

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

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NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the shareholders of the Company will be held on Friday, the 27th day of July 2012 at 2.30 p.m. at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, and Auditors thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Mr.V.Chander, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr.R.Sankaranarayanan, who retires by rotation and being eligible, offers himself for reappointment
5. To appoint Statutory Auditors and fix their remuneration. M/s.G.M.Kapadia & Co., Chartered Accountants, the retiring Auditors of the Company is eligible for reappointment and offers themselves for reappointment.

By Order of the Board

For LANCOR HOLDINGS LIMITED

R.V SHEKAR
Managing Director

Chennai,
May 30, 2012

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

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

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th day the July, 2012 to Friday, 27th day of July, 2012 (Both days Inclusive) for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing Twenty Seventh 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:-
 - (i) as member in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before July 24, 2012 and
 - (ii) as Beneficial Owners as at the end of the business hours on 23rd July, 2012 as per the list to be furnished by National Securities Depository Limited and / or Central Depository Service (India) Limited in respect of the shares held in electronics form.
4. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and / or change in address to the Company's Registrar and Share Transfer Agent.
5. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar in the prescribed form. Nomination form may be downloaded from Company's Website www.lancor.in
7. Annual Report is available at the website of the Company at www.lancor.in
8. 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.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents.

Lancor Holdings Limited

10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the Depository participant of the members.
11. 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.
12. Members who are holding shares more than on folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details.
13. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment / re-appointment of directors.
14. The Ministry of Corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in the Corporate Governance" and allowed companies to share service of notice / documents including Annual Report through an electronics mode. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.
15. Details of Directors seeking appointment / re-appointment at the Annual General Meeting.

01	Name	V.Chander
	Date of Birth	03.07.1935
	Nationality	Indian
	Date of Appointment on the Board	28.06.1993
	Qualifications	He is a Commerce graduate from Madras University.
	Expertise in functional area	He has been associated with large Companies like Parry & Co, Glaxo and Parle in the field of Sales and marketing. He has been associated with the Company since its inception and has contributed to its growth and prosperity. He is a Non-Executive Director of the Company.
	No of Shares held	Nil
	List of Directorships held in other Companies	1. Lancor Maintenance & Services Limited 2. Lancor Projects Limited 3. Lancor Realty Limited
	Chairman / Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2012	He is Member of the Remuneration committee of the Company.

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02	Name	R.Sankaranarayanan
	Date of Birth	11.04.1944
	Nationality	Indian
	Date of Appointment on the Board	20.12.1990
	Qualifications	He is a graduate and Fellow Member of The Institute of Chartered Accountants of India and also the Member of the Institute of Company Secretaries of India
	Expertise in functional area	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.
	No of Shares held	500
	List of Directorships held in other Companies	Lancor Maintenance & Services Limited
	Chairman/ Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2012	He is the Chairman of the Audit Committee, Remuneration committee and Share holder's / investor's grievance committee of the Company.

By Order of the Board

For LANCOR HOLDINGS LIMITED

R.V.Shekar
Managing Director

Chennai,
May 30, 2012

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

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Seventh Annual Report on the business and operations of your company together with Audited financial statement for the year ended 31st March 2012 and the Auditors' report thereon.

FINANCIAL RESULTS

(Amount in Rs. Lacs)

Particulars	Unconsolidated		Consolidated	
	2011-2012	2010-2011	2011-2012	2010-2011
Total Revenue	8,572.08	12,589.99	10,802.80	19,719.43
Less : Expenditure	5,565.10	7,791.51	7,081.17	13,982.94
EBITDA	3,006.97	4,798.48	3,721.63	5,736.49
Less: Interest	755.80	789.15	784.09	827.46
Depreciation	237.96	249.82	249.27	260.27
Profit/(Loss) before Tax	2,013.21	3,759.51	2,688.27	4,648.76
Less: Provision for :				
Current Tax	607.54	721.41	636.33	814.31
Deferred Tax	(0.96)	3.99	(7.59)	9.50
(Excess) / short provision of Tax of earlier year	165.31	--	938.57	599.77
Profit/(Loss) after Tax	1,241.31	3,034.11	1,120.96	3,225.16
Minority Interest	--	--	0.31	0.56
Add: balance brought forward from previous year	6,433.43	4,174.99	7,236.11	4,787.16
Less: Prior year adjustments	--	--	--	--
Available for appropriation	7,674.74	7,209.10	8,356.75	8,011.78
Dividend	405.00	405.00	405.00	405.00
Tax on Dividend	65.71	67.27	65.71	67.27
Transfer to General Reserve	124.13	303.41	124.13	303.40
Balance carried to Balance sheet	7,079.90	6,433.42	7,761.90	7,236.11

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

PROPERTY DEVELOPMENT BUSINESS:

RESIDENTIAL SEGMENT: In the last report we had stated that due to political instability and economic condition that were prevailing in the country the property development business has been negatively impacted, although to a reduced extent in the residential development. Amongst all cities in this country, Chennai, where our company had been developing properties had been showing some strength as all the projects taken up by the company, prior to 2011, have been fully sold and most of them have been completed and handed over to the customers.

The company and its customers had experienced higher interest rate regime and most unfortunately the high inflation rate with reference to the building materials and products. Some of the building materials and commodities had to be procured at unbelievably high price, sometimes in multiple times of the contracted rates so as to keep up the delivery schedule committed to the customers.

The company has most recently launched a residential development project in Sriperumbudur named as **“Town & Country”** where it has acquired about 92 acres of land on ownership and Joint Venture basis. The highlight of the project is that in the next 5 years the company will be able to construct nearly about 500 villas and offer high rise apartment buildings of about 4 million sq ft. The concept is to build a township with all the amenities like roads, street lights, banks and essential shopping facilities, sports and recreation centre, schools while providing bus facilities to the residents to vantage points in the city. It is expected over the next 10 years that this project will earn very good returns to the company.

The company has launched another project known as **“Lumina”** in Guduvanchery. It is expected to have approximately 800 apartments. The initial response has been gratifying. It is anticipated that by September - October'2012 between 25-35% of the apartments will be booked and thereafter steady sales will occur at regular intervals. Barring unforeseen circumstances, this project which is competitively priced will earn good returns for the company

The company has also launched 2 residential projects in the city with premium specifications and both of them have been received very well response.

During last year the company had successfully completed **“The Central Park (South)”** culminating 3 phases of Central Park projects, with supply of 535 apartments. The company has now acquired another parcel of land opposite to “The Central Park” and it is named as **“Central Park (Lake Front)”**. Barring unforeseen circumstance the company will be able to add another 300 apartments to The Central Park (Lake Front) thus becoming a dominant force in this area as a developer of property with provision for maintenance and a modern club.

The company is actively engaged in negotiating with several land owners in the city for development of their properties.

The company's major residential development known as “Abode Valley” have been fully sold and nearly 500 apartments out of 700 apartments had been handed over to the customers. It is expected that the construction will be complete between September and December this year.

The company has also taken a position to acquire 6-1/2 acres of premium land at GST Road in respect of which the due diligence is under way. It has been decided to use this land partially as commercial and the remaining as residential.

NON RESIDENTIAL SEGMENT: The company has not focused in this segment due to oversupply of space. However as conditions improve, with its increasing absorption, the company will certainly venture in this area of property development.

RISK MANAGEMENT: The risk management is a corner stone of the management policy, which is 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.

SUBSIDIARY COMPANIES:

LANCOR MAINTENANCE & SERVICES LIMITED: Lancor Maintenance & Services Ltd is providing maintenance services in the case of all major residential development completed by its parent company for a period of 3 years. By this process LMSL is providing services for Central Park projects and the Abode Valley apartments besides a few other previously developed residential projects as well. All in all currently the company is maintaining about 1000 apartments spread over various projects while the opportunities to increase the base both within Lancor development and non-Lancor developments are increasing.

It is gratifying to report that the outstanding from the customers have been collected while in few cases where difficulties have been experienced the company is taking sustained measures for recovery of the amount.

The company maintains about half a dozen commercial projects and it is earning hand sum returns. Consequent to the change in the top management of LMSL active efforts are underway to improve the spread and reach of the company outside Lancor group for increasing the earnings for the company.

LANCOR REALTY LIMITED: The company for the current year has forecasted improved performance with reorganization of the management. Main source of income for the company is to deal with the parent company's customers for resale, renting and repurchase. The management team is also forecasting on third party real estate business in the OMR area and hope to achieve success going forward.

LANCOR PROJECTS LIMITED: Lancor Projects Ltd has obtained 3 contracts for managing third party projects during the year while taking on more projects for the company as well. It is proposed to merge Lancor Projects Limited (LPL) with the Lancor Holdings Limited, with appointed date being 1st of April 2012 and in this connection the draft scheme of amalgamation has been drawn and the process of merger has commenced. The personnel of LPL will be absorbed suitably within Lancor Holdings Limited based on their designation and position.

LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED: The Project "Lumina" has been launched as a residential development and application for the development has already been filed with the Government and we are awaiting the approval. Barring unforeseen circumstances the company's project is expected to do well going forward.

LANCOR SRIPERUMBUDUR DEVELOPMENTS LIMITED: The company during the year under review had purchased approximately 36 Acres of land at Sriperumbudur. As on this date, the company has drawn plans for launching the residential project named "Townsville" to initially construct and sell 144 apartments comprised of five blocks with all amenities at a most affordable cost.

CREDIT RATING

The Company has been assigned BBB+ by CRISIL Limited for Lease rental discounting loan, long term loan and overdraft facilities availed.

DIVIDEND:

Your directors are now pleased to recommended 100% dividend on the paid-up share capital of the Company for approval of members 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 tax).

TRANSFER TO RESERVE

The Company proposes to transfer Rs.12,413,149/- to the General Reserve out of the amount available for appropriations and an amount of Rs.64,647,219/- is proposed to be retained in the statement of profit and loss.

FIXED DEPOSITS

Your Company has not accepted any public deposits 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.

SUBSIDIARY COMPANIES / ASSOCIATE AND CONSOLIDATED FINANCIAL STATEMENTS

The Company continue to have subsidiaries viz, Lancor Maintenance & Services Limited, Lancor Realty Limited, Lancor Projects Limited, Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited and Lancor Egatoor Developments 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, a Consolidated Financial Statements its subsidiaries and associate is 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 8, 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, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member 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 offices 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 Maintenance & Services Limited, Lancor Realty Limited, Lancor Projects Limited, Lancor Guduvanchery Developments Limited, Lancor Sripermbudur Developments Limited as on 31st March, 2012 and Lancor Egatoor Developments Limited as on 31st December, 2011, attached herewith.

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

Lancor Holdings Limited does not carry on any manufacturing activities and accordingly the provision to furnish information as per Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, particulars relating to Conservation of energy, Research and Development and Technology Absorption is not applicable.

Lancor Holdings Limited

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Rs.42,13,681/-

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year 2011-2012, 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 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, 1956 in accordance with the Article 86 of the Company's Articles of Association, Mr.V.Chander and Mr.R.Sankaranarayanan, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Lancor Holdings Limited

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

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

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

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

AUDITORS

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors of

LANCOR HOLDINGS LIMITED

R.SANKARANARAYANAN

Director

R.V. SHEKAR

Managing Director

Chennai, May 30, 2012

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

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

Lancor Holdings Limited aims to create profitable Developments with Enduring Value, Distinguishing characteristics leading to high customer satisfaction with full compliance to building standards, Rules and Regulations.

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

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of one Managing Director and Five Non executive Directors including Three Independent Directors. The Board members posses requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company.

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

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

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

Lancor Holdings Limited

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

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

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

The Board of Directors met Five (05) times on 30-04-2011, 10-06-2011, 29-07-2011, 29-10-2011 and 27-01-2012 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2011 was held on 29-07-2011 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

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

Name of the Directors	No. of Equity Shares as on 31st March 2012
R.V. Shekar	59,11,607
R.Sankaranarayanan	500
Sangeetha Shekar	13,76,850

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

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

AUDIT COMMITTEE

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

TERMS OF REFERENCE

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

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

- Overseeing the company's financial reporting process and the disclosure of its financial information.
- Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- Reviewing with management the quarterly, half yearly and annual financial statement 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, matter relating to be included in the Director's Responsibility Statement, Changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings and Qualifications in the draft audit report

- Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes 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 rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal controls systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

COMPOSITION AND ATTENDANCE

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

The Audit Committee met five (05) times during the year on 30.04.2011, 10.06.2011, 29.07.2011, 29.10.2011 and 27.01.2012 and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
R.Sankaranarayanan Chairman	Director Non-Executive Independent	05	04
S.Venkatesan Member	Director Non-Executive Independent	05	05
Jayesh N Thakkar Member	Director Non-Executive Independent	05	05

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

REMUNERATION COMMITTEE

Your Company has constituted a Remuneration Committee under the Chairmanship of Mr.R.Sankaranarayanan. The Remuneration committee consisting of Mr.R.Sankaranarayanan, Mr.V.Chander and Mr.S.V.Venkatesan, decide the structure of the Executive Director's Remuneration. No meeting was held during the year under review.

MANAGING DIRECTOR

The Company has a Managing Director. The remuneration paid to him during the period 01-04-2011 to 31-03-2012 was as under:-

(In Rupees)

Name and Designation	Period	Basic Salary	Perquisites	Total
R.V.Shekar, Managing Director	01-04-2011 to 31-03-2012	32,05,645	23,85,009	55,90,654

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

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

NON-EXECUTIVE DIRECTOR

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

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

SHAREHOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

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

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

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

COMPLIANCE OFFICER

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

INVESTOR GRIEVANCE REDRASSAL

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

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

GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2010-2011	Quality Inn Sabari, Rivera, 6th Floor, 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	July 29, 2011	2.30 p.m
2009-2010	Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	July 23, 2010	2.00 p.m
2008-2009	Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	September 29, 2009	4.00 p.m

All the resolutions as set out in the respective notices were passed by the shareholders. No special resolution was passed during the last three Annual General Meeting.

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 2011-2012 have been given in Note No. 4.09 of Notes to accounts to the Annual Accounts for the year 2011-2012. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2012.

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

RISK MANAGEMENT

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

CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2012. A declaration to this effect signed by Mr.R.V.Shekar, Managing Director of the Company forms part of this report.

