LANCOR®

CREATING ENDURING VALUE

28TH ANNUAL REPORT 2012-13

town & country
Sriperumbudur

BOARD OF DIRECTORS

Mr. R.V.Shekar	-	Managing Director
Mr S.V.Venkatesan	-	Non Executive & Independent
Mr.R.Sankaranarayanan	-	Non Executive & Independent
Mr.T.P.Raman	-	Non Executive & Independent
Mr.Harmohan Sahni	-	Non Executive & Independent
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 M/s.HDFC Limited M/s.Axis Bank Limited M/s.City Union Bank Limited
REGISTRAR AND SHARE TRANSFER AGENTS	M/s.Cameo Corporate Services Limited "Subramanian Buildings", 1, Club House Road, Chennai 600 002.

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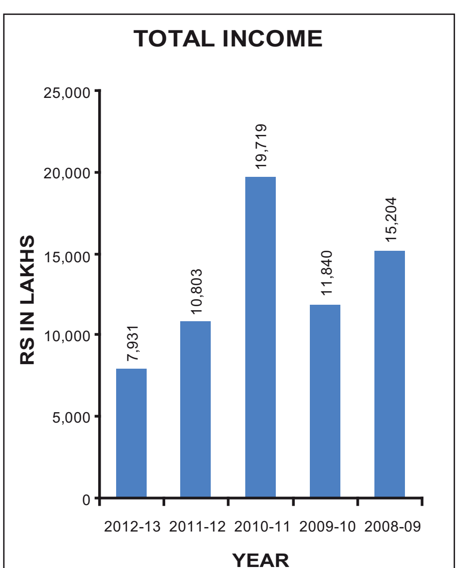
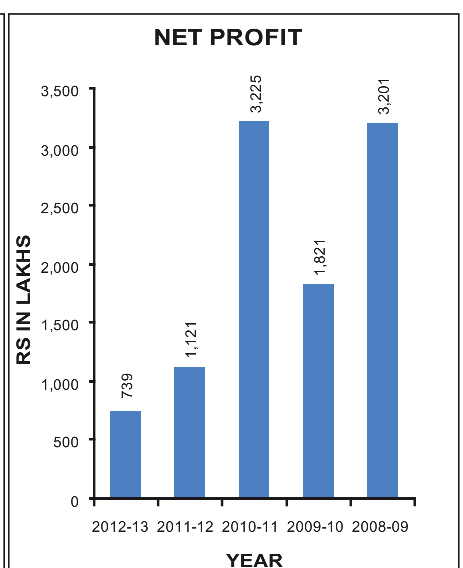
MISSION STATEMENT

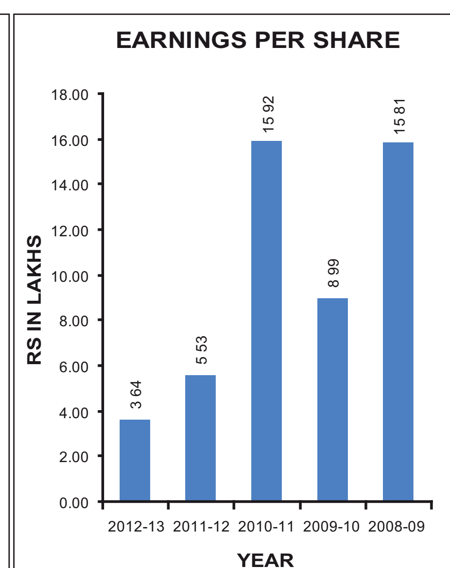
To create profitable developments with enduring value, distinguishing characteristics leading to high customer satisfaction, with full compliance to building standards, rules and regulations.

FINANCIAL HIGHLIGHTS OF LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND INTEREST IN JOINT VENTURE – PARTNERSHIP FIRM

S.NO	PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09
	ON CONSOLIDATED BASIS	Rupees In Lakhs				
1	CONSTRUCTED AREA DELIVERED(sq. ft)	1,15,325	191,896	490,987	303,305	836,973
2	INCOME FROM OPERATIONS	5,232.94	8,016.01	18,054.94	10,524.58	14,407.91
3	TOTAL INCOME	7,931.00	10,802.80	19,719.44	11,840.31	15,204.36
4	EBIDTA	2,855.35	3,721.63	5,462.74	3,375.89	3,957.01
5	INTEREST	1,576.45	784.09	553.71	484.44	255.29
6	DEPRECIATION	233.46	249.27	260.27	292.32	142.12
7	TAX	276.45	1,567.32	1,423.59	778.63	358.55
8	NET PROFIT	737.84	1,120.64	3,224.61	1,820.50	3,201.06
9	EQUITY SHARE CAPITAL	405.00	405.00	405.00	405.00	405.00
10	NETWORTH	11,436.77	9,760.67	9,110.74	6,358.39	5,012.07
11	GROSS FIXED ASSETS	10,241.27	6,912.33	6,648.37	6,586.42	6,881.96
12	NET FIXED ASSETS	8,777.18	5,701.95	5,694.64	5,886.12	6,462.50
13	TOTAL ASSETS	32,410.68	22,344.43	14,740.21	12,990.85	12,121.69
14	BOOK VALUE PER SHARE*	56.48	48.20	44.99	31.40	24.75
15	TURNOVER PER SHARE	39.17	53.35	97.38	58.47	75.08
16	EARNINGS PER SHARE*	3.64	5.53	15.92	8.99	15.81
17	EBIDTA/GROSS TURNOVER (%)	36.00	34.45	27.70	28.51	26.03
18	ROCE (%)	6.45	11.48	35.39	28.63	63.87







DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Eighth Annual Report on the business and operations of your company together with Audited Accounts of the Company for the year ended 31st March 2013 and the Auditors' report thereon.

