipt) thereof (net)					
Lancor Guduvanchery Developments Limited	31/03/2014	(155,995,240)	-	-	(155,995,240)
	31/03/2013	20,267,735	-	-	20,267,735
Lancor Sriperumbudur Developments Limited	31/03/2014	(46,154,075)	-	-	(46,154,075)
	31/03/2013	(8,323,639)	-	-	(8,323,639)

Particulars	Year Ended	Subsidiaries	Joint venture	Key management personnel	Total
Lancor GST Developments Limited	31/03/2014	5,419,143	-	-	5,419,143
	31/03/2013	351,152,588	-	-	351,152,588
Lancor Realty Limited	31/03/2014	(347,937)	-	-	(347,937)
	31/03/2013	347,937	-	-	347,937
Lancor Maintenance & Services Limited	31/03/2014	(3,052,287)	-	-	(3,052,287)
	31/03/2013	1,373,248	-	-	1,373,248
Lancor Egatoor Developments Limited	31/03/2014	6,540	-	-	6,540
	31/03/2013	2,247	-	-	2,247
Central Park West Venture	31/03/2014		3,424,621	-	3,424,621
	31/03/2013		4,895,105	-	4,895,105

f. Closing Balances

Unsecured loans and advances

Lancor Sriperumbudur Developments Limited (inclusive of interest receivable)	31/03/2014	8,038,614	-	-	8,038,614
	31/03/2013	53,184,616	-	-	53,184,616
Lancor Guduvanchery Developments Limited (inclusive of interest receivable)	31/03/2014	132,295,256	-	-	132,295,256
	31/03/2013	261,266,837	-	-	261,266,837
Central Park West Venture	31/03/2014	-	36,336,512	-	36,336,512
	31/03/2013	-	32,911,891	-	32,911,891
Lancor Egatoor Developments Limited	31/03/2014	8,787	-	-	8,787
	31/03/2013	2,247	-	-	2,247
Lancor Realty Limited	31/03/2014	-	-	-	-
	31/03/2013	347,937	-	-	347,937
Lancor Maintenance and Services Limited	31/03/2014	(2,180,050)	-	-	(2,180,050)
	31/03/2013	872,237	-	-	872,237
Lancor GST Developments Limited (inclusive of interest receivable)	31/03/2014	416,362,391	-	-	416,362,391
	31/03/2013	366,296,688	-	-	366,296,688

(Figures in Indian Currency)

4.09 Capital and other commitments	Year ended March 31,	
	2014	2013
Estimated amount of contracts remaining to be executed on capital account and not provided for		Nil
Tangible assets	7,586,987	Nil
Intangible assets	150,000	Nil
Other commitments (specify nature)	7,736,987	-

4.10 Contingent liabilities

- a) The Arbitration proceeding on the "Menon Eternity" is still pending. In this regard the Company has made a claim of Rs. 9,98,47,408 while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing the a rejoinder. As per the interim order dated October 20, 2010 of the sole arbitrator the Company has given possession of the area belonging to the land owners on receipt of Rs. 4.82 Crores being refundable deposits from them along with the bank guarantee of Rs. 1.66 Crores to the arbitrator. In view of the management, the claims are frivolous and are not sustainable. Accordingly the company does not acknowledge claims of the land owners.
- b) The Company has certain dispute with a lessee which has arisen on termination of lease agreement by the lessee within the lock in period. In terms of the lease agreement the Company has forfeited the deposit amount. The lessee has demanded refund of rental deposit of Rs. 2,18,35,938 along with interest and damages amounting to Rs. 2,55,78,957. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrieved by the order of the single judge, the lessee has filed an appeal before the larger bench and same is pending. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.
- c) Other claims other than the details as mentioned above for a leases not acknowledged as debt is Rs.45,04,320 (excluding interest). The Company has furnished a bank guarantee in this regard.
- d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarantee and the matter is pending. In view of the management the increased demand is based revision in the guideline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.

4.11 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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

(Figures in Indian Currency)

4.12 Value of imports calculated on CIF basis	Year ended March 31,	
	2014	2013
Construction Materials	32,944,835	4,872,159
	<u>32,944,835</u>	<u>4,872,159</u>

4.13 Expenditure in foreign currency	Year ended March 31,	
	2014	2013
Purchase of Material	-	654,150
Travelling and conveyance	276,789	494,711
	<u>276,789</u>	<u>1,148,861</u>
The foreign currency exposure of the Company	<u>Nil</u>	<u>Nil</u>

4.14 Disclosure as per Clause 32 of the Listing agreement with Stock Exchange	Name of the Party	Relationship	Closing balance as at March 31,	Maximum balance during the year	Closing balance as at March 31,	Maximum balance during the year
			2014	2013	2014	2013
	Lancor Maintenance & Services Limited	Subsidiary	-	4,001,529	872,237	3,887,844
	Lancor Realty Limited	Subsidiary	-	1,746,075	347,937	1,298,354
	Lancor Guduvanchery Developments Limited	Subsidiary	105,271,597	329,800,461	246,770,557	303,723,572
	Lancor Egatoor Developments Limited	Subsidiary	8,787	8,787	2,247	2,247
	Lancor Sriperumbudur Developments Limited	Subsidiary	7,030,541	54,276,927	50,280,755	57,417,473
	Lancor GST Development Limited	Subsidiary	356,571,731	356,571,730	351,152,588	351,152,588
			468,882,656	746,405,509	649,426,321	717,482,078

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

4.15 Previous year figures

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

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants
Firm Reg No.104767 W

Satya Ranjan Dhall
Partner

Date : May 14, 2014
Place: Chennai

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

Actual Site Photograph



CLUBHOUSE AT LUMINA



Actual Site Photograph


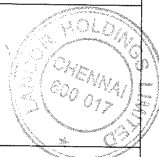








If Undelivered, Please Return to
Lancor Holdings Limited,
VTN Square, 2nd Floor, New No. 58, Old No. 104,
G.N.Chetty Road, T.Nagar, Chennai - 600 017.
Ph: 044-2834 5880 / 84
www.lancor.in

FORM A

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

1	Name of the Company	Lancor Holdings Limited
2	Annual Financial Statements for the year ended	31 st March 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	Not Applicable
5	Signed by	
	Ms. Mallika Ravi, Chief Executive Officer	 
	Mr. K. Srinivasan, Chief Financial Officer	 
	Mr. Satya Ranjan Dhall, Auditor of the Company	 
	Mr. R. Sankaranarayanan Chairman, Audit Committee	