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

CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr.R.V.Shekar, Managing Director, CA.Mallika Ravi, Chief Executive Officer (CEO) and Mr.K.Srinivasan, Chief Financial Officer (CFO) was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2012 at its meeting held on 30.05.2012.

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

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

COMPLIANCES BY THE COMPANY

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening 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 instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory / local authorities against the Company.

SUBSIDIARY MONITORING FRAMEWORK

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

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

The company does not have any material unlisted subsidiary and hence is not required to nominate and independent director of the Company on the Board of any subsidiary. During the year none of the Subsidiaries was a material non listed Indian Subsidiary as per the criteria given in the Clause 49 of the Listing Agreement.

Mr.R.Sankaranarayan, Non Executive and Independent Director of the Company is also the Director of M/s.Lancor Maintenance & Services Limited. 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)

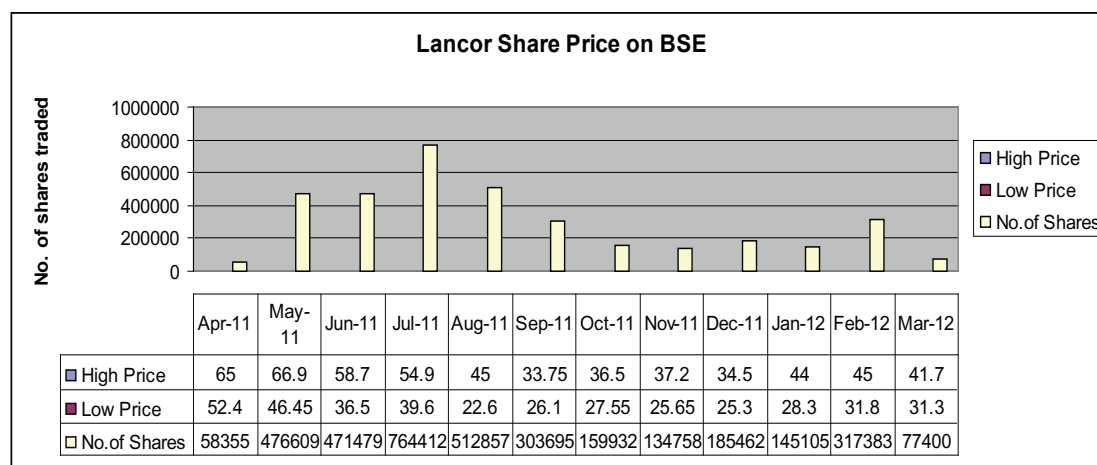
Financial year	April 1, 2012 to March 31, 2013 (Subject to Change)
First Quarter Result	July 29, 2012
Second Quarter Result and Half-yearly Result	October 29, 2012
Third Quarter Result	January 28, 2013
Fourth Quarter Result	April 28, 2013
Annual Result (Audited) Annual General Meeting	May 30, 2013 Within 6 months of the close of the financial year In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	24th July 2012 to 27th July 2012 (Both dates inclusive)
Venue and other details of the Annual General Meeting	Day :- Friday Date :- 27th July, 2012 Time :- 02.30 p.m "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
Listing on Stock Exchange and Stock Code. The Equity Shares of Rs.2/- each are Listed at	Bombay Stock Exchange , Mumbai (Annual Listing for fees for the years 2011-2012 and 2012-13 has been duly paid to the above exchange) Scrip Code 509048.

Lancor Holdings Limited

Stock Market data for the period April 1, 2011 to March 31, 2012 and Graphical representation of volume of Shares of during April 2011 - March 2012. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2011-12. are as [Equity Shares of Rs.2/- each]

Bombay Stock Exchange (BSE)			
Month	High Price (Rs.)	Low PriceRs.)	Volume No.of Shares
Apr-11	65	52.4	58355
May-11	66.9	46.45	476609
Jun-11	58.7	36.5	471479
Jul-11	54.9	39.6	764412
Aug-11	45	22.6	512857
Sep-11	33.75	26.1	303695
Oct-11	36.5	27.55	159932
Nov-11	37.2	25.65	134758
Dec-11	34.5	25.3	185462
Jan-12	44	28.3	145105
Feb-12	45	31.8	317383
Mar-12	41.7	31.3	77400

The Chart given hereunder plots the movement of the Company's share price on BSE versus BSE sensex for the year 2011-12



DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized upto March 31, 2012 are under

SI No.	Particulars of Capital Structure	No. of shares	% of Total issued capital
1.	Listed Capital(Exchange wise) as per Company's Record	2,02,50,000	100.00
2.	Held in dematerialized Form in CDSL	10,95,868	5.41
3.	Held in dematerialized Form in NSDL	1,90,14,122	93.90
4.	Physical	1,40,010	0.69

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

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

"Cameo Corporate Services Limited"
Subramanian Buildings
No.1, Club House Road,
Chennai 600 002,
Phone No.044-28460390-94, Fax No.28460129,
Email: cameosys@satyam.net.in

SHARE TRANSFER SYSTEM

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

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

DISTRIBUTION OF SHARE HOLDING AS ON 31-03-2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	1,828	90.50	5,57,946	11,15,892	2.76
5001 - 10000	86	4.26	3,21,634	6,43,268	1.59
10001 - 20000	40	1.98	3,01,075	6,02,150	1.49
20001 - 30000	16	0.79	1,86,277	3,72,554	0.92
30001 - 40000	6	0.30	1,08,563	2,17,126	0.54
40001 - 50000	5	0.25	1,22,000	2,44,000	0.60
50001 - 100000	16	0.79	5,12,655	10,25,310	2.53
100001 - And-Above	23	1.14	1,81,39,850	3,62,79,700	89.58
Total :	2,020	100	2,02,50,000	4,05,00,000	100.00

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

Categories of Shareholdings as on March 31, 2012			
Sl.No	Category of Shareholders	No.of shares Held	Percentage of holdings
1.	Promoters	1,25,70,832	62.08
2.	Foreign Institutional Investors/Mutual Funds	5,91,898	2.92
3.	Bodies Corporate	40,06,139	19.78
4.	Individual shareholders holding nominal shares Capital upto Rs. 1 lakh	17,31,208	8.55
5.	Individual Shareholders holding nominal shares Capital in excess of Rs.1 lakh	12,48,785	6.17
6.	Clearing Members	270	0.00
7.	Hindu Undivided Family	64,763	0.32
7.	Non Resident Indian	36,105	0.18
8.	Foreign National	Nil	Nil
Total		2,02,50,000	100.00

MAJOR SHAREHOLDERS

Details of Shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2012 are given below :-

Name of Shareholder	No. of Shares	% of Paid up Capital	Category
R.V.Shekar	59,11,607	29.19	Promoter
Shyamala Shekar	39,05,575	19.29	Promoter
Sangeetha Shekar	13,76,850	6.80	Promoter
Shwetha Shekar	13,76,800	6.79	Promoter
G Corp Pvt Ltd	7,60,999	3.76	Body Corporate
G Corp Projects Pvt Ltd	29,00,000	14.32	Body Corporate
Franklin Templeton Mutual Fund	5,12,500	2.53	Others

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

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.

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
2006-2007	30-10-2007	03-11-2007	02-11-2014
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

COMPANY REGISTRATION DETAILS

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

LEGAL PROCEEDINGS:

There is no legal proceeding pending against the Company.

Certain disputes had arisen with the owners of land with whom the Company had entered into a joint venture agreement in respect of a Project for which the company has been defending. The details of the suit is more fully stated in Para B to notes to account 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: accounts@lancor.in
Website: www.lancor.in

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

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, 2012, received from the Senior Management Team of the Company and the members 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, Chief Operating Officer, employees in the Vice President cadre and the Company Secretary as on March 31, 2012.

R.V. Shekar
Managing Director

Chennai , May 30, 2012

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 30th day of May 2012, obtained from Statutory Auditors of the Company M/s.G.M.Kapadia & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

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

R.SANKARANARAYANAN
Director

R.V. SHEKAR
Managing Director

Chennai, May 30, 2012

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

To the Members of **Lancor Holdings Limited**

We have examined the compliance of conditions of corporate governance by Lancor Holdings Limited, for the year ended on March 31, 2012, 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 limited 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 officials 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

Chennai
Dated: May 30, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Over the last 2 years the company had devoted substantial time and effort in identifying and appointing competent management personnel to manage the business of the company on professional lines and be able to handle the increasing complexities of the business. The executives are also conscious about mitigation of risks that has now become an integral part of any business more so in the case of property development. The well experienced and professional management team is now focused on improving the sales and execution of the projects and adopting value engineering techniques with regard to materials purchase and usage.

OPPORTUNITY:

The awareness of the quality product and workmanship by the company is well known to the local community which has resulted in a number of land owners approaching the company with proposals for Joint Venture and or management of projects enabling the company to deploy idle resources to profitable use.

RISK CONCERN AND THREATS:

The arguments in the arbitration proceedings with regard to commercial property at St.Mary's Road has more or less has come to a close. The arbitration judge feels the need for a negotiated closure which is being explored by the company

In our previous report we had indicated that the company's contractors are experiencing difficulties in deploying labours and other resources as and when required in the course of executing the projects. Since the contracting/subcontracting business is facing challenges the company has decided to mitigate the risk of contracting by selectively taking up the construction work by itself. The company is now currently engaged in executing the projects by itself in "**Town & Country**", Sriperumbudur, "**Courtyard**" Nanganallur and "**Kiruba Cirrus**", Valasaravakam. In all these three projects the company has established labour camps with all the facilities as required to ensure availability and retention of labour on a sustained basis reducing the attrition level to the minimum.

INFLATION:

The RBI just a couple of months back eased money supply by cutting down the CRR and SLR rates thereby enabling more lendable funds to the banks. It was initially believed that would reduce the interest rates applicable to the company, but this did not happen.

The impact of inflation is felt all around by the company, which is mostly seen in the items like Steel, Cement, Power tariff, diesel expenses and other manufacturing inputs like electrical items, sanitary fixtures etc. Not to mention the external value of the rupee having gone down by almost 18% in the last 5 months has caused tremendous pressure in respect of the imported materials used by the company during the course of execution of the projects.

RESOURCES:

The liquid resources of the company have been carefully deployed in acquiring properties for development while constantly monitoring the adverse signals in the economy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

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

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

Number of employees as on March 31, 2012 was 196 which include 44 women employees and relations remain 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 cost and reducing opportunities weigh heavily in the minds of the management.

CAUTIONERY STATEMENT

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

**For and on behalf of the Board of Directors
For Lancor Holdings Limited**

R.SANKARANARAYANAN
Director

R.V. SHEKAR
Managing Director

Place : Chennai

Date : 30th day of May 2012

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

We have examined the attached consolidated Balance Sheet of **LANCOR HOLDINGS LIMITED**, its subsidiaries and its joint venture as mentioned in note number 4.01 of the Consolidated Financial Statements as at March 31, 2012, the Consolidated Statement of Profit and Loss for the year then ended and the Consolidated Cash Flow Statement for the year then ended both attached thereto. These Financial Statements are the responsibility of the management of **LANCOR HOLDINGS LIMITED**. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

We did not audit the financial statements of Lancor Maintenance & Services Limited and Lancor Realty Limited, whose Financial Statements reflect total assets of Rs. 872.57 lakhs and Rs. 249.32 lakhs respectively and total revenues of Rs. 582.58 lakhs and Rs.84.10 lakhs respectively for the year ended March 31, 2012. These financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the other auditor.

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

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

- a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Lancor Holdings Limited, its subsidiaries and its joint venture as at March 31, 2012; and
- b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2012.
- c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flow statement of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2012.

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

SATYA RANJAN DHALL

Chennai
Dated: May 30, 2012

Partner
Membership No.214046

Consolidated Balance Sheet as at March 31, 2012

(Figures in Indian Currency)

	Notes	As at March 31,	
		2012	2011
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	40,500,000	40,500,000
Reserves and surplus	2.02	935,567,402	870,574,100
		976,067,402	911,074,100
Minority Interest		265,690	234,837
Non-current liabilities			
Long-term borrowings	2.03	467,596,396	450,945,716
Trade payables	2.04	14,315,759	8,351,280
Other long-term liabilities	2.04	138,625,894	155,616,319
Long-term provisions	2.05	6,475,718	6,389,288
		627,013,767	621,302,603
Current liabilities			
Short-term borrowings	2.06	267,506,735	5,068,606
Trade payables	2.07	91,815,461	139,773,812
Other current liabilities	2.07	223,346,096	172,713,939
Short-term provisions	2.05	48,428,144	47,496,728
		631,096,436	365,053,085
Total		2,234,443,295	1,897,664,625
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	569,738,880	568,753,343
Intangible assets	2.09	455,909	710,839
Non-current investments	2.10	2,476,800	2,476,800
Deferred tax assets (net)	2.11	3,526,977	2,767,447
Long-term loans and advances	2.12	108,203,065	46,851,256
Trade receivables	2.13	2,909,715	-
		687,311,346	621,559,685
Current assets			
Current investments	2.15	236,375,002	479,782,676
Inventories	2.16	1,073,591,809	461,485,844
Trade receivables	2.13	30,673,327	147,380,916
Cash and bank balances	2.17	102,232,520	40,370,265
Short-term loans and advances	2.12	103,131,191	140,343,325
Other current assets	2.14	1,128,100	6,741,914
		1,547,131,949	1,276,104,940
Total		2,234,443,295	1,897,664,625

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

For and on behalf of the Board of Directors

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012
Place: Chennai

Date : May 30, 2012
Place: Chennai

Consolidated Statement of Profit & Loss for the year ended March 31, 2012
(Figures in Indian Currency)