FINANCIAL RESULTS

(Amount In Rs. Lacs)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Total Revenue	7,696.60	8,572.08	7,930.99	10,802.80
Expenditure	4,644.14	5,565.10	5,075.64	7,081.17
EBITDA	3,052.46	3,006.97	2,855.35	3,721.63
Interest	1,529.32	755.80	1,576.44	784.09
Depreciation	224.68	237.96	233.45	249.27
Profit / (Loss) before tax	1,298.44	2,013.21	1,045.44	2,688.27
Less: Provision for				
Current Tax	373.87	607.54	434.86	636.33
Deferred Tax	(13.67)	(0.96)	(157.15)	(7.59)
(Excess) / short provision of Tax earlier year	(0.35)	165.31	(1.26)	938.57
Profit / (Loss) after Tax	938.57	1,241.31	768.99	1,120.96
Minority Interest	--	--	0.92	0.31
Add: balance brought forward from previous year (Includes Lancor Projects Ltd)	7,335.35	6,433.42	7,761.90	7,236.11
Less: prior year adjustments	--	--	30.23	--
Available for appropriation	8,273.92	7,674.74	8,499.75	8,356.75
Dividend	405.00	405.00	405.00	405.00
Tax on Dividend	65.70	65.71	65.70	65.71
Transfer to General Reserve	93.85	124.13	93.86	124.13
Balance Carried to Balance Sheet	7,709.37	7,079.89	7,935.19	7,761.90

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

PROPERTY DEVELOPMENT BUSINESS:

The real estate industry has been under stress due to sluggish economic growth, rising inflation and over supply at certain locations. The sentiments being generally weak has caused uncertainty on job security coupled with rising prices due to inflation etc., has resulted in deferment of decision by the customers to close out sales. With the weakening of rupee and high inflation the construction costs are rising month on month. The political scene is nebulous and is not expected to change for the better over the next one year which keeps fresh investments from being made. The Reserve Bank of India's inability to have any room for monetary action has now left no room for reduction in housing finance interest rates, thereby leaving no relief for home buyers. Hence the general outlook for the year 2013 is very pessimistic for the Real Estate industry.

Though the economy and industry have been slowing down, the projects of your company are ideally located in the growth corridors in Chennai viz OMR, GST Road and Sriperumbudur.

The company and its subsidiaries have currently 9 ongoing projects aggregating to 78.76 lakhs sq.ft of developable area, out of which 13.45 lakhs sq.ft have been taken up for development in the current year.

Your company expects the current challenging times on both economic and business environment to be continuing over the next few quarters. Therefore it has decided now to focus its energy to faster execution, which in a few projects are ahead of schedule in order to instill confidence in prospective customers to make buying decisions.

ON-GOING RESIDENTIAL PROJECTS

The Courtyard: "The Courtyard" is the only multi storied building in Nanganallur, Chennai, has been sold to the extent of 80% and is expected to be completed by the end of this year with good amount of revenue and earnings.

Kiruba Cirrus: "Kiruba Cirrus" is a Marquee Multi Storied High Rise Project in Valasaravakkam, West Chennai, where the construction has reached the 5th floor. Two Show Apartments are getting ready for view before launch of the project in the next 2 months. This project comes with outstanding features like fully Air-conditioned, vacuumized double glazing to be provided for heat and noise reduction. The Aluminium structure, which is proposed to be installed, is white anodized, at the higher levels of Japan's standard is being used for the first time in any residential complex in India. This building is expected to be completed by the end of the financial year 2013-14.

OTHER CITY PROJECTS:

Your company is also developing two more city projects viz. "Sonnet Square" and "Corner Stone" in the current financial year for which the responses have so far been impressive.

SUBURBAN PROJECTS:

TOWN & COUNTRY VILLA PROJECT: Your Company had reported about the villa project "Town & Country" in Sriperumbudur, last year. We are glad to inform that all the infrastructure with regard to "Town & Country" Villa Project (First Phase), viz Roads, Street Lights, Water tank, Sewer lines, Marketing office etc., have been developed in full. The electricity supply and generator back up for the villas are already in place. Fifty villas are under construction, out of which fourteen villas have been completed and are being handed over to the customers. The construction is in full swing while the project is gaining considerable attention even before the formal launch, so much so as on this date nearly 30 villas have been sold. Sriperumbudur is a fast developing industrial zone and your company is confident of the success of this project.

town & country
Sriperumbudur

town & country
Sriperumbudur

ACTUAL PHOTOGRAPHS OF THE SHOW VILLA

The Central Park Lake Front: As stated in the last report, “The Central Park Lake Front” will be developed on a total land extent of 5.71 acres and this will be the 4th development in the Central Park series in Sholinganallur, OMR. The plans are in the advanced stage of approval and the project is expected to be commenced in the next couple of months and the customers interest continues to remain high.

All the above projects are developed in the holding company.