	Notes	Year ended March 31,	
		2012	2011
Continuing operations			
Income			
Revenue from operations	3.01	1,027,311,117	1,954,090,639
Other income	3.02	52,969,267	17,852,872
Total Revenue		<u>1,080,280,384</u>	<u>1,971,943,511</u>
Expenses			
Project development expenses	3.03	559,332,472	1,245,177,491
Purchase cost of properties	2.16	3,403,125	35,100,000
Maintenance expenditure		38,047,716	27,475,093
Employee benefits expense	3.04	60,823,321	47,237,273
Other expenses	3.05	46,510,730	43,304,410
Total Expenses		<u>708,117,364</u>	<u>1,398,294,267</u>
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)		372,163,020	573,649,244
Depreciation and amortisation expense	3.06	24,927,148	26,027,086
Finance costs	3.07	78,409,087	82,746,519
Profit/(loss) before Exceptional, Extraordinary items and Tax		<u>268,826,785</u>	<u>464,875,640</u>
Exceptional items		-	-
Profit / (loss) before Extraordinary items and Tax		<u>268,826,785</u>	<u>464,875,640</u>
Extraordinary items		-	-
Profit / (loss) before tax		<u>268,826,785</u>	<u>464,875,640</u>
Tax expenses			
Current tax		63,633,735	81,431,114
Deferred tax		(759,530)	950,365
(Excess) / Short Provision for Tax of earlier years		93,857,304	59,977,798
Profit / (loss) for the year from continuing operations (Before adjusting Minority Interest)		<u>112,095,276</u>	<u>322,516,363</u>
Share of profit transferred to Minority Interest		30,852	55,626
Profit/Loss for the period		<u>112,064,425</u>	<u>322,460,737</u>
Earnings per equity share (Nominal Value of share Rs. 2/- each)	4.01		
Basic & Diluted			
Computed on the basis of profit from continuing operations and total operations		5.53	15.92
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

For and on behalf of the Board of Directors

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012
Place: Chennai

Date : May 30, 2012
Place: Chennai

Consolidated Cash Flow Statement for the year ended March 31, 2012
(Figures in Indian Currency)

	Year ended March 31,	
	2012	2011
Cash flow from operating activities		
Profit Before Tax from continuing operations	268,826,785	323,466,728
Profit Before Tax	268,826,785	323,466,728
Non-cash adjustment to Profit Before Tax:		
Depreciation/amortization on continuing operations	24,927,148	26,027,086
Loss/(profit) on sale of assets	25,942	(18,089)
Provision for Employee Benefits	1,236,526	1,732,529
Sundry balances written back	(5,092,338)	(450,962)
Interest expense	78,409,087	82,746,519
Interest income	(34,914,613)	(360,707)
Dividend income	(18,039,696)	(15,706,178)
Operating profit before working capital changes	315,378,841	417,436,925
Movements in working capital:		
Increase/(decrease) in trade payables	(36,901,534)	16,240,792
Increase/(decrease) in provisions	(63,262)	17,948,499
Increase/(decrease) in other current liabilities	50,864,791	27,420,503
Decrease/(increase) in trade receivables	113,797,874	(47,239,539)
Decrease/(increase) in inventories	(611,296,935)	272,191,118
Decrease/(increase) in loans and advances	(48,057,824)	93,193,487
Decrease/(increase) in other current assets	6,021,168	(6,451,998)
Cash generated from/(used in) operations	(210,256,880)	790,739,787
Direct taxes paid (net of refunds)	133,754,707	89,065,524
Net cash flow from/(used in) operating activities (A)	(344,011,587)	701,674,262
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(27,722,392)	(7,748,783)
Proceeds from sale of fixed assets	35,250	87,600
Purchase of current investments	(493,923,936)	(1,297,427,385)
Proceeds from sale/maturity of current investments	737,331,610	815,697,207
Interest received	34,507,259	360,707
Dividends received	18,039,696	15,706,178
Net cash flow from/(used in) investing activities (B)	268,267,487	(473,324,477)
Cash flow from financing activities		
Proceeds from borrowings	369,968,370	650,000,000
Repayment of borrowings	(106,697,508)	(750,354,502)
Interest paid	(78,412,863)	(82,746,519)
Dividends paid on equity shares	(40,525,100)	(40,500,000)
Tax on equity dividend paid	(6,726,544)	(6,726,544)
Net cash flow from/(used in) in financing activities (C)	137,606,355	(230,327,565)

Lancor Holdings Limited

(Figures in Indian Currency)

Net increase/(decrease) in cash and cash equivalents (A+B+ C)	61,862,255	(1,977,780)
Cash and cash equivalents at the beginning of the year	40,370,265	42,348,044
Cash and cash equivalents at the end of the year	102,232,520	40,370,265
<i>Note: (i) Figures in bracket represents outflows</i>		
<i>(ii) Cash and Cash Equivalent as per note no. 2.17 of the financial statement</i>		
	102,232,520	40,370,265
Total cash and cash equivalents	102,232,520	40,370,265
Significant accounting policies	1	

As per our report of even date attached

For and on behalf of the Board of Directors

For G. M. Kapadia & Co.

Chartered Accountants

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012

Place: Chennai

Date : May 30, 2012

Place: Chennai

Notes to Consolidated Financial Statements for the year ended March 31, 2012**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 under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 notified by MCA vide its notification no. 447(E) dated February 28, 2011. 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 judgements, 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.

Intangible assets	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 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

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 transaction **Foreign currency transactions and balances**

Initial recognition

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

Exchange differences

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

1.14 Employee benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

c) Short Term Employee Benefit

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

1.15 Income taxes

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

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

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

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

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

1.16 Earnings Per Share

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

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

1.18 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(Figures in Indian Currency)

2.01 Share capital	As at March 31,	
	2012	2011
Authorized shares		
7,50,00,000 (March 31, 2011: 7,50,00,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed & fully paid up equity shares		
2,02,50,000 (March 31, 2011: 2,02,50,000) equity shares of Rs.2/- each (fully paid up)	40,500,000	40,500,000
	<u>40,500,000</u>	<u>40,500,000</u>
Total issued, subscribed and fully paid-up share capital	<u>40,500,000</u>	<u>40,500,000</u>

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

	As at March 31,			
	2012		2011	
	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, 2012, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2011: Rs.2).

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

	As at March 31,			
	2012		2011	
	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%	2,598,000	12.83%
Sangeetha Shekar	1,376,850	6.80%	1,376,850	6.80%
Shwetha Shekar	1,376,800	6.80%	1,376,800	6.80%
G Corp Pvt Ltd	760,999	3.76%	1,062,999	5.25%

Lancor Holdings Limited

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,	
	2012	2011
Capital Reserve on Consolidation	5,317,199	5,317,199
General reserve		
Balance as at the beginning of the year	141,646,661	111,306,373
Add: amount transferred from surplus balance in the statement of profit and loss	12,413,149	30,340,288
Balance at the end of the year	<u>154,059,810</u>	<u>141,646,661</u>

(Figures in Indian Currency)

Surplus/(deficit) in the statement of profit and loss

Balance at the beginning of the year	723,610,242	478,716,335
Profit for the year	112,064,425	322,460,737
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,571,125	6,726,544
Transfer to general reserve	12,413,149	30,340,288
Total appropriations	<u>59,484,274</u>	<u>77,566,832</u>
Net surplus in the statement of profit and loss	<u>776,190,393</u>	<u>723,610,240</u>
Total reserves and surplus	<u>935,567,402</u>	<u>870,574,100</u>

2.03 Long-term borrowings	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	-	488,760	488,760	3,589,079
Catholic Syrian Bank- Term loan II	367,207,552	408,133,500	40,925,948	32,135,846
Catholic Syrian Bank- Term Loan III (Machinery)	-	-	6,639,379	-
Catholic Syrian Bank- Term Loan IV (Vehicle)	23,650	-	867,211	-
From Financial Institutions				
HDFC- Term loan I	-	4,283,590	4,283,590	2,036,700
HDFC- Term loan II	-	22,808,056	22,808,056	7,218,162
HDFC- Term loan III	-	14,508,718	14,508,718	1,122,456
HDFC- Term loan IV (Vehicle)	365,194	723,092	357,897	407,062
HDFC- Term loan V	-	-	-	3,019,000
HDFC- Term loan VI	-	-	-	57,169,202
HDFC- Term loan VII	100,000,000	-	-	-
	<u>467,596,396</u>	<u>450,945,716</u>	<u>90,879,559</u>	<u>106,697,507</u>

The above amount includes

Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)

	-	-	90,879,559	106,697,507
Net Amount	467,596,396	450,945,716	-	-

The above amount includes aggregate amount of secured borrowings Rs. 46,75,96,396 (March 31, 2011: Rs. 45,09,45,716)

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

<u>Nature of Security</u>	<u>Terms of Repayment</u>
i. Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivables and by equitable mortgage of premises "Citi Tower" owned by the Company.	The loan is repayable by rent receivables of the property "Citi Tower" or by equal monthly installments Rs. 3,20,810 as per the terms of the loan agreement. The present applicable rate is 14.25%
ii. Term loan II from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company.	The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal monthly installments of Rs. 77,34,981 (with 6% increase in monthly installments per annum) as per the terms of the loan agreement. The present applicable rate is 13.75%
iii. Term loan III (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortgage of land and building owned by the Company.	The total amount of loan sanctioned to the Company is amounting to Rs. 3,24,58,000. The loan is repayable in 60 equal monthly installments amounting to 7,92,000 from the date April 5, 2009. The applicable rate of interest is 15.25% per annum.
iv. Term loan IV (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 14, 2011. The applicable rate of interest is 12.50% per annum.
v. Term loan I from HDFC Limited is secured by equitable mortgage of premises "VTN Square" owned by the Company.	The loan is repayable in 84 equal monthly instalments starting from January 2006. The present applicable rate of interest is 17% per annum.
vi. Term loan II from HDFC Limited is secured by present and future rent receivables of premises "WestMinister" and equitable mortgage of "VTN Square" and "Roma" owned by the Company.	The loan is repayable in 72 installments or as per the period as may be decided by the HDFC Limited starting from March 19, 2008. The applicable rate is in the range of 14.5% to 15.75% per annum.

Lancor Holdings Limited

- | | | |
|-------|--|--|
| vii. | Term loan III from HDFC Limited is secured by present and future rent receivable and equitable mortgage of premises "ROMA" owned by the Company. | The loan is repayable by rent receivable or by 108 equal monthly installments of Rs. 2,83,594 from July 2009. The applicable rate is in the range of 15.5% to 16.25% per annum |
| viii. | Term Loan IV (Vehicle) from HDFC Limited is secured by hypothecation of motor cars under the hypothecation agreement. | The loan is repayable in 60 equal monthly instalments amounting to Rs. 33,507 from April 5, 2009. The present applicable rate of interest is 11.25% per annum. |
| ix. | Term loan V from HDFC Limited is secured by equitable mortgage of plot of land owned by the joint venture entity Central Park West Venture. | The loan is repayable in 18 months from the date of the first disbursement on November 25, 2009. The applicable rate is 14.75% per annum |
| x. | Term loan VI from HDFC Limited is secured by mortgage of plot of land owned by the Company. | The loan is repayable within 36 months from September 27, 2010 or depending upon the release of lean of un divided share of land. The applicable rate of interest is in the range of 14.75% to 16% per annum. |
| xi. | Term loan VII 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. |

(Figures in Indian Currency)

2.04 Other long-term liabilities

	As at March 31,	
	2012	2011
Trade payables		
Retention Money	14,315,759	8,351,280
Others		
Advance received from Customers	32,535,938	16,900,000
Rental Deposits	106,089,956	138,716,319
	138,625,894	155,616,319
	152,941,653	163,967,599

2.05 Provisions

	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Provision for employee benefits				
Provision for gratuity (refer note no. 4.05)	6,385,174	6,249,112	1,103,694	190,384
Provision for bonus	-	-	253,325	79,800
	6,385,174	6,249,112	1,357,019	270,184

(Figures in Indian Currency)

Other provisions

Proposed equity dividend	-	-	40,500,000	40,500,000
Provision for tax on proposed equity dividend	-	-	6,571,125	6,726,544
Provision for income tax (Net of advance tax)	90,544	140,177	-	-
	<u>90,544</u>	<u>140,177</u>	<u>47,071,125</u>	<u>47,226,544</u>
	<u>6,475,718</u>	<u>6,389,289</u>	<u>48,428,144</u>	<u>47,496,728</u>

2.06 Short-term borrowings

As at March 31,

2012 2011

Loans repayable on demand

Secured

From Catholic Syrian Bank	267,440,631	5,068,606
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Loans and Advance from Related parties

Unsecured	66,104	-
	<u>267,506,735</u>	<u>5,068,606</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"
---	---

2.07 Other current liabilities

As at March 31,

2012 2011

Trade payables

Trade payables	78,433,291	120,105,054
Retention Money	<u>13,382,170</u>	<u>19,668,758</u>
	91,815,461	139,773,812

Other liabilities

Current maturities of long-term borrowings (refer note no. 2.03)	90,879,559	106,697,507
Advances received from customers	107,454,614	27,889,490
Unclaimed dividend	648,299	673,399
Contractually reimbursable expenses	2,386,925	2,769,707
Payables on purchase of non current assets	901,894	2,278,128
Deposits	12,631,130	6,663,552
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	8,439,899	25,742,156
Interest accrued and due on borrowings	3,776	-
	<u>223,346,096</u>	<u>172,713,939</u>
	<u>315,161,557</u>	<u>312,487,751</u>

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 9,08,79,559 (March 31, 2011: Rs. 10,66,97,507)

(Figures in Indian Currency)

2.08 Tangible Assets

	Gross Block			Depreciation		Net Block	
	As at April 1, 2011	Addition	Disposal / Adjustment	As at March 31, 2012	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Own Assets:							
Land	56,282,736	-	-	56,282,736	-	56,282,736	56,282,736
Building	5,806,575	4,763,797	-	10,570,372	771,920	113,190	885,110
Plant & Machinery	2,897,327	13,740,852	-	16,638,179	1,125,779	1,213,122	2,338,901
Electrical Installation	1,433,284	240,173	-	1,673,457	862,999	121,802	984,801
Air conditioners	1,948,768	230,600	-	2,179,368	1,133,808	133,933	1,267,741
Furniture & Fixtures	11,104,932	1,451,340	-	12,556,272	6,574,416	976,839	7,551,255
Computers	4,089,200	826,668	-	4,915,868	3,519,407	501,074	4,020,481
Office Equipment	1,926,979	143,824	87,350	1,983,453	1,162,269	113,404	34,548
Vehicles	11,352,714	4,349,224	43,863	15,658,075	7,759,730	1,748,966	35,473
Total	96,842,515	25,746,478	131,213	122,457,780	22,910,328	4,922,331	70,021
Assets given on Operating Lease:							
Buildings	433,542,231	104,063	200,000	433,446,294	25,527,337	7,165,074	-
Plant & Machinery	50,661,848	57,051	-	50,718,899	15,991,290	4,830,090	-
Electrical Installation	42,291,816	-	-	42,291,816	16,206,388	4,721,462	-
Air Conditioner	33,513,255	743,924	-	34,257,179	10,105,965	3,320,540	-
Furniture & Fixtures	6,420,977	61,018	-	6,481,995	3,777,990	506,310	-
Total	566,430,127	966,056	200,000	567,196,183	71,608,970	20,543,476	-
Total	663,272,642	26,712,534	331,213	689,653,963	94,519,298	25,465,807	70,021
As at March 31, 2011	650,392,187	5,289,233	754,253	654,927,167	65,828,103	24,826,932	684,743

Note: Out of total amount of depreciation for the year ended 2012, depreciation amount of Rs.809,032 pertaining to plant and machinery & vehicles has been capitalised as indirect expenses in the construction work in progress for Sriperumbudur real estate project.

2.09 Intangible Assets

	Gross Block			Amortisation		Net Block	
	As at April 1, 2011	Addition	Disposal	As at March 31, 2012	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Computer software	1,563,941	15,442	-	1,579,383	853,102	270,372	-
Total	1,563,941	15,442	-	1,579,383	853,102	270,372	-
As at March 31, 2011	561,688	214,720	-	776,408	328,379	155,283	-

(Figures in Indian Currency)

2.10 Non-current investments		As at March 31,	
		2012	2011
Other investments (valued at cost)			
Unquoted equity instruments			
21,000 (March 31, 2011: 21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)		2,476,800	2,476,800
		<u>2,476,800</u>	<u>2,476,800</u>
Aggregate amount of unquoted investments		<u>2,476,800</u>	<u>2,476,800</u>
Details of investments in partnership firm (Central Park West Venture)			
		As at March 31,	
Name of the partner and share in profits(%)		2012	2011
Lancor Holdings Limited		93.23	90.37
Lancor Maintenance & Services Limited		0.11	0.16
Clasic Farms (Chennai) Limited		6.66	9.47
Total capital of the firm		41,000,000	41,000,000
2.11 Deferred tax assets/ liabilities(net)		As at March 31,	
		2012	2011
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged		56,076	327,036
Others		-	415
Gross deferred tax liability		<u>56,076</u>	<u>327,451</u>
Deferred tax asset			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged		235,014	190,194
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		2,746,112	1,591,779
Provision for doubtful debts and advances		324,450	332,175
Unabsorbed business Loss		272,842	10,185
Others		4,635	970,565
Gross deferred tax asset		<u>3,583,053</u>	<u>3,094,898</u>
Net deferred tax asset		<u>3,526,977</u>	<u>2,767,447</u>

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net deferred tax asset as at March 31, 2012 of Rs. Rs. 35,26,977 (March 31, 2011: Rs. 27,67,447) and Rs.7,59,530 (March 31, 2011: Rs. 9,50,365) has been credited to the statement of profit & loss.

2.12 Loans and Advances		Non-current portion		Current portion	
		As at March 31,		As at March 31,	
		2012	2011	2012	2011
Capital advances					
Unsecured, considered good		70,750	452,568	-	-
(A)		<u>70,750</u>	<u>452,568</u>	<u>-</u>	<u>-</u>

(Figures in Indian Currency)

Security deposit

Unsecured, considered good	46,037,495	28,113,597	570,000	644,620
(B)	46,037,495	28,113,597	570,000	644,620

Loan and advances to related parties

Unsecured, considered good	106,201	-	13,388,567	20,763,006
(C)	106,201	-	13,388,567	20,763,006

Other loans and advances

(Advances recoverable in cash or kind)

Unsecured, considered good				
Advance for land	55,200,000	-	2,134,129	-
Advance to suppliers	-	-	20,734,245	3,699,929
Advance to contractors	-	-	29,070,108	67,798,095
Advance given for purchase of property	-	-	21,944,551	-
Prepaid expenses	20,642	-	1,068,446	1,360,300
Reimbursement expenses	-	-	416,898	317,140
Other advances	155,584	13,164,495	13,804,247	20,532,106
Doubtful	-	-	1,000,000	1,000,000
	55,376,226	13,164,495	90,172,624	94,707,570
Provision for doubtful advances	-	-	1,000,000	1,000,000
(D)	55,376,226	13,164,495	89,172,624	93,707,570
Advance income-tax (net of provision for taxation)	6,612,393	5,120,596	-	25,228,129
(E)	6,612,393	5,120,596	-	25,228,129
Total (A+B+C+D+E)	108,203,065	46,851,256	103,131,191	140,343,325

2.13 Trade Receivables

	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Unsecured, considered good unless stated otherwise				
Unsecured, considered good	2,909,715	-	30,673,327	147,380,916
	2,909,715	-	30,673,327	147,380,916
Outstanding for a period exceeding six months from the date they are due for payment	2,901,207	-	8,228,154	85,768,867
Other receivables	8,508	-	22,445,173	61,612,049
	2,909,715	-	30,673,327	147,380,916

2.14 Other Assets:

	Current portion	
	As at March 31,	
	2012	2011
Unsecured, considered good unless stated otherwise		
Interest accrued but not due on deposits	508,722	101,368
Contractually reimbursable expenses	186,739	6,620,108
Expenses recoverable from customers	432,639	20,438
	1,128,100	6,741,914

(Figures in Indian Currency)

2.15 Current investments

	As at March 31,	
	2012	2011
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 {{{14,30,708.4079 units @ Rs. 100.0680 per unit}(March 31, 2011: 3,30,58,972.481)) (Face value of Rs.10 each}}	143,168,129	347,099,841
Investments in DWS Ultra Short Term Fund - Super Institutional Div. Reinv.daily {{{57,60,494.784 units @ Rs.10.0179 per unit}(March 31, 2011 -Nil)) (Face value of Rs. 10 each}}	57,708,061	-
Investments in IDFC Money Manager Fund - Super Institutional Div. Reinv.daily {(Nil (March 31, 2011 -35,22,186.710)) (Face value of Rs. 10 each}}	-	35,227,150
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {{{98,170.6367 units @ Rs. 105.7350 per unit}(March 31, 2011 -3,81,778.083)) (Face value of Rs.100 each}}	10,380,072	40,367,306
Investments in Templeton India Ultra Short Bond Fund - Institutional Div. Reinv.daily {{{Nil}(March 31, 2011-21,31,847.530 units)) (Face value of Rs.10 each}}	-	21,342,139
Investments in HDFC Floating Rate Income Fund {{{Nil) (March 31, 2011 - 3,54,294.41 units @ 10.0809 per unit) (Face Value - Rs. 10/- each)}}}	-	3,571,605
Investment in Kotak Quarterly Interval Plan Series 1 {{{Nil (March 31, 2011 - 5,00,000 units) (Face Value - Rs.10/- each)}}}	-	5,000,000
Investment in Reliance Medium Term Fund {(Nil (March 31, 2011 - 2,63,398.539 units) (Face Value - Rs.10/- each)}}}	-	4,503,035
Investment in Reliance Money Manager Fund {(Nil) (March 31, 2011 - 3,514.790 units) (Face Value - Rs.1000/- each)}}}	-	3,518,733
HDFC Cash Management Fund - Treasury Advantage Plan {(Nil) (March 31, 2011-7,62,883.638 units @ 10.00315 per unit)}	-	7,652,867
Investment in ICICI Prudential Interval Fund II Quarterly Plan A Institutional Dividend {{{March 31, 2012: Nil) (March 31, 2011-3,00,000 units)) (Face value of Rs. 10 each}}	-	3,000,000
Investment in ICICI Prudential Interval-II Qtly Plan A {{{March 31, 2012: Nil) (March 31, 2011-8,50,000 units)) (Face value of Rs. 10 each}}	-	8,500,000
Investments in DWS Manager Fund - Super Institutional Div. Reinv.daily {{{7,95,084.926 units @ Rs.10.0179 per unit) (March 31, 2011-Nil)) (Face value of Rs. 10 each}}	7,967,081	-
Investment in Franklin Templeton {{{ 12,01,625.053 units @10.0111 per unit) (March 31, 2011 -Nil) (Face Value - Rs.10/- each)}}}	12,029,589	-

(Figures in Indian Currency)

Investment in Sundaram Money Fund	5,122,070	-
{{(5,10,318.844 units @10.0370 per unit) (March 31, 2011 -Nil) (Face Value - Rs.10/- each)}}		
	<u>236,375,002</u>	<u>479,782,676</u>
Aggregate amount of unquoted investments	<u>236,375,002</u>	<u>479,782,676</u>

2.16 Inventories

	Current portion	
	As at March 31,	
	2012	2011
(a) Constructed premises/ properties held for sale at cost		
Opening constructed premises held for sale	28,395,438	4,375,000
Add: Transfer from construction work in progress	-	24,020,438
Add: Purchase cost of properties	3,403,125	35,100,000
Less: Sale of constructed premises/properties	(20,742,313)	(35,100,000)
Closing stock of unsold constructed premises	<u>4,250,000</u>	<u>28,395,438</u>
(b) Construction materials at Cost		
Opening construction materials	9,536,424	6,336,829
Add: Purchase of materials	151,703,037	247,979,715
Less: Consumption of materials	(143,813,033)	(244,780,120)
Closing construction materials	<u>17,426,428</u>	<u>9,536,424</u>
(c) Closing work in progress at cost (under broad head)		
Land and land related expenses	779,617,299	217,825,340
Material cost	81,478,527	77,201,062
Other construction expenses	116,211,453	63,930,190
Borrowing cost	54,812,242	34,171,775
Approval charges	2,316,269	7,350,904
Professional fee	8,757,083	7,507,199
Power & Fuel	916,331	879,590
Rates and taxes	1,199,917	1,954,061
Other expenses	6,606,260	12,733,861
	<u>1,051,915,381</u>	<u>423,553,982</u>
Total (a+b+c)	<u>1,073,591,809</u>	<u>461,485,844</u>

2.17 Cash and Bank Balance

	Current portion	
	As at March 31,	
	2012	2011
Cash & Cash Equivalents		
Balances with banks:		
On current accounts	86,084,514	34,877,396
Cash on hand	216,806	319,164
Deposits with original maturity of less than 3 months	-	3,000
	<u>86,301,320</u>	<u>35,199,560</u>

(Figures in Indian Currency)

Other Bank Balance

Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank)	15,201,809	4,504,320
Unpaid dividend account (Earmarked)	729,391	666,385
	<u>15,931,200</u>	<u>5,170,705</u>
	<u>102,232,520</u>	<u>40,370,265</u>

3.01 Revenue from operations**Year ended March 31,****2012 2011****Revenue from operations**

Revenue from real estate development	801,601,145	1,805,494,149
Contract revenue	7,893,179	-
Rental income	148,042,157	100,922,914
Project management fee	1,001,187	521,805
Maintenance income	51,670,185	40,591,570
Brokerage income	7,441,549	5,349,718
Other operating revenues	9,661,715	1,210,483
	<u>1,027,311,117</u>	<u>1,954,090,639</u>

3.02 Other Income**Year ended March 31,****2012 2011****Interest Income on**

Bank Deposits	690,989	339,359
Others	34,223,624	21,348

Dividend Income On

Current investments		
Mutual Funds	18,039,696	15,706,178
Net gain on sale of current investments	-	365,421
Excess liabilities/provisions no longer required	-	1,326,874
Other non - operating income	14,958	93,692
(net of expenses directly attributable to such income)		
	<u>52,969,267</u>	<u>17,852,872</u>

3.03 Project development expenses**Year ended March 31,****2012 2011**

a) Land and land related expenses	641,179,450	145,202,999
	<u>641,179,450</u>	<u>145,202,999</u>
b) Cost of Materials and Construction Expenses		
Purchase of materials	146,518,060	248,858,686
Construction expenses	338,602,578	480,834,938
Approval charges	10,448,552	11,434,476
Professional charges	3,640,807	18,929,059
Power and Fuel	7,117,610	8,807,867
Rates and taxes	10,183,529	12,832,940
Other expenses	13,747,851	42,612,966
	<u>530,258,987</u>	<u>824,310,932</u>

(Figures in Indian Currency)

- 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	9,536,424	6,336,829
Work in progress	423,553,982	726,437,575
Constructed premises/ properties for sale	28,395,438	4,375,000

Inventory at the end of the year

Construction materials	17,426,428	9,536,424
Work in progress	1,051,915,381	423,553,982
Constructed premises/ properties for sale	4,250,000	28,395,438

Increase or decrease in inventories

(612,105,965)	275,663,560
---------------	-------------

Total (a+b+c)

559,332,472	1,245,177,491
-------------	---------------

3.04 Employee Benefits Expense**Year ended March 31,**

	2012	2011
Salaries, wages and bonus	52,326,136	40,200,663
Contribution to provident and other fund	4,280,619	2,682,942
Gratuity expense (refer note no. 4.05)	1,236,526	2,092,846
Staff welfare expenses	2,980,040	2,260,822
	<u>60,823,321</u>	<u>47,237,273</u>

3.05 Other Expenses**Year ended March 31,**

	2012	2011
Directors' sitting fees (Board meeting)	105,000	110,000
Advertisement and sales promotion	8,240,360	2,817,326
Printing & stationery	1,176,618	968,373
Communication costs	1,439,326	1,504,948
Traveling & conveyance	568,171	2,686,260
Vehicle maintenance	3,849,256	1,400,562
Rates & taxes	2,298,086	2,184,878
Legal expenses & professional fees	6,386,758	9,427,763
Repairs & maintenance		
- Building	8,872,234	8,772,432
- Plant & Machinery	180,523	134,946
- Others	853,565	1,329,684
Rent	3,697,367	3,583,922
Power and fuel	1,973,190	1,794,812
Insurance	360,772	331,874
Payment to auditors (Refer details below)	1,851,755	1,234,338
Brokerage	37,847	1,402,731
Loss on sale of fixed assets (net)	36,551	-
Other sundry expenses	4,583,351	3,619,561
	<u>46,510,730</u>	<u>43,304,410</u>

(Figures in Indian Currency)

Payment to auditors

Year ended March 31,

2012 2011

As auditor:

Audit fee

1,098,150 994,047

Tax Audit Fee

198,540 190,450

In other Capacity:

Taxation matters

72,210 49,841

Company law matters

128,290 -

1,497,190 1,234,338

3.06 Depreciation and amortization expense

Year ended March 31,

2012 2011

Depreciation of tangible assets

24,656,776 25,756,664

Amortisation of intangible assets

270,372 270,422

24,927,148 26,027,086

3.07 Finance Costs

Year ended March 31,

2012 2011

Interest on borrowings

76,218,796 81,000,697

Loan processing, preclosure & other charges

2,087,421 1,544,752

Bank charges & commission

102,870 201,070

78,409,087 82,746,519

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 for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
- 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.
- 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,	
		2012	2011
Lancor Realty Limited	India	100%	100%
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Projects Limited	India	100%	100%
Lancor Guduvanchery Developments Limited.	India	100%	100%
Lancor Sriperumbudur Developments Limited	India	100%	Nil

Subsidiary which has been considered for consolidation for different reporting date is as follows

Name of the subsidiary	Country of incorporation	Voting power held as at December 31, 2011
Lancor Egatoor Developments Limited	India	100%

The financial statement of Lancor Egatoor Developments Limited has been drawn up to December 31, 2011. There are no significant transactions or major events that has occurred between January 1, 2012 to March 31, 2012, which warrants adjustment in the consolidated financial statements drawn up to March 31, 2012.