SUBSIDIARY COMPANIES:

PROJECT COMPANIES:

LANCOR GUDUVANCHERY DEVELOPMENTS LIMITED:

Lumina: During the year, the DTCP approval for “Lumina” was obtained and 2 blocks out of 8 blocks were opened up for sale. Out of 196 apartments in 2 blocks, more than 50% of the apartments have already been sold. The construction is going on at a fast pace across four blocks and it is hoped that all the four blocks will be ready by the end of this financial year. Though the sales have been slower than our projection and expectation, with the construction of Show Apartment that is planned in the next one month, it is hoped that the sales will pick up.

LANCOR SRIPERUMBUDUR DEVELOPMENTS LIMITED:

Townsville: As reported last year, your company had launched a residential project named “Townsville”, where out of 144 apartments in 5 blocks, 3 blocks were opened for sale with a total of 96 apartments. Out of 96 apartments, 70% of the apartments have already been sold. The construction is progressing at a fast pace. The project was launched at an affordable price of Rs.2,222/- per sft and now the current price is Rs.2,555/- per sft.

A few major corporates in Sriperumbudur area are showing keen interest to take up our apartments and villas for their employees. Townsville, being an affordable project is witnessing interest not only as a good investment option but also as housing for the employees working in Sriperumbudur. The company is now drawing plans to acquire some more lands adjacent to its buildings so that proper land consolidation takes place.

LANCOR GST DEVELOPMENTS LTD:

As reported last year, your company acquired a group company of L&T Ltd, which had 6½ acres of premium land at GST Road. This land has a development potential of more than one million sq.ft and there is an existing operating school adjacent to this land parcel. This project will be taken up for development at the end of this financial year, once all the plans are sanctioned. A multinational IT company has bought a huge commercial space which is next to our land parcel and hence the expectation is that the demand for homes from the employees of IT Company would be significant.

SERVICE COMPANIES:

LANCOR MAINTENANCE & SERVICES LIMITED (LMSL):

As the projects that are being developed by the parent company, Lancor Holdings Ltd, get completed, commencing from this year, the same will be handed over to LMSL for maintenance. In the current year, 2 city projects viz "The Courtyard" and "Kiruba Cirrus" will be handed over to LMSL for maintenance apart from the maintenance of "Town & Country" in its entirety as it becomes occupied. In addition, LMSL is also exploring new non-Lancor business to add to the earnings of the company.

LANCOR REALTY LIMITED (LRL):

Though the primary market has been sluggish, the secondary market seems to be promising as the customers are looking at second hand projects, which are readily available. With the depreciation of rupee, secondary markets are viewed favourably by NRI's in order to complete the deals immediately, hence LRL is better positioned to increase the revenues in the current year.

LANCOR PROJECTS LIMITED (LPL):

During the year, Lancor Projects Ltd got merged with Lancor Holdings Ltd and the employees of LPL were absorbed by LHL and the LPL was dissolved without winding up.

SENIOR CITIZEN HOMES:

Your company is happy to report that it will be starting a new vertical under the name "Harmonia" to develop homes for senior citizens. Initially 3 projects viz "Lumina", "The Central Park Lake Front" and "Town & Country" have been identified where the senior citizen homes will also be constructed as part of the overall residential project. The vision is that in the next three to four years, your company would have developed more than 1,500 senior citizen homes across Chennai city and elsewhere and is expected to be an active player in this sector.

ACCOUNTING POLICIES:

Though "Lumina", "Townsville" were launched during the year and good number of units were sold as reported above, due to the revised guidance note issued by, "The Institute of Chartered Accountants of India", on accounting for real estate transactions, the revenues for the same could not be booked. This resulted in deferment of corresponding profits as well.

NON RESIDENTIAL SEGMENT: Your Company's focus will continue to remain in residential segment only as the commercial market is still stressed for rentals. During the year, the company has constructed a commercial building of 11,164 sq.ft as a Management Project in a prime area of the city,

CREDIT RATING:

CRISIL has Re-affirmed its Rating of **“BBB+”** in respect of the Compamies long term bank loans.

DIVIDEND:

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

TRANSFER TO RESERVE:

Pursuant to The Companies (Transfer of Profits to Reserves) Rules, 1975, the Company proposes to transfer Rs.93,85,737- to the General Reserve, out of the amount available for appropriation.

FIXED DEPOSITS

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

AMALGAMATION OF LANCOR PROJECTS LIMITED WITH COMPANY

Pursuant to the scheme of amalgamation in accordance with section 391 and 394 of the Companies Act,1956 and as approved by the Hon'ble High Court of Judicature at Madras vide its Order dated 17th May 2013 in C.A.No.219 of 2013, Lancor Projects Limited a wholly owned subsidiary of the company in the business of property management has been amalgamated with your Company and all assets and liabilities are transferred to and vested in the company with effect from April 1,2012 (The Appointed Date) and the Lancor Projects Limited was dissolved without being wound up.

SUBSIDIARY COMPANIES / ASSOCIATE AND CONSOLIDATED FINANCIAL STATEMENTS:

The Company has six subsidiaries viz, Lancor Maintenance & Services Limited, Lancor Realty Limited, Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor Egatoor Developments Limited and Lancor GST 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, Consolidated Financial Statements of its subsidiaries and associate are attached. The Consolidated Financial Statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Companies Act, 1956. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 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, 2013 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 Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited, Lancor Egatoor Developments Limited and Lancor GST Developments Limited as on 31st March, 2013, attached herewith.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of the CSR activity, your Company has been helping the cause of music and arts to be propagated by way of sponsoring the music festivals during the high December and other seasons in Chennai. The Company has been the main sponsor for four years in succession right from 2009-10 for the "BHARAT SANGEET UTSAV" conducted by "CARNATICA", where artists from across India are invited to perform over ten day long festival in the month of October.

Your Company has also been the main sponsor of music concerts that are being held in front of the invitee audience for Marghazi Mahotsavam for 15 days conducted by Jaya TV, which was later on telecast by them every day over next 15 days.

MUSIC FESTIVALS SPONSORED BY LANCOR IN 2012

Brahma Gana Sabha, Dec 2012

Global Heritage Music Festival, Dec 2012

Bharat Sangeet Utsav, Oct 2012

Bharat Sangeet Utsav, Oct 2012

Global Heritage Music Festival, Dec 2012

Margazhi Maha Utsavam, Jaya TV, Dec 2012

Apart from the above, last year your Company had sponsored December Art Festival conducted by “Brahma Gana Sabha”, Global Music Festival-Thiruvanmiyur, conducted by “Carnatica” in Association with Sri Parthasarathy Swami Sabha and December music festival conducted by “Nada Sudha”, Velachery, an important emerging suburb in Chennai.

STATUTORY STATEMENTS

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

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

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Rs.53,56,696/-

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 2012-13, the applicable Accounting Standards have been followed and there are no material departure;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

(iv) they have prepared the annual accounts on a going concern basis.

INTERNAL CONTROLS AND THEIR ADEQUACY:

The internal control systems are commensurate to the size of the operations 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, Mrs.Sangeetha Shekar and Mr.S.V.Venkatesan, retire at this Annual General Meeting and being eligible, offers themselves for re-appointment.

Mr. Harmohan Sahni and Mr.T.P.Raman who were appointed as Additional Directors of the Company by the Board at their meeting held on 09.11.2012 and 09.07.2013 respectively hold office as such up to the date of ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, the Company has received notice in writing from members signifying their intention proposing the candidature of Mr.Harmohan Sahni and Mr.T.P.Raman for the office of Directors of the Company and accordingly the Board of Directors recommend the same for the approval of members. Mr.V.Chander and Mr.Jayesh N Thakkar the Directors of the company had resigned from the Board with effect from 09.11.2012 and 09.07.2013 respectively. The Board wishes to place on record their sincere appreciation for the valuable contribution and services rendered to the company during the tenure of their directorship.

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 T O 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) Mr. R.V.Shekar, 2) Mr. Shyamala Shekar, 3) Mrs. Sangeetha Shekar and 4) Shwetha 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.

COST AUDITORS

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

ACKNOWLEDGEMENT

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

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

Place: Chennai	**R.SANKARANARAYANAN**	**R.V. SHEKAR**
Date : May 30, 2013	Director	Managing Director

ANNEXURE – 'A'

TO THE TWENTY EIGHTH 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 framework 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 Four Independent Directors. The Board members possess requisite skills, experience and expertise required 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 vests with Board.

The Composition of the Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other 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			
Mr. R.V.Shekar	Managing Director, Executive	06	06	Yes	07	Nil
Mr. V.Chander	Director, Non Executive	06	06	Yes	04	Nil
Mr. S.V.Venkatesan	Director, Non Executive & Independent	06	06	Yes	12	Nil

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			
Mr. R.Sankaranarayanan	Director, Non Executive & Independent	06	06	Yes	02	Nil
Mr. Jayesh N Thakkar	Director, Non Executive & Independent	03	01	Yes	01	Nil
Mr.Harmohan Sahni	Director, Non Executive & Independent	03	03	No	08	Nil
Mrs.Sangeetha Shekar	Director, Non Executive	06	01	No	01	Nil

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 Six (06) times on 27.04.2012, 30.05.2012, 13.08.2012, 09.11.2012, 27.11.2012 and 12.02.2013 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 31.03.2012 was held on 27.07.2012 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 Directors 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 2013
Mr. R.V. Shekar	59,11,607
Mr.R.Sankaranarayanan	500
Mrs. 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 Eighth 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 includes 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 polices 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 30.05.2012, 27.07.2012, 13.08.2012, 09.11.2012 and 12.02.2013 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	05
S.V.Venkatesan Member	Director Non-Executive & Independent	05	05
Jayesh N Thakkar Member	Director Non-Executive & Independent	03	01
Harmohan Sahni Member	Director Non-Executive & Independent	02	02

During the year, the committee has been reconstituted with the induction of Mr. Harmohan Sahni in place of Mr.Jayesh N Thakkar.

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. One (01) meeting was held during the year under review. During the current financial year, the Remuneration Committee has been reconstituted with the induction of Mr. Harmohan Sahni in place of Mr. V Chander.

MANAGING DIRECTOR

The Company has a Managing Director. The remuneration paid to him during the period 01-04-2012 to 31-03-2013 was as under:-

(In Rupees)

Name and Designation	Period	Basic Salary	Perquisites	Total
Mr. R.V.Shekar, Managing Director	01-04-2012 to 31-03-2013	35,26,210	24,55,713	59,81,923

Mr.R.V.Shekar was re-appointed as Managing Director at the Annual General Meeting held on 23rd July, 2010 for a period of three years with effect from July 25, 2010 and the payment is within the principal terms and conditions as approved by the shareholders and other perquisites as per the policy of the Company.