- 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.
- 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, 2012	Capital commitments as at March 31, 2012
Central Park West Venture	93.23%	India	1,002,000	Nil

4.02 Earnings Per Share (EPS)

	Year ended March 31,	
	2012	2011

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.

(Figures in Indian Currency)

Continuing operations & Total operation

Net profit / (loss) for the year from continuing operations	112,064,425	322,460,737
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	5.53	15.92

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,	
	2012	2011
Contract revenue recognised during the year	7,893,179	-
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	7,893,179	-
Advances received for contracts in progress	2,288,669	-
Retention money for contracts in progress	-	-
Gross amount due from customers for contract work (asset)	-	-
Gross amount due to customers for contract work (liability)	-	-

4.04 Details of Borrowing cost capitalised

	Year ended March 31,	
	2012	2011
Borrowing costs capitalised during the year		
- as part of work in progress for residential property development	42,410,287	27,375,401
	<u>42,410,287</u>	<u>27,375,401</u>

4.05 Gratuity benefit plans

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

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity	
	Year ended March 31,	
	2012	2011
Current service cost	1,971,204	690,676
Interest cost on benefit obligation	531,259	379,383
Expected return on plan assets	-	-
Net actuarial(gain)/loss recognized in the year	(1,265,937)	662,470
Net benefit expense	<u>1,236,526</u>	<u>1,732,529</u>

(Figures in Indian Currency)

Balance sheet

Benefit asset/liability recognised in the Balance Sheet

	Gratuity	
	As at March 31,	
	2012	2011
Present value of defined benefit obligation	7,488,868	6,439,496
Fair Value of the Plan Assets	-	-
Liability/(asset) recognised	7,488,868	6,439,496

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

	Gratuity	
	As at March 31,	
	2012	2011
Opening defined benefit obligation	6,439,496	4,742,304
Current service cost	1,971,204	690,676
Interest cost	531,259	379,383
Liability Transfer in	-	77,885
Benefits paid	(190,384)	(113,222)
Actuarial (gains)/losses on obligation	(1,262,707)	662,470
Closing defined benefit Obligation	7,488,868	6,439,496

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2012	2011
Discount rate	8.75%	8.25%
Expected rate of return on assets	NA	NA
Employee turnover	10%	1%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
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 account amounted to Rs 36,97,367 (March 31, 2011: Rs.35,33,922)

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:
(Figures in Indian Currency)

	Year ended March 31,	
	2012	2011
Rental income credited to statement of profit and loss	148,042,157	100,922,914
Within one year	82,314,086	108,111,189
After one year but not more than five years	79,314,616	87,033,029
More than five years	128,015,538	-
	<u>289,644,240</u>	<u>195,144,218</u>

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 93.23 % 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, 2012 (PY March 31, 2011) are as follows: (before inter Company elimination)

	Year ended March 31,	
	2012	2011
Current assets	98,886,864	240,735,934
Non-current assets	106,201	1,604,824
Current liabilities	21,054,864	69,897,921
Non-current liabilities	32,626,482	20,838,317
Revenue from operation	177,334,418	770,832,201
Cost of materials and construction expenses	65,044,302	272,661,519
Changes in inventories of constructed premises for sale, work-in-progress & construction materials	47,492,429	284,160,695
Finance cost	1,375,122	3,830,952
Other expenses	3,576,290	1,418,917
Profit before tax	<u>59,846,275</u>	<u>208,760,118</u>
Income-tax expense	(76,915,505)	60,140,177
Profit after tax	<u>(17,069,230)</u>	<u>148,619,941</u>

- 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.

4.08 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.

(Figures in Indian Currency)

Particulars	Year ended	Property Development	Property Rental	Others	Total
External Revenue	31/03/2012	809,494,324	148,042,157	78,152,617	1,035,689,098
	31/03/2011	1,805,494,150	100,922,914	62,169,272	1,968,586,336
Inter segment Revenue	31/03/2012	-	-	-	-
	31/03/2011	-	-	-	-
Total Revenue	31/03/2012	809,494,324	148,042,157	78,152,617	1,035,689,098
	31/03/2011	1,805,494,150	100,922,914	62,169,272	1,968,586,336
Segment Result	31/03/2012	206,298,331	64,437,879	40,104,900	310,841,111
	31/03/2011	489,157,746	75,836,055	34,240,146	599,233,947
Less: Interest	31/03/2012	-	-	-	78,409,087
	31/03/2011	-	-	-	82,746,520
Unallocable Other Expenditure	31/03/2012	-	-	-	8,196,525
	31/03/2011	-	-	-	54,969,060
Add: Unallocable other Income	31/03/2012	-	-	-	44,591,286
	31/03/2011	-	-	-	3,357,176
Profit Before Taxation	31/03/2012	-	-	-	268,826,785
	31/03/2011	-	-	-	464,875,543
Segment Assets	31/03/2012	1,240,345,129	538,347,616	295,056,651	2,073,749,396
	31/03/2011	680,517,147	583,237,951	541,089,155	1,804,844,253
Unallocable Assets	31/03/2012	-	-	-	160,693,900
	31/03/2011	-	-	-	92,670,601
Total Assets					2,234,443,295
Segment Liabilities	31/03/2012	547,591,092	563,984,759	43,135,632	1,154,711,482
	31/03/2011	248,611,570	635,326,253	35,855,467	919,793,290
Unallocable Liabilities	31/03/2012	-	-	-	103,664,411
	31/03/2011	-	-	-	66,647,464
Total liabilities					1,258,375,893
Capital Expenditure					
Segment Capital Expenditure	31/03/2012	-	981,498	-	981,498
	31/03/2011	-	4,452,175	-	4,452,175
Unallocable Capital Expenditure	31/03/2012	-	-	-	25,746,478
	31/03/2011	-	-	-	2,496,197
Total Capital Expenditure	31/03/2012		981,498	-	26,727,976
	31/03/2011	-	4,452,175		6,948,372

(Figures in Indian Currency)

Segment Depreciation	31/03/2012	-	20,543,476	-	20,543,476
	31/03/2011	-	22,022,319	-	22,022,319
Unallocable Depreciation	31/03/2012	-	-	-	5,192,703
	31/03/2011	-	-	-	4,004,765
Non cash Expenses other than Depreciation					
Segment Non Cash Expenditure	31/03/2012	-	-	-	-
	31/03/2011	-	-	-	-
Unallocable Non Cash Expenditure	31/03/2012	-	-	-	1,236,526
	31/03/2011	-	-	-	1,732,529
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

Related party transactions

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

	Year ended	Subsidiary	Key management Personnel	Total
a. Expenditure				
Remuneration paid				
R.V.Shekar	31/03/2012	-	5,590,654	5,590,654
	31/03/2011	-	5,478,666	5,478,666
Interest paid				
R.V.Shekar	31/03/2012	-	-	-
	31/03/2011	-	72,132	72,132
Brokerage paid income				
Income from real estate Development				
Sangeetha shekar	31/03/2012	-	7,571,524	7,571,524
	31/03/2011	-	-	-
Shwetha shekar	31/03/2012	-	7,571,524	7,571,524
	31/03/2011	-	-	-

(Figures in Indian Currency)

d. Advances received towards sale of properties

Sangeetha shekar	31/03/2012	-	4,928,476	4,928,476
	31/03/2011	-	-	-
Shwetha shekar	31/03/2012	-	4,928,476	4,928,476
	31/03/2011	-	-	-

Other advances

Lancor Egatoor Developments Limited	31/03/2012	-	-	-
	31/03/2011	66,104	-	66,104

e. Closing balances

Lancor Egatoor Developments Limited	31/03/2012	-	-	-
	31/03/2011	66,104	-	66,104

4.10 Capital and other commitments

	Year ended March 31,	
	2012	2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
Tangible assets	Nil	Nil
Intangible assets	Nil	Nil
Other commitments (specify nature)	-	-

4.11 Contingent liabilities

a) The Arbitration proceeding on the “Menon Eternity” is still pending. It appears that the respective counsel will conclude the final arguments within the next one month. The company had completed the construction of the building as per the terms of Joint Development Agreement and the owners have taken possession of their share. Informatively the owners have also leased their share to various private parties. As stated in the previous report a part of the amount due to the company has been paid by the owners as per orders of the Arbitration court and the company is waiting the judgment of the Arbitration court to receive the balance. The company therefore feels that the claims of the land owner are perplex and unsustainable. Accordingly the company does not acknowledge claims of the land owners.

b) (i) 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 to the lessee and the matter is pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.

(ii) Other claim other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 17,06,120

c) Claims against the entity in respect of the service tax matter not acknowledged as debt amounting to Rs.12,04,358 (March 31, 2011: 12,04,358), against which an amount of Rs.60,000/- has been remitted as pre-deposit as per the direction of CESTAT.

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

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

4.13 Previous year figures

Till the year ended March 31, 2011, pre-revised Schedule VI to the Companies Act 1956 was being used for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. Accordingly, the Company has reclassified previous year figures to confirm to this year's classification. On adoption of the revised Schedule VI, there has been no significant impact on recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012
Place: Chennai

Date : May 30, 2012
Place: Chennai

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

01	Name of the subsidiary	Lancor Maintenance & Services Limited	Lancor Realty Limited	Lancor Projects Limited	Lancor Guduvanchery Development Limited	Lancor Egatoor Development Limited	Lancor Sriperumbudur Developments Limited
02	Financial year of the subsidiary company ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.12.2011	31.03.2012
03	Date from which they became subsidiary	18.09.1996	03.10.2002	15.05.2006	22.11.2010	01.12.2010	12.04.2011
04	Shares of the Subsidiary held by the Company on the above dates: (a) Nos. (b) Face Value (c) Paid up value (d) Extent of Holding	2,50,000 Rs.10/- Rs.10/-	40,000 Rs.10/- Rs.10/-	49,940 Rs.10/- Rs.10/-	49,940 Rs.10/- Rs.10/-	49,940 Rs.10/- Rs.10/-	49,940 Rs.10/- Rs.10/-
05	Net aggregate amount of profits or losses of the Subsidiary for the above financial year so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2012. (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2012	Nil 3,70,95,998	Nil 2,35,77,269	Nil 2,60,45,758	Nil (6,86,212)	Nil (81,397)	Nil (73,87,050)
06	Net aggregate amount of profits or losses for the previous financial year of the Subsidiary, since it became a Subsidiary so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2011. (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2011.	Nil 3,12,85,812	Nil 1,94,27,065	Nil 3,26,81,622	Nil (64,339)	Nil Nil	Nil Nil
07	Changes in the interest of the Holding Company between the end of Subsidiary's financial year ended and March 31, 2012	Nil					
08	Material Changes between the end of the Subsidiary's financial year ended and March 2012	Not Applicable					

For and on behalf of the Board of Directors
For Lancor Holdings Limited

R.V. Shekar Managing Director
R.Sankaranarayanan Director

Place : Chennai

Date : 30th day of May, 2012

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

(Figures in Indian Currency)

Sl. No	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	Lancor Maintenance & Services Ltd	INR	25,17,500	3,73,57,501	8,72,56,927	8,72,56,927	3,78,19,912	5,82,57,862	17,58,000	48,31,252	Nil	India
2	Lancor Realty Ltd	INR	5,00,000	2,35,77,268	2,49,32,336	2,49,32,336	1,03,69,936	84,09,727	13,90,000	38,29,692	Nil	India
3	Lancor Projects Ltd	INR	5,00,000	2,60,45,758	2,93,29,217	2,93,29,217	79,67,081	1,83,69,485	Nil	(67,35,864)	Nil	India
4	Lancor Guduvanchery Developments Ltd	INR	5,00,000	(68,62,12)	24,85,58,074	24,85,58,074	Nil	Nil	Nil	(6,21,873)	Nil	India
5	Lancor Egatoor Developments Ltd	INR	5,00,000	(81,397)	4,94,707	4,94,707	Nil	Nil	Nil	(81,397)	Nil	India
6	Lancor Sriperumbudur Developments Ltd	INR	5,00,000	(73,87,050)	5,49,04,676	5,49,04,676	Nil	Nil	Nil	(73,87,050)	Nil	India

AUDITOR'S REPORT TO THE MEMBERS OF LANCOR HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of LANCOR HOLDINGS LIMITED as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement for the year under review annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. LANCOR HOLDINGS LIMITED as on March 31, 2012 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and
 - (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 Cash Flow Statement, of the cash flows for the year ended on that date.

For G.M. Kapadia and Co.