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 directors has pecuniary relationship with company, its promoters, management or its subsidiaries, except Mr.V.Chander who was 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 consists of Mr.R.Sankaranarayanan, Mr. S.V.Venkatesan, and Mr.Harmohan Sahni, where Mr.R.Sankaranarayanan, is the Chairman of the Committee and they met at regular intervals. Company Secretary is the Compliance officer of the Committee.

During the current financial year, the Committee has been reconstituted with the induction of Mr. Harmohan Sahni in place of Mr. V Chander.

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 may 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 BSE Limited, the Stock Exchange where equity of the Company are listed.

INVESTOR GRIEVANCE REDRESSAL

The number of complaints received and resolved to the satisfaction of investors during the year 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
2011-2012	Quality Inn Sabari, Rivera, 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017	July 27, 2012	2.30 p.m
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

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

Pursuant to clause 49 of the listing Agreement, the company proposed to pass the following resolutions by way of postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

Sl.No	Type of Resolutions	Description of the Resolution, under Section	Nature of Business
1	Special Resolution	Amendment to the Main Object Clause III.A of the Memorandum of Association, (Section 17)	Special Business
2	Ordinary Resolution	Enhancement of Borrowing Powers [Section 293(1)(d)]	Special Business
3	Ordinary Resolution	Charge on Assets of the Company, [Section 293(1)(a)]	Special Business
4	Special Resolution	Inter Corporate Loans, Investment and Corporate Guarantee, [Section 372A]	Special Business
5	Special Resolution	Alteration of Articles of Association, [Section 31]	Special Business
6	Special Resolution	Commission to Non Executive Director [Section 309]	Special Business

The calendar of event enumerating procedure for passing of resolutions by postal ballot is furnished herein below:

Sl. No.	Particulars	Due Date
1	Date on which consent given by the scrutinizer to act as such	09.08.2013
2	Date of consideration of the matter in board meeting	12.08.2013
3	Date of appointment of scrutinizer	12.08.2013
4.	Date of Board Resolution authorizing Managing Director and Company Secretary for being responsible for the entire postal ballot process	12.08.2013
5.	Approval of calendar of events	12.08.2013
6.	Filing of intimation of event of calendar for conducting postal ballot to the stock exchange	12.08.2013
7.	Filing of intimation of board resolution and event of calendar for conducting postal ballot to the Registrar of Companies	12.08.2013
8.	Date of completion of dispatch of notice along with postal ballot	30.08.2013
9.	Publication of notice in newspaper for the date of completion of dispatch of notice and last date for receipt of postal ballot forms	31.08.2013
10.	Last date for receiving postal ballot papers by scrutinizer	30.09.2013
11.	Date of handing over the postal ballot papers to the designated authority (Chairman) by the Scrutinizer	03.10.2013
12.	Date on which the results of postal ballot will be announced by the Chairman	04.10.2013
13.	Date of returning the Ballot Papers register required to be maintained by the scrutinizer and other related papers to the Chairman by the Scrutinizer	05.10.2013
14.	Filing of Resolution with ROC	05.10.2013
15.	Last Date for signing of the minutes book by the Chairman in which the results ballot is recorded	05.10.2013

Mr. V.S. Sowrirajan, Practising Company Secretary has been appointed as Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner, under Rule 6(c) of Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

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 2012-2013 have been given in Note No.4.09 of Notes to Accounts to the Annual Accounts for the year 2012-2013. 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, 2013.

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, 2013. A declaration to this effect signed by Mr.R.V.Shekar, Managing Director of the Company forms part of this report.

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

CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by 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, 2013 at its meeting held on 30.05.2013.

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 an 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.Sankaranarayanan, Non Executive and Independent Director of the Company is also the Director of M/s.Lancor Maintenance & Services Limited, material Unlisted Subsidiary Company. 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)

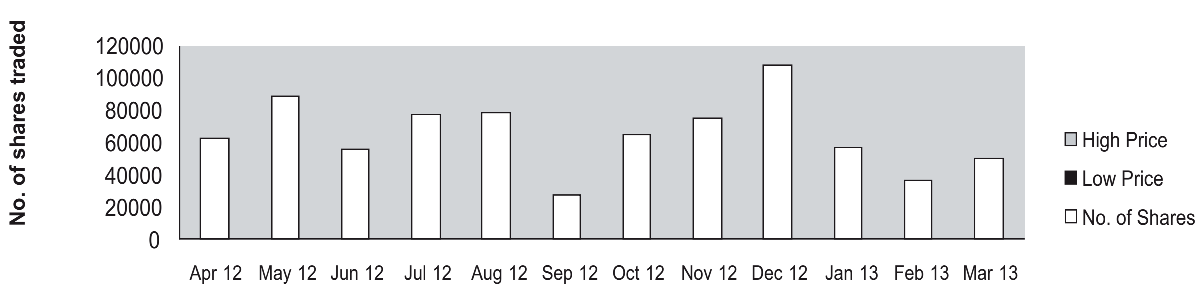
Financial year	April 1, 2013 to March 31, 2014 (Subject to Change)
First Quarter Result	August 12, 2013
Second Quarter / Half-yearly Result	November 12, 2013
Third Quarter Result	February 12, 2014
Fourth Quarter Result	May 12, 2014
Annual Result (Audited)	May 30, 2014
Annual General Meeting	Within 6 months of the close of the financial year in accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	10th September, 2013 to 11th September, 2013 (Both inclusive)
Venue and other details of the Annual General Meeting	Day :- Wednesday Date :- 11th September, 2013 Time :- 3.30 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 Listed at	BSE Limited, Mumbai (Annual Listing for fees for the year 2013-2014 has been duly paid to the above exchange) – Scrip Code 509048.

Stock Market data for the period April 1, 2012 to March 31, 2013 and Graphical representation of volume of Shares of during April 2012 - March 2013. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2012-13. are as [Equity Shares of Rs.2/- each]

	Bombay Stock Exchange (BSE)		
Month	**High Price (Rs.)**	**Low Price (Rs.)**	**Volume No.of Shares**
Apr-12	39.95	34.00	63,124
May-12	37.90	25.75	88,538
Jun-12	36.00	30.00	55,629
Jul-12	42.00	34.80	77,747
Aug-12	43.95	40.00	78,099
Sep-12	47.80	36.30	27,507
Oct-12	43.00	39.00	65,085
Nov-12	42.90	37.70	74,711
Dec-12	54.95	43.20	1,07,486
Jan-13	54.45	48.10	56,756
Feb-13	50.00	44.25	36,860
Mar-13	45.00	37.75	50,603

The Chart given hereunder plots the movement of the Company's share price on BSE versus BSE sensex for the year 2012-13

Lancor Share Price on BSE



High Price	39.95	37.90	36.00	42.00	43.95	47.80	43.00	42.90	54.95	54.45	50.00	45.00
Low Price	34.00	25.75	30.00	34.80	40.00	36.30	39.00	37.70	43.20	48.10	44.25	37.75
No. of Shares	63,124	88,538	55,629	77,747	78,099	27,507	65,085	74,71 1	107,486	56,756	36,860	50,603

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, 2013 are as under:

Sl 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	12,80,151	6.32
3.	Held in dematerialized Form in NSDL	1,88,33,839	93.01
4.	Physical	1,36,010	0.67

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

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

"Cameo Corporate Services Limited"
Subramanian Buildings
No.1, Club House Road,
Chennai 600 002,
Phone No.044-28460390-94, Fax No.28460129,
Email: 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 31-03-2013

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	1,626	90.43	4,93,166	9,86,332	2.44
5001 - 10000	68	3.78	2,61,437	5,22,874	1.29
10001 - 20000	40	2.22	2,99,615	5,99,230	1.48
20001 - 30000	15	0.83	1,77,627	3,55,254	0.88
30001 - 40000	6	0.33	1,06,980	2,13,960	0.53
40001 - 50000	3	0.17	74,000	1,48,000	0.37
50001 - 100000	13	0.72	4,28,028	8,56,056	2.11
100001 - And Above	27	1.50	1,84,09,147	3,68,18,294	90.91
Total :	1,798	100.00	2,02,50,000	4,05,00,000	100.00

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December, 2004 issued by the Securities 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, 2013

Sr.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	6,16,264	03.04
3.	Bodies Corporate	39,27,481	19.39
4.	Individual shareholders holding nominal shares Capital upto Rs. 1 lakh	15,19,362	7.50
5.	Individual Shareholders holding nominal shares Capital in excess of Rs.1 lakh	15,10,242	7.46
6.	Clearing Members	10,800	0.06
7.	Hindu Undivided Family	38,353	0.19
8.	Non Resident Indian	56,666	0.28
9.	Foreign National	0.00	0.00
	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, 2013 are given below :-

Name of Shareholder	No. of Shares	% of Paid up Capital	Category
Mr. R.V.Shekar	59,11,607	29.19	Promoter
Shyamala Shekar	3,905,575	19.29	Promoter
Mrs. Sangeetha Shekar	1,376,850	6.80	Promoter
Shwetha Shekar	1,376,800	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 encashed their dividend warrants yet 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
2006-07	30.10.2007	03.11.2007	02.11.2014
2007-08	10.09.2008	13.09.2008	12.09.2015
2008-09	29.09.2009	03.10.2009	02.10.2016
2009-10	15.01.2010	18.01.2010	17.01.2017
2009-10	23.07.2010	26.07.2010	25.07.2017
2010-11	29.07.2011	03.08.2011	02.08.2018
2011-12	27.07.2012	31.07.2012	30.07.2019

COMPANY REGISTRATION DETAILS

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

LEGAL PROCEEDINGS:

There is no legal proceeding pending against the Company.

Certain disputes have arisen with the owners of land with whom the Company has entered into a joint 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 accounts attached to the Auditor's Report.

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

Address for Communication	**LANCOR HOLDINGS LIMITED** VTN Sqaure, 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, Mr. R.V.Shekar, Managing Director of the Company declare and confirm that the Company has in respect of the financial year ended March 31, 2013 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, 2013.

R.V. Shekar
Managing Director

Dated: 30th day of May 2013

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 30th day of May 2013, obtained from Statutory Auditors of the Company M/s.G.M.Kapadia & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

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

R.V. SHEKAR
Managing Director

Place: Chennai
Date: May 30, 2013

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 condition of corporate governance by **LANCOR HOLDINGS LIMITED,** for the year ended on March 31, 2013 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

Place: Chennai
Date: May 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

With multiple projects that are commenced in different locations of the city, the employees are geared to handle the increased volume of business. The management is cautious that the economy and the business sentiments are weak and is focused on optimization of costs and resources. The need of the hour is cash flow management and the management collects the customer advances and utilizes the credit limits from the banks diligently.