Chartered Accountants

Firm Registration No: 104767W

Satya Ranjan Dhall

Partner

Membership No. 214046

Chennai

Dated: May 30, 2012

Annexure

Re: LANCOR HOLDINGS LIMITED

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets.
- (b) All the assets have been physically verified by the management during the year. The programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and no discrepancies were noticed on verification between the physical stocks and books of accounts.
- (iii) (a) The Company has granted unsecured loans to two 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.33,14,19,974 and maximum amount outstanding during the year was Rs.45,44,09,256.
- (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, 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, 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 one Company covered in the register maintained under section 301 of Companies Act, 1956. The maximum amount involved during the year was Rs.5,82,393 and the year end balance from such Company was Rs. 5,01,011.
- (f) In our opinion the rate of interest and the terms and conditions on which loan has been taken from the Company covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
- (g) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases

of inventory, fixed assets and with regard to sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

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

Lancor Holdings Limited

- (x) The Company has neither accumulated losses nor incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. In view of the same, the clause (x) of clause 4 of the order regarding comparison of the net worth with accumulated losses is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of its dealings in shares and other investments and timely entries have been made there in. All the 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, no fraud on or by the Company has been noticed during the course of our audit.

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

Satya Ranjan Dhall
Partner
Membership No. 214046

Chennai
Dated: May 30, 2012

Balance Sheet as at March 31, 2012

(Figures in Indian Currency)

	Notes	As at March 31,	
		2012	2011
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	40,500,000	40,500,000
Reserves and surplus	2.02	861,079,291	784,018,923
		<u>901,579,291</u>	<u>824,518,923</u>
Non-current liabilities			
Long-term borrowings	2.03	467,596,396	450,945,716
Trade payables	2.04	13,766,809	4,553,140
Other long-term liabilities	2.04	106,089,956	138,716,319
Long-term provisions	2.05	3,005,424	3,727,676
		<u>590,458,585</u>	<u>597,942,851</u>
Current liabilities			
Short-term borrowings	2.06	267,941,642	5,650,999
Trade payables	2.07	66,761,819	84,894,378
Other current liabilities	2.07	176,758,732	131,279,912
Short-term provisions	2.05	48,274,657	47,471,528
		<u>559,736,850</u>	<u>269,296,817</u>
Total		<u>2,051,774,725</u>	<u>1,691,758,590</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	559,796,846	564,956,876
Intangible assets	2.09	180,673	292,746
Non-current investments	2.10	25,476,800	24,476,800
Deferred tax assets (net)	2.11	2,076,647	1,980,083
Long-term loans and advances	2.12	103,693,652	43,210,474
		<u>691,224,618</u>	<u>634,916,979</u>
Current assets			
Current investments	2.15	181,218,073	427,751,121
Inventories	2.16	685,087,492	228,666,477
Trade receivables	2.13	14,628,468	53,999,920
Cash and bank balances	2.17	83,207,826	9,757,732
Short-term loans and advances	2.12	360,183,637	336,560,807
Other current assets	2.14	36,224,611	105,554
		<u>1,360,550,107</u>	<u>1,056,841,610</u>
Total		<u>2,051,774,725</u>	<u>1,691,758,590</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

For and on behalf of the Board of Directors

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012
Place: Chennai

Date : May 30, 2012
Place: Chennai

Statement of Profit & Loss for the year ended March 31, 2012

(Figures in Indian Currency)

	Notes	Year ended March 31,	
		2012	2011
Continuing operations			
Income			
Revenue from operations	3.01	817,940,026	1,095,360,603
Share of profit / (loss) from investment in partnership firm	4.06	(17,069,230)	148,619,941
Other income	3.02	56,337,500	15,019,182
Total Revenue		857,208,296	1,258,999,726
Expenses			
Land and land related expenses		498,477,465	45,202,999
Cost of materials and construction expenses	3.03	448,756,000	574,811,713
Changes in inventories of constructed premises, work-in-progress & construction material	3.04	(456,421,015)	92,109,457
Employee benefits expense	3.05	29,101,936	27,609,697
Other expenses	3.06	36,596,412	39,417,797
Total Expenses		556,510,798	779,151,663
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)		300,697,498	479,848,063
Depreciation and amortisation expense	3.07	23,796,236	24,982,215
Finance costs	3.08	75,580,066	78,915,182
Profit/(loss) before Exceptional, Extraordinary items and Tax		201,321,196	375,950,666
Exceptional items		--	-
Profit / (loss) before Extraordinary items and Tax		201,321,196	375,950,666
Extraordinary items		-	-
Profit / (loss) before tax		201,321,196	375,950,666
Tax expenses			
Current tax		60,754,524	72,140,937
Deferred tax	2.11	(96,564)	398,898
(Excess) / Short Provision for Tax of earlier years		16,531,743	-
Profit / (loss) for the period		124,131,493	303,410,831
Earnings per equity share (Nominal Value of share Rs. 2/- each)	4.01		
Basic & Diluted			
Computed on the basis of profit from continuing operations and total operations		6.13	14.98
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

For and on behalf of the Board of Directors

Satya Ranjan Dhall

Partner

CA. Mallika Ravi

Chief Executive Officer

R.Sankaranarayanan

Director

R.V.Shekar

Managing Director

K.Srinivasan

Chief Financial Officer

H.Viswanath

Company Secretary

Date : May 30, 2012

Place: Chennai

Date : May 30, 2012

Place: Chennai

Cash Flow Statement for the year ended March 31, 2012
(Figures in Indian Currency)

	Year ended March 31,	
	2012	2011
Cash flow from operating activities		
Profit Before Tax from continuing operations	201,321,197	375,950,664
Profit Before Tax	201,321,197	375,950,664
Non-cash adjustment to Profit Before Tax:		
Share of (profit)/loss from investment in partnership firm	17,069,229	(148,619,941)
Depreciation/amortisation on continuing operation	23,796,237	24,982,215
Provision for Gratuity	326,819	-
Loss/(profit) on sale of assets	25,942	(18,089)
Sundry balances written back	(5,086,685)	(450,962)
Interest expense	75,580,066	78,915,182
Interest income	(36,017,565)	(192,994)
Dividend income	(15,222,641)	(14,357,137)
Operating profit before working capital changes	<u>261,792,599</u>	<u>316,208,938</u>
Movements in working capital:		
Increase/(decrease) in trade payables	(3,832,204)	8,729,870
Increase/(decrease) in provisions	(90,521)	(4,803,583)
Increase/(decrease) in other current liabilities	30,064,712	5,853,007
Decrease/(increase) in trade receivables	39,371,452	33,446,533
Decrease/(increase) in inventories	(455,611,983)	92,109,457
Decrease/(increase) in loans and advances	(104,530,052)	252,143,712
Decrease/(increase) in other assets	(181,937)	(207,973)
Cash generated from/(used in) operations	(233,017,933)	703,479,961
Direct taxes paid (net of refunds)	<u>74,113,270</u>	<u>79,616,172</u>
Net cash flow from/(used in) operating activities (A)	<u>(307,131,203)</u>	<u>623,863,789</u>
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(20,585,526)	(4,703,542)
Proceeds from sale of fixed assets	35,250	87,600
Purchase of investments	(366,222,641)	(1,230,198,621)
Proceeds from sale/maturity of investments	611,755,689	800,000,000
Interest received	80,444	192,994
Dividends received	<u>15,222,641</u>	<u>14,357,137</u>
Net cash flow from/(used in) investing activities (B)	<u>240,285,857</u>	<u>(420,264,432)</u>
Cash flow from financing activities		
Proceeds from borrowings	369,902,265	650,000,000
Repayment of borrowings	(106,778,890)	(749,772,110)
Interest paid	(75,576,290)	(78,915,182)
Dividends paid on equity shares	(40,525,100)	(20,250,000)
Tax on equity dividend paid	(6,726,544)	(3,441,488)
Net cash flow from/(used in) in financing activities (C)	<u>140,295,441</u>	<u>(202,378,780)</u>

Lancor Holdings Limited

(Figures in Indian Currency)

Net increase/(decrease) in cash and cash equivalents (A+B+ C)	73,450,095	1,220,577
Cash and cash equivalents at the beginning of the year	9,757,731	8,537,154
Cash and cash equivalents at the end of the year	<u>83,207,826</u>	<u>9,757,731</u>
<i>Note: (i) Figures in bracket represents outflows</i>		
(ii) Cash and Cash Equivalent as per note no. 2.17 of the financial statement	83,207,826	9,757,731
	<u>83,207,826</u>	<u>9,757,731</u>

As per our report of even date attached

For and on behalf of the Board of Directors

For G. M. Kapadia & Co.

Chartered Accountants

Satya Ranjan Dhall
Partner

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Date : May 30, 2012

Place: Chennai

Date : May 30, 2012

Place: Chennai

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 under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 notified by MCA vide its notification no. 447(E) dated February 28, 2011. 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 judgements, 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.

Intangible assets	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 transaction

Foreign currency transactions and balances

Initial recognition

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

Exchange differences

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

1.14 Employee benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

c) Short Term Employee Benefit

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

1.16 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.

1.17 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,	
	2012	2011
Authorized shares		
7,50,00,000 (March 31, 2011: 7,50,00,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed & fully paid up equity shares		
2,02,50,000 (March 31, 2011: 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	<u>40,500,000</u>	<u>40,500,000</u>

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

	As at March 31,			
	2012		2011	
	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, 2012, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2011: Rs.2).

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

	As at March 31,			
	2012		2011	
	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%	2,598,000	12.83%
Sangeetha Shekar	1,376,850	6.80%	1,376,850	6.80%
Shwetha Shekar	1,376,800	6.80%	1,376,800	6.80%
G Corp Pvt Ltd	760,999	3.76%	1,062,999	5.25%

Lancor Holdings Limited

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,	
	2012	2011
General reserve		
Balance as at the beginning of the year	140,677,052	110,335,969
Add: amount transferred from surplus balance in the statement of profit and loss	12,413,149	30,341,083
Balance at the end of the year	153,090,201	140,677,052
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	643,341,871	417,498,667
Profit for the year	124,131,493	303,410,831
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,571,125	6,726,544
Transfer to general reserve	12,413,149	30,341,083
Total appropriations	59,484,274	77,567,627
Net surplus in the statement of profit and loss	707,989,090	643,341,871
Total reserves and surplus	861,079,291	784,018,923

2.03 Long-term borrowings	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	-	488,760	488,760	3,589,079
Catholic Syrian Bank- Term loan II	367,207,552	408,133,500	40,925,948	32,135,846
Catholic Syrian Bank- Term Loan III (Machinery)	-	-	6,639,379	-
Catholic Syrian Bank- Term Loan IV (Vehicle)	23,650	-	867,211	-
From Financial Institutions				
HDFC- Term loan I	-	4,283,590	4,283,590	2,036,700
HDFC- Term loan II	-	22,808,056	22,808,056	7,218,162
HDFC- Term loan III	-	14,508,718	14,508,718	1,122,456
HDFC- Term loan IV (Vehicle)	365,194	723,092	357,897	407,062
HDFC- Term loan V	-	-	-	3,019,000
HDFC- Term loan VI	-	-	-	57,169,202
HDFC- Term loan VII	100,000,000	-	-	-
	<u>467,596,396</u>	<u>450,945,716</u>	<u>90,879,559</u>	<u>106,697,507</u>

Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)

	-	-	90,879,559	106,697,507
Net Amount	467,596,396	450,945,716	-	-

The above amount includes aggregate amount of secured borrowings Rs. 46,75,96,396 (March 31, 2011: Rs. 45,09,45,716)

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

	<u>Nature of Security</u>	<u>Terms of Repayment</u>
i.	Term loan I from Catholic Syrian Bank Limited is secured by present and future rent receivables and by equitable mortgage of premises "Citi Tower" owned by the Company.	The loan is repayable by rent receivables of the property "Citi Tower" or by equal monthly instalments Rs. 3,20,810 as per the terms of the loan agreement. The present applicable rate is 14.25%
ii.	Term loan II from Catholic Syrian Bank Limited is secured by present and future rent receivable and by equitable mortgage of premises "Menon Eternity" owned by the Company .	The loan is repayable by the rent receivables of the property "Menon Eternity" or by equal monthly instalments of Rs. 77,34,981 (with 6% increase in monthly installments per annum) as per the terms of the loan agreement. The present applicable rate is 13.75%
iii.	Term loan III (Machinery) from Catholic Syrian Bank Limited is secured by machinery purchased and other mortgage of land and building owned by the Company.	The total amount of loan sanctioned to the Company is amounting to Rs. 3,24,58,000. The loan is repayable in 60 equal monthly installments amounting to 7,92,000 from the date April 5, 2009. The applicable rate of interest is 15.25% per annum.
iv.	Term loan IV (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 14, 2011. The applicable rate of interest is 12.50% per annum.
v.	Term loan I from HDFC Limited is secured by equitable mortgage of premises "VTN Square" owned by the Company.	The loan is repayable in 84 equal monthly installments starting from January 2006. The present applicable rate of interest is 17% per annum.
vi.	Term loan II from HDFC Limited is secured by present and future rent receivables of premises "Westminster" and equitable mortgage of "VTN Square" and "Roma" owned by the Company.	The loan is repayable in 72 installments or as per the period as may be decided by the HDFC Limited starting from March 19, 2008. The applicable rate is in the range of 14.5% to 15.75% per annum.