OPPORTUNITY:

Increasing offers are becoming available for joint venture developments with relatively small investments in land to take up large projects and this is seen as a credible opportunity for expanding business volume. The company continues to focus its development opportunity for the moment within the city of Chennai and its suburbs and will examine the feasibility of profitable ventures to be taken in other cities in the city of Tamilnadu going forward.

There exists untapped and immense opportunity for development of housing for senior citizens in India. In the year 2011, India had about 76 million seniors above the age of 60 years and it is expected that it will grow to 173 million by 2025. The seniors today are independent, financially stable, educated and well travelled and they present a tremendous consumption opportunity to develop special need homes for them and to service them.

Your Company's subsidiary company, Lancor Maintenance & Services Ltd (LMSL), which has been in the facility management business for more than fifteen years, will be handling security, housekeeping, equipment/machinery maintenance etc of "Harmonia".

RISK CONCERN AND THREATS:

The availability of labour, labour management and retention of labour continue to be challenging for timely execution of the projects. In order to avoid the high labour turnover and to retain the labour your company provides all the facilities that are required.

High Inflation, depreciation of rupee, high interest costs are all matters of concern, which will impact the project costs and the buyer's equity in the apartment costs. The slowdown in the economy may bring down the buying interest temporarily and it may have its effect on the financials of the company.

Based on the revised guidance note issued by "The Institute of Chartered Accountants of India", for income recognition, the units that have already been sold across projects and where qualifying percentage of completion of the projects has been achieved, the Company will be able to recognize income in the profit and loss account, by which process, better results will be reported in this financial year, as compared to last year.

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

During the year under review the company has registered an aggregate turnover of Rs.76.96 Crores as against the previous year turnover of Rs.85.72 Crores and posted a net profit of Rs.9.38 Crores as against the previous year net profit of Rs.12.41 Crores. The following are the factors attributable for decline in turnover and net profit:-

A. General slow down in the construction industry.

B. Sluggish in economic growth, rising inflation and over supply at certain locations.

C. The sentiments of consumer being generally weak has caused uncertainty on job security coupled with rising prices due to inflation etc.,

The above factors has resulted in deferment of decision by the customers to close out sales. With the weakening of rupee and high inflation the construction costs are rising month on month. The political scene is nebulous and is not expected to change for the better over the next one year which keeps fresh investments from being made.

HUMAN RESOURCES

Number of employees as on March 31, 2013 was 284 which include 66 women employees and relation remains very cordial.

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors of

LANCOR HOLDINGS LIMITED

R.SANKARANARAYANAN	**R.V. SHEKAR**
Director	Managing Director

Place: Chennai
Date: May 30, 2013

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

We have audited the accompanying consolidated financial statements of Lancor Holdings Limited, its subsidiaries and its joint venture, which comprise the consolidated balance sheet as at March 31, 2013, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

(i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at March 31, 2013;

(ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

(iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of Lancor Maintenance & Services Limited and Lancor Realty Limited, whose financial statements reflect total assets (net) of Rs. 1,265.32 lakhs, total revenues of Rs. 846.99 lakhs and net cash outflows amounting to Rs.270.35 lakhs for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

Satya Ranjan Dhall
Partner
Membership No. 214046

Place: Chennai
Date: May 30, 2013

Consolidated Balance Sheet for the year ended March 31, 2013

(Figures in Indian Currency)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	40,500,000	40,500,000
Reserves and surplus	2.02	1,103,177,274	935,567,402
		1,143,677,274	**976,067,402**
Minority Interest		357,478	265,690
Non-current liabilities			
Long-term borrowings	2.03	877,867,110	467,596,396
Trade payables	2.04	7,828,725	14,315,759
Other long-term liabilities	2.04	160,546,817	138,625,894
Long-term provisions	2.05	10,324,119	6,475,718
		1,056,566,771	**627,013,767**
Current liabilities			
Short-term borrowings	2.06	496,392,399	267,506,735
Trade payables	2.07	123,546,299	91,815,461
Other current liabilities	2.07	369,140,439	223,346,096
Short-term provisions	2.05	51,387,564	48,428,144
		1,040,466,701	**631,096,436**
Total		**3,241,068,224**	**2,234,443,295**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	877,456,908	569,738,880
Intangible assets	2.09	261,363	455,909
Capital work-in-progress	2.10	280,036,267	-
Goodwill on Consolidation		8,045,414	-
Non-current investments	2.11	3,001,800	2,476,800
Deferred tax assets (net)	2.12	9,871,345	3,526,977
Long-term loans and advances	2.13	69,712,919	108,203,065
Trade receivables	2.14	3,361,834	2,909,715
Other non-current assets		7,484,000	-
		1,259,231,850	**687,311,346**
Current assets			
Current investments	2.16	54,797,111	236,375,002
Inventories	2.17	1,725,449,754	1,073,591,808
Trade receivables	2.14	29,289,942	30,673,327
Cash and bank balances	2.18	66,900,425	102,232,520
Short-term loans and advances	2.13	99,811,952	103,131,192
Other current assets	2.15	5,587,190	1,128,100
		1,981,836,374	**1,547,131,949**
Total		**3,241,068,224**	**2,234,443,295**
Summary of significant accounting policies	1		

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

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

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

Place: Chennai
Date : May 30, 2013

H.Viswanath
Company Secretary

Place: Chennai
Date : May 30, 2013

Consolidated Statement of Profit & Loss for the year ended March 31, 2013

(Figures in Indian Currency)