- | | | |
|-------|---|--|
| vii. | Term loan III from HDFC Limited is secured by present and future rent receivable and equitable mortgage of premises "ROMA" owned by the Company . | The loan is repayable by rent receivable or by 108 equal monthly installments of Rs. 283,594 from July 2009. The applicable rate is in the range of 15.5% to 16.25% per annum |
| viii. | Term Loan IV (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 V from HDFC Limited is secured by equitable mortgage of plot of land owned by the joint venture entity Central Park West Venture. | The loan is repayable in 18 months from the date of the first disbursement on November 25, 2009. The applicable rate is 14.75% per annum |
| x. | Term loan VI from HDFC Limited is secured by mortgage of plot of land owned by the Company. | The loan is repayable within 36 months from September 27, 2010 or depending upon the release of lean of un divided share of land. The applicable rate of interest is in the range of 14.75% to 16% per annum. |
| xi. | Term loan VII 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. |

(Figures in Indian Currency)

2.04 Other long-term liabilities

	As at March 31,	
	2012	2011
Trade payables		
Retention Money	13,766,810	4,553,140
Others		
Rental Deposits	106,089,956	138,716,319
	<u>106,089,956</u>	<u>138,716,319</u>
	<u>119,856,766</u>	<u>143,269,459</u>

2.05 Provisions

	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Provision for employee benefits				
Provision for gratuity (refer note no. 4.04)	3,005,425	3,727,676	1,049,070	190,384
Provision for bonus	-	-	154,463	54,600
	<u>3,005,425</u>	<u>3,727,676</u>	<u>1,203,533</u>	<u>244,984</u>

(Figures in Indian Currency)

Other provisions

Proposed equity dividend	-	-	40,500,000	40,500,000
Provision for tax on proposed equity dividend	-	-	6,571,125	6,726,544
	-	-	47,071,125	47,226,544
	<u>3,005,425</u>	<u>3,727,678</u>	<u>48,274,658</u>	<u>47,471,528</u>

2.06 Short-term borrowings

As at March 31,

2012 2011

Loans repayable on demand

Secured

From Catholic Syrian Bank	267,440,631	5,068,606
---------------------------	-------------	-----------

Loans and Advance from Related parties

Unsecured	501,011	582,393
	<u>267,941,642</u>	<u>5,650,999</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"
---	---

2.07 Other current liabilities

As at March 31,

2012 2011

Trade payables

Trade payables	59,337,284	69,770,634
Retention Money	7,424,535	15,123,744
	<u>66,761,819</u>	<u>84,894,378</u>

Other liabilities

Current maturities of long-term borrowings (refer note no. 2.03)	90,879,559	106,697,507
Advances received from customers	66,492,881	1,000,000
Unclaimed dividend	648,299	673,399
Contractually reimbursable expenses	58,987	-
Payables on purchase of non current assets	901,894	2,274,878
Rental Deposits	12,444,530	6,614,952
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	5,328,807	14,019,176
Interest accrued and due on borrowings	3,776	-
	<u>176,758,732</u>	<u>131,279,912</u>
	<u>243,520,551</u>	<u>216,174,289</u>

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 9,08,79,559 (March 31, 2011: Rs. 10,66,97,507)

(Figures in Indian Currency)

2.08 Tangible Assets

	Gross Block			Depreciation		Net Block	
	As at April 1, 2011	Addition	Disposal / Adjustment	As at March 31, 2012	For the Year Adjustments	As at March 31, 2012	As at March 31, 2011
Own Assets:							
Land	56,282,736	-	-	56,282,736	-	56,282,736	56,282,736
Building	5,806,563	-	-	5,806,563	105,679	5,912,242	5,806,563
Plant & Machinery	553,653	12,214,165	-	12,767,818	915,133	13,682,951	553,653
Electrical Installation	1,050,044	240,173	-	1,290,217	662,349	1,952,566	1,050,044
Air conditioners	1,614,473	230,600	-	1,845,073	985,890	2,830,963	1,614,473
Furniture & Fixtures	9,393,762	1,451,340	-	10,845,101	5,647,267	16,492,368	9,393,762
Computers	3,385,145	750,368	-	4,135,513	3,004,005	7,139,518	3,385,145
Office Equipment	1,333,524	78,434	87,350	1,324,608	769,911	2,094,519	1,333,524
Vehicles	9,077,142	3,663,224	43,863	12,696,503	6,601,427	19,297,930	9,077,142
Total	88,497,039	18,628,304	131,213	106,994,131	18,361,322	125,355,453	88,497,039
Assets given on Operating Lease:							
Buildings	433,542,231	104,063	200,000	433,446,294	25,527,337	458,973,631	433,542,231
Plant & Machinery	50,661,848	57,051	-	50,718,899	15,991,290	66,710,189	50,661,848
Electrical Installation	42,291,816	-	-	42,291,816	16,206,387	58,498,203	42,291,816
Air Conditioner	33,513,255	743,924	-	34,257,179	10,105,965	44,363,144	33,513,255
Furniture & Fixtures	6,420,977	61,018	-	6,481,995	3,777,990	10,259,985	6,420,977
Total	566,430,127	966,056	200,000	567,196,183	71,608,969	638,805,152	566,430,127
Total	1,453,469,166	19,594,360	331,213	1,604,274,694	89,970,291	1,694,244,985	1,453,469,166

As at March 31, 2011 **650,392,187** **5,289,233** **754,253** **654,927,167** **65,828,103** **24,826,932** **684,743** **89,970,291** **564,956,876** **584,564,084**

Note: Out of total amount of depreciation for the year ended 2012, depreciation amount of Rs.809,032 pertaining to plant and machinery & vehicles has been capitalised as indirect expenses in the construction work in progress for Sriperumbudur real estate project.

2.09 Intangible Assets

	Gross Block			Amortisation		Net Block	
	As at April 1, 2011	Addition	Disposal	As at March 31, 2012	For the Year Adjustments	As at March 31, 2012	As at March 31, 2011
Computer software	776,408	-	-	776,408	112,073	888,481	776,408
Total	776,408	-	-	776,408	112,073	888,481	776,408
As at March 31, 2011	561,688	214,720	-	776,408	328,379	1,104,787	561,688

(Figures in Indian Currency)

2.10 Non-current investments

As at March 31,

Trade investments (valued at cost)**Unquoted equity instruments****Investment in subsidiaries**

	2012	2011
50,000 Equity shares (March 31, 2011: 50,000) of Rs. 10 each fully paid up in Lancor Guduvanchery Developments Ltd	500,000	500,000
50,000 Equity shares of Rs. 10 each fully paid up in Lancor Egatoor Developments Ltd	500,000	-
50,000 Equity shares of Rs. 10 each fully paid up in Lancor Sriperumbudur Developments Ltd	500,000	-

Others

Investment in Capital of partnership firm Central Park West Venture	20,000,000	20,000,000
	21,500,000	20,500,000

Other investments (valued at cost)**Unquoted Equity Instruments****Investment in subsidiaries**

2,50,000 Equity shares (March 31, 2011: 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, 2011: 50,000) of Rs. 10 each fully paid up in Lancor Projects Limited	900,000	900,000
50,000 Equity shares (March 31, 2011: 50,000) of Rs. 10 each fully paid up in Lancor Realty Limited	500,000	500,000

Others

21,000 (March 31, 2011: 21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	2,476,800	2,476,800
	3,976,800	3,976,800

Aggregate amount of unquoted investments

	25,476,800	24,476,800
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Investments in partnership firm (Central Park West Venture)

As at March 31,

Name of the partner and share in profits(%)

	2012	2011
Lancor Holdings Limited	93.23	90.37
Lancor Maintenance & Services Limited	0.11	0.16
Clasic Farms (Chennai) Limited	6.66	9.47
Total capital of the firm	41,000,000	41,000,000

(Figures in Indian Currency)

2.11 Deferred tax assets/ liabilities(net)

	As at March 31,	
	2012	2011
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization	216,133	288,379
Others	-	415
Gross deferred tax liability	216,133	288,794
Deferred tax asset		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,968,330	1,936,702
Provision for doubtful debts and advances	324,450	332,175
Gross deferred tax asset	2,292,780	2,268,877
Net deferred tax asset	2,076,646	1,980,083

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net deferred tax asset as at March 31, 2012 of Rs. 20,76,646 (March 31, 2011: Rs.19,80,083 and Rs.96,563 (March 31, 2011: (Rs. 3,98,898)) has been credited to the statement of profit & loss.

2.12 Loans and Advances

	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2012	2011	2012	2011
Capital advances				
Unsecured, considered good	70,750	452,568	-	-
(A)	70,750	452,568	-	-
Security deposit				
Unsecured, considered good	45,070,488	27,282,185	570,000	373,500
(B)	45,070,488	27,282,185	570,000	373,500
Loan and advances to related parties (refer note no. 4.08)				
Unsecured, considered good	-	-	295,890,208	250,742,917
(C)	-	-	295,890,208	250,742,917
Other loans and advances (Advances recoverable in cash or kind)				
Unsecured, considered good				
Advance for land	55,200,000	-	2,000,000	-
Advance to suppliers	-	-	19,520,902	1,787,423
Advance to contractors	-	-	28,986,386	60,743,588
Prepaid expenses	20,642	-	756,168	448,411

Lancor Holdings Limited

(Figures in Indian Currency)

Other advances	55,584	13,153,974	12,459,974	18,337,531
Doubtful	-	-	1,000,000	1,000,000
	55,276,226	13,153,974	64,723,429	82,316,952
Provision for doubtful advances	-	-	1,000,000	1,000,000
(D)	55,276,226	13,153,974	63,723,429	81,316,952
Advance income-tax (net of provision for taxation)	3,276,188	2,321,747	-	4,127,438
(E)	3,276,188	2,321,747	-	4,127,438
Total (A+B+C+D+E)	103,693,652	43,210,474	360,183,637	336,560,807

2.13 Trade Receivables

	Current portion	
	As at March 31,	
	2012	2011
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	14,628,468	53,999,920
	14,628,468	53,999,920
Outstanding for a period exceeding six months from the date they are due for payment	1,167,084	14,357,352
Other receivables	13,461,384	39,642,568
	14,628,468	53,999,920

2.14 Other Assets:

	Current portion	
	As at March 31,	
	2012	2011
Unsecured, considered good unless stated otherwise		
Interest accrued but not due on advances	35,529,767	-
Interest accrued but not due on deposits	508,105	100,751
Contractually reimbursable expenses	186,739	4,803
	36,224,611	105,554

(Figures in Indian Currency)

2.15 Current investments	As at March 31,	
	2012	2011
Current investments(valued at lower of cost and fairvalue, unless stated otherwise)		
Unquoted		
Mutual funds		
Investments in Birla Sun Life Savings Fund - Inst.- Daily Div Reinvestment {{{14,30,708.4079 units @ Rs. 100.0680 per unit}(March 31, 2011: 3,30,58,972.481)) (Face value of Rs.10 each)}}	143,168,129	330,814,526
Investments in DWS Ultra Short Term Fund - Super Institutional Div. Reinv.daily {{{27,62,043.1371 units @ Rs.10.0179 per unit}(March 31, 2011: Nil)) (Face value of Rs. 10 each)}}	27,669,872	-
Investments in IDFC Money Manager Fund - Super Institutional Div. Reinv.daily {(Nil (March 31, 2011: 35,22,186.710)) (Face value of Rs. 10 each)}}	-	35,227,150
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {{{98,170.6367 units @ Rs. 105.7350 per unit}(March 31, 2011-3,81,778.083)) (Face value of Rs.100 each)}}	10,380,072	40,367,306
Investments in Templeton India Ultra Short Bond Fund - Institutional Div. Reinv.daily {{{Nil}(March 31, 2011: 21,31,847.530)) (Face value of Rs.10 each)}}	-	21,342,139
	181,218,073	427,751,121
Aggregate amount of unquoted investments	181,218,073	427,751,121

2.16 Inventories	Current portion	
	As at March 31,	
	2012	2011
(a) Constructed premises held for sale at cost		
Opening constructed premises held for sale	28,395,438	4,375,000
Add: Transfer from construction work in progress	-	24,020,438
Less: Sale of constructed premises	(24,145,438)	-
Closing stock of unsold constructed premises	4,250,000	28,395,438

(Figures in Indian Currency)

(b) Construction materials at Cost

Opening construction materials	8,680,815	6,336,829
Add: Purchase of materials	125,425,074	166,719,296
Less: Consumption of materials	117,565,369	164,375,310
Closing construction materials	16,540,520	8,680,815

(c) Closing work in progres at cost (under broad head)

Land and land related expenses	515,943,246	76,505,363
Material cost	61,066,715	45,583,048
Other construction expenses	54,200,032	27,330,610
Borrowing cost	18,249,200	19,810,995
Approval charges	2,143,140	6,830,608
Profesional fee	7,468,457	4,534,310
Power & Fuel	916,331	635,375
Rates and taxes	1,199,917	1,721,387
Other expenses	3,109,934	8,638,528
	664,296,972	191,590,224

Total (a+b+c)

685,087,492 228,666,477

2.17 Cash and Bank Balance

Current portion

As at March 31,

2012 2011

Cash & Cash Equivalents

Balances with banks:

On current accounts 74,902,095 4,514,454

Cash on hand 72,020 72,573

74,974,115 4,587,027

Other Bank Balance

Deposits with original maturity for more than 3 months but less than 12 months (held for guarrantee with bank) 7,504,320 4,504,320

Unpaid dividend account (Earmarked) 729,391 666,385

8,233,711 5,170,705

83,207,826 9,757,732

(Figures in Indian Currency)

3.01 Revenue from operations	Year ended March 31,	
	2012	2011
Revenue from operations		
Revenue from real estate development	662,004,690	994,437,689
Contract revenue	7,893,179	-
Rental income	148,042,157	100,922,914
	<u>817,940,026</u>	<u>1,095,360,603</u>
3.02 Other Income	Year ended March 31,	
	2012	2011
Interest income on		
Bank deposits	472,239	192,994
Subsidiaries	35,529,767	-
Others	15,559	-
Dividend income on		
Current investments		
Mutual Funds	15,222,641	14,357,137
Trade payables written back	5,086,685	375,359
Other non - operating income	10,609	93,692
(net of expenses directly attributable to such income)		
	<u>56,337,500</u>	<u>15,019,182</u>
3.03 Cost of Materials and Construction Expenses	Year ended March 31,	
	2012	2011
Purchase of materials	125,425,074	167,598,267
Construction expenses	272,714,297	316,010,358
Approval charges	10,363,408	11,283,405
Professional charges	18,595,818	28,562,921
Power and Fuel	6,521,748	8,807,867
Rates and taxes	10,163,710	12,832,940
Other expenses	4,971,945	29,715,954
	<u>448,756,000</u>	<u>574,811,713</u>

(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,	
	2012	2011
Inventory at the beginning of the year		
Construction materials	8,680,815	6,336,829
Work in progress	191,590,224	310,064,105
Constructed premises for sale	28,395,438	4,375,000
Inventory at the end of the year		
Construction materials	16,540,520	8,680,815
Work in progress	664,296,972	191,590,224
Constructed premises for sale	4,250,000	28,395,438
Increase / (decrease) in inventories	<u>(456,421,015)</u>	<u>92,109,457</u>

3.05 Employee Benefits Expense	Year ended March 31,	
	2012	2011
Salaries, wages and bonus	25,639,736	23,656,122
Contribution to provident and other fund	2,126,016	1,850,249
Gratuity expense (refer note no. 4.04)	326,819	1,111,921
Staff welfare expenses	1,009,365	991,405
	<u>29,101,936</u>	<u>27,609,697</u>

3.06 Other Expenses	Year ended March 31,	
	2012	2011
Directors' sitting fees	105,000	110,000
Advertisement and sales promotion	7,223,726	2,467,014
Printing & stationery	845,226	827,956
Communication costs	784,499	948,876
Traveling & conveyance	370,903	2,614,065
Vehicle maintenance	2,044,088	1,322,679
Rates & taxes	1,874,896	2,174,507
Legal expenses & professional fees	4,827,104	8,048,103
Repairs & maintenance		
- Building	8,588,994	8,482,848
- Plant & Machinery	180,523	134,946
- Others	581,427	503,574
Rent	2,667,817	2,595,042
Power and fuel	1,312,200	1,416,721
Insurance	360,772	331,874
Payment to auditors (refer details below)	947,694	661,800
Brokerage	-	3,603,051
Loss on sale of fixed assets (net)	36,551	-
Other sundry expenses	3,844,991	3,174,742
	<u>36,596,411</u>	<u>39,417,798</u>

Payment to auditors	Year ended March 31,	
	2012	2011
As auditor		
Audit fee	702,250	551,500
Tax audit fee	112,360	110,300
In other Capacity:		
Taxation matters	44,120	-
Company law matters	88,964	-
	<u>947,694</u>	<u>661,800</u>

Lancor Holdings Limited

3.07 Depreciation and amortization expense	Year ended March 31,	
	2012	2011
Depreciation of tangible assets	23,684,163	24,826,932
Amortisation of Intangible assets	112,073	155,283
	<u>23,796,236</u>	<u>24,982,215</u>

3.08 Finance Costs	Year ended March 31,	
	2012	2011
Interest on borrowings	73,390,441	77,211,708
Loan processing, preclosure & other charges	2,087,421	1,544,752
Bank charges & commission	102,204	158,722
	<u>75,580,066</u>	<u>78,915,182</u>

(Figures in Indian Currency)

4.01 Earnings Per Share (EPS)	Year ended March 31,	
	2012	2011

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	124,131,493	303,410,831
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	6.13	14.98

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.

4.02 Details of contract revenue and costs.	Year ended March 31,	
	2012	2011
Contract revenue recognised during the year	7,893,179	-
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	7,893,179	-
Advances received for contracts in progress	2,288,669	-
Retention money for contracts in progress	-	-
Gross amount due from customers for contract work (asset)	-	-
Gross amount due to customers for contract work (liability)	-	-

4.03 Details of Borrowing cost capitalised	Year ended March 31,	
	2012	2011
Borrowing costs capitalised during the year		
- as part of work in progress for residential property development	15,606,202	23,586,411
	<u>15,606,202</u>	<u>23,586,411</u>

4.04 Gratuity benefit plans

- 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.
- 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.
- 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.

(Figures in Indian Currency)

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity	
	Year ended March 31,	
	2012	2011
Current service cost	749,927	290,667
Interest cost on benefit obligation	323,240	221,087
Expected return on plan assets	-	-
Net actuarial(gain)/loss recognized in the year	(746,348)	600,167
Net benefit expense	326,819	1,111,921

Balance sheet

Benefit asset/liability recognised in the Balance Sheet

	Gratuity	
	As at March 31,	
	2012	2011
Present value of defined benefit obligation	4,054,495	3,918,060
Fair Value of the Plan Assets	-	-
Liability/(asset) recognised	4,054,495	3,918,060

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

	Gratuity	
	As at March 31,	
	2012	2011
Opening defined benefit obligation	3,918,060	2,763,591
Current service cost	749,927	290,667
Interest cost	323,240	221,087
Liability Transfer in	-	77,885
Benefits paid	(190,384)	(35,337)
Actuarial (gains)/losses on obligation	(746,348)	600,167
Closing defined benefit Obligation	4,054,495	3,198,060

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2012	2011
Discount rate	8.75%	8.25%
Expected rate of return on assets	NA	NA
Employee turnover	10%	1%
Mortality	LIC (94-96) Mortality Table	LIC (94-96) Mortality Table
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.

4.05 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 account amounted to Rs 26,67,817 (March 31, 2011: Rs 25,95,042)

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,	
	2012	2011
Rental income credited to statement of profit and loss	148,042,157	100,922,914
Within one year	82,314,086	108,111,189
After one year but not more than five years	79,314,616	87,033,029
More than five years	128,015,538	-
	<u>289,644,240</u>	<u>195,144,218</u>

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 93.23 % 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, 2012 (PY March 31, 2011) are as follows: (before inter Company elimination)

	Year ended March 31,	
	2012	2011
Current assets	98,886,864	240,735,934
Non-current assets	106,201	1,604,824
Current liabilities	21,054,864	69,897,921
Non-current liabilities	32,626,482	20,838,317
Revenue from operation	177,334,418	770,832,201
Cost of materials and construction expenses	65,044,302	272,661,519
Changes in inventories of constructed premises for sale, work-in-progress & construction materials	47,492,429	284,160,695
Finance cost	1,375,122	3,830,952
Other expenses	3,576,290	1,418,917
Profit before tax	<u>59,846,275</u>	<u>208,760,118</u>
Income-tax expense	76,915,505	60,140,177
Profit after tax	<u>(17,069,230)</u>	<u>148,619,941</u>

Lancor Holdings Limited

- a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,000.
- b) 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

- a) Lancor Maintenance & Services Limited
- b) Lancor Realty Limited
- c) Lancor Projects Limited
- d) Lancor Guduvanchery Developments Limited
- e) Lancor Egatoor Developments Limited
- f) Lancor Sriperumbudur Developments Limited

Joint Ventures

- a) Central park West Venture

Key Management Personnel (KMP) & relatives

- a) R.V. Shekar
- b) Sangeetha Shekar
- c) Shwetha Shekar

Related party transactions

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

Particulars	Year ended	Subsidiary	Joint venture	Key management Personnel	Total
a. Expenditure					
Remuneration paid					
R.V.Shekar	31/03/2012	-	-	5,590,654	5,590,654
	31/03/2011	-	-	5,478,666	5,478,666
Interest paid					
R.V.Shekar	31/03/2012	-	-	-	-
	31/03/2011	-	-	72,132	72,132
Brokerage paid					
Lancor Realty Limited	31/03/2012	-	-	-	-
	31/03/2011	2,200,320	-	-	2,200,320

(Figures in Indian Currency)

Maintenance charges paid

Lancor Maintenance and Services Limited	31/03/2012	392,950	-	-	392,950
	31/03/2011	223,391	-	-	223,391

Project management fee

Lancor Projects Limited	31/03/2012	15,136,714	-	-	15,136,714
	31/03/2011	15,999,055	-	-	15,999,055
Central Park West Venture	31/03/2012	-	1,431,720	-	1,431,720
	31/03/2011	-	7,874,460	-	7,874,460

b. Income

Income from real estate development

Lancor Projects Limited	31/03/2012	1,717,365	-	-	1,71,7365
	31/03/2011	910,666	-	-	910,666
Lancor Realty Limited	31/03/2012	7,005,779	-	-	7,005,779
	31/03/2011	2,731,997	-	-	2,731,997
Lancor Maintenance and Services Limited	31/03/2012	7,285,325	-	-	7,285,325
	31/03/2011	-	-	-	-
Sangeetha shekar	31/03/2012	-	-	7,571,524	7,571,524
	31/03/2011	-	-	-	-
Shwetha shekar	31/03/2012	-	-	7,571,524	7,571,524
	31/03/2011	-	-	-	-

Interest income:

Lancor Guduvanchery Developments Limited	31/03/2012	28,257,319	-	-	28,257,319
	31/03/2011	-	-	-	-
Lancor Sriperumbudur Developments Limited	31/03/2012	7,272,448	-	-	7,272,448
	31/03/2011	-	-	-	-
Central Park West Venture	31/03/2012	-	-	-	-
	31/03/2011	-	4,192,604	-	4,192,604

c. Loans/advances given and receipt thereof

Lancor Guduvanchery Developments Limited	31/03/2012	225,236,783	-	-	225,236,783
	31/03/2011	100,284,316	-	-	100,284,316
Lancor Sriperumbudur Developments Limited	31/03/2012	54,235,807	-	-	54,235,807
	31/03/2011	-	-	-	-
Central Park West Venture	31/03/2012	-	65,517,687	-	65,517,687
	31/03/2011	-	109,978,872	-	109,978,872

Receipt

Lancor Guduvanchery Developments Limited	31/03/2012	12,500,000	-	-	12,500,000
	31/03/2011	-	-	-	-

(Figures in Indian Currency)

Central Park West Venture	31/03/2012	-	172,059,588	-	172,059,588
	31/03/2011	-	481,444,584	-	481,444,584
d. Advances received towards sale of properties					
Lancor Projects Limited	31/03/2012	9,127,675	-	-	9,127,675
	31/03/2011	-	-	-	-
Lancor Realty Limited	31/03/2012	12,816,876	-	-	12,816,876
	31/03/2011	-	-	-	-
Lancor Maintenance and Services Limited	31/03/2012	18,236,689	-	-	18,236,689
	31/03/2011	-	-	-	-
Sangeetha shekar	31/03/2012	-	-	4,928,476	4,928,476
	31/03/2011	-	-	-	-
Shwetha shekar	31/03/2012	-	-	4,928,476	4,928,476
	31/03/2011	-	-	-	-
e. Closing Balances Unsecured loans and advances					
Lancor Sriperumbudur Developments Limited	31/03/2012	61,508,255	-	-	61,508,255
	31/03/2011	-	-	-	-
Lancor Guduvanchery Developments Limited	31/03/2012	240,994,102	-	-	240,994,102
	31/03/2011	100,284,316	-	-	100,284,316
Central Park West Venture	31/03/2012	-	28,917,617	-	28,917,617
	31/03/2011	-	150,392,153	-	150,392,153
Lancor Maintenance and Services Limited	31/03/2012	(501,011)	-	-	(501,011)
	31/03/2011	-	-	-	-

4.09 Capital and other commitments

	Year ended March 31,	
	2012	2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
Tangible assets	Nil	Nil
Intangible assets	Nil	Nil
Other commitments (specify nature)	-	-

4.10 Contingent liabilities

a) The Arbitration proceeding on the "Menon Eternity" is still pending. It appears that the respective counsel will conclude the final arguments within the next one month. The company had completed the construction of the building as per the terms of Joint Development Agreement and the owners have taken possession of their share. Informatively the owners have also leased their share to various private parties. As stated in the previous report a part of the amount due to the company has been paid by the owners as per orders of the Arbitration court and the company is waiting the judgment of the Arbitration court to receive the balance. The company therefore feels that the claims of the land owner are perplex and unsustainable. Accordingly the company does not acknowledge claims of the land owners.

b) (i) 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 to the lessee and the matter is pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.

c) Other claim other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 17,06,120

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.

4.12 Value of imports calculated on CIF basis	Year ended March 31,	
	2012	2011
Construction Materials	4,873,730	16,073,759
	<u>4,873,730</u>	<u>16,073,759</u>

4.13 Expenditure in foreign currency	Year ended March 31,	
	2012	2011
Professional fees	-	865,988
Travelling and conveyance	8,120	396,962
	8,120	1,262,950
The foreign currency exposure of the Company	Nil	Nil

4.14 Disclosure as per Clause 32 of the Listing agreement with Stock Exchange		Closing balance as at March 31,	Maximum balance during the year	Closing balance as at March 31,	Maximum balance during the year
Name of the Party	Relationship	2012		2011	
Lancor Projects Limited	Subsidiary	-	358,481	8,176	790,352
Lancor Realty Limited	Subsidiary	-	600,627	7,462	180,007
Lancor Guduvanchery Developments Limited	Subsidiary	240,994,102	240,994,102	100,284,316	100,284,316
Lancor Egatoor Developments Limited	Subsidiary	-	66,134	-	-
Lancor Sriperumbudur Developments Limited	Subsidiary	<u>61,508,255</u>	<u>61,508,255</u>	<u>-</u>	<u>-</u>
		<u>302,502,357</u>	<u>303,527,599</u>	<u>100,299,954</u>	<u>101,254,675</u>

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.

4.16 Previous year figures

Till the year ended March 31, 2011, pre-revised Schedule VI to the Companies Act 1956 was being used for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. Accordingly, the Company has reclassified previous year figures to confirm to this year's classification. On adoption of the revised Schedule VI, there has been no significant impact on recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Satya Ranjan Dhall

Partner

CA. Mallika Ravi

Chief Executive Officer

R.Sankaranarayanan

Director

R.V.Shekar

Managing Director

K.Srinivasan

Chief Financial Officer

H.Viswanath

Company Secretary

Date : May 30, 2012

Place: Chennai

Date : May 30, 2012

Place: Chennai

LANCOR HOLDINGS LIMITED

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

PROXY FORM

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

I/We

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

being a member(s) of LANCOR HOLDINGS LIMITED do hereby appoint _____ of _____ in the district of _____ (or failing him _____ of _____ in the district of _____ as my / our proxy and to vote for me / us on my / our behalf at the 27th Annual General Meeting of the Company scheduled to be held on Friday, the 27th day of July 2012 at 02.30 p.m. at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 and at any adjournment thereof.

Signed by the said _____ this ____ day of ____ 2012

Affix
Re.1
Revenue
Stamp

* As applicable for investor holding shares in physical form

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

LANCOR HOLDINGS LIMITED

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

LANCOR HOLDINGS LIMITED

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

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

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

I hereby record my presence at the 27th Annual General Meeting of the Company at Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 on 27th day of July 2012 at 02.30 p.m.

Member's / Proxy's Signature

* as applicable for investor holding shares in physical form