	Notes	Year ended March 31, 2013	2012
Continuing operations			
Income			
Revenue from operations	3.01	781,474,196	1,027,311,117
Other income	3.02	11,625,591	52,969,267
Total Revenue		**793,099,787**	**1,080,280,384**
Expenses			
Land and land related expenses	3.03	283,669,889	641,179,450
Cost of materials and construction expenses	3.03	753,845,135	530,258,986
Changes in inventories of constructed premies, work-in-progress & construction material	3.03	(740,787,998)	(612,105,964)
Purchase cost of properties	2.17	-	3,403,125
Maintenance expenditure		45,317,947	38,047,716
Employee benefits expense	3.04	74,830,366	60,823,321
Other expenses	3.05	90,689,449	46,510,729
Total Expenses		**507,564,788**	**708,117,363**
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)		**285,535,000**	**372,163,021**
Depreciation and amortisation expense	3.06	23,345,777	24,927,148
Finance costs	3.08	157,644,791	78,409,087
Profit / (loss) before Exceptional, Extraordinary items and Tax and Prior period Items		**104,544,431**	**268,826,786**
Prior Period Items	3.07	3,023,047	-
Profit / (loss) before Exceptional, Extraordinary items and Tax		**101,521,384**	**268,826,786**
Exceptional items		-	-
Profit / (loss) before Extraordinary items and Tax		**101,521,384**	**268,826,786**
Extraordinary items		-	-
Profit / (loss) before tax		101,521,384	268,826,786
Tax expenses			
Current tax		43,486,977	63,633,735
Deferred tax		(15,715,402)	(759,530)
(Excess) / Short Provision for Tax of earlier years		(126,200)	93,857,304
Profit / (loss) for the year from continuing operations (Before adjusting Minority Interest)		**73,876,009**	**112,095,277**
Share of profit transferred to Minority Interest		91,788	30,852
Profit / Loss for the period		**73,784,221**	**112,064,425**
Earnings per equity share (Nominal Value of share Rs. 2 each)	4.02		
Basic & Diluted			
Computed on the basis of profit from continuing operations and total operations		3.64	5.53
Significant accounting policies	1		

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

As per our report of even date attached

For G. M. Kapadia & Co.
Chartered Accountants
Firm Reg No.104767 W

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

Place: Chennai
Date : May 30, 2013

H.Viswanath
Company Secretary

Place: Chennai,
Date : May 30, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

(Figures in Indian Currency)

	Year ended March 31, 2013	2012
Cash flow from operating activities		
Profit Before Tax from continuing operations	101,521,384	268,826,785
Profit Before Tax	**101,521,384**	**268,826,785**
Non-cash adjustment to Profit Before Tax:		
Depreciation / amortization on continuing operations	23,345,777	24,927,148
Loss / (profit) on sale of assets	(197,576)	25,942
Provision for Employee Benefits	5,818,670	1,236,526
Sundry balances written back	(509,432)	(5,092,338)
Interest expense	157,644,791	78,409,087
Interest income	(1,926,831)	(34,914,613)
Dividend income	(8,964,773)	(18,039,696)
Operating profit before working capital changes	276,732,010	315,378,841
Movements in working capital:		
Increase / (decrease) in trade payables	23,404,324	(36,901,534)
Increase / (decrease) in provisions	990,161	(63,262)
Increase / (decrease)in other current liabilities	146,980,685	50,864,791
Decrease / (increase) in trade receivables	931,266	113,797,874
Decrease / (increase) in inventories	(745,986,989)	(611,296,935)
Decrease / (increase) in loans and advances	41,917,436	(48,057,824)
Decrease / (increase) in other current assets	(11,815,708)	6,021,167
Cash generated from / (used in) operations	(266,846,815)	(210,256,882)
Direct taxes paid (net of refunds)	(43,360,777)	(133,754,707)
Net cash flow from / (used in) operating activities (A)	**(310,207,592)**	**(344,011,589)**
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(25,964,589)	(27,722,392)
Proceeds from sale of fixed assets	3,687,523	35,250
Purchase of investments	(849,651)	(493,923,936)
Proceeds from sale / maturity of current investments	180,201,203	737,331,610
Interest received	1,799,449	34,507,259
Dividends received	8,964,773	18,039,696
Net cash flow from / (used in) investing activities (B)	**167,838,708**	**268,267,487**
Cash flow from financing activities		
Proceeds from borrowings	311,712,400	369,968,370
Repayment of borrowings	-	(106,697,508)
Interest paid	(157,644,791)	(78,412,863)
Dividends paid on equity shares	(40,500,000)	(40,525,100)
Tax on equity dividend paid	(6,571,125)	(6,726,544)
Net cash flow from / (used in) in financing activities (C)	**106,996,484**	**137,606,355**
Net increase / (decrease) in cash and cash equivalents (A+B+ C)	(35,372,400)	61,862,255
Cash and cash equivalents at the beginning of the year	102,232,520	40,370,265
Pursuant to Acquisition		
Lancor GST Developments Limited Acquisition on November 26, 2012	40,305	-
Cash and cash equivalents at the end of the year	**66,900,425**	**102,232,520**
Note: *(i) Figures in bracket represents outflows*		
(ii) Cash and Cash Equivalent as per note no. 2.18 of the financial statement	66,900,425	102,232,520
Total cash and cash equivalents	**66,900,425**	**102,232,520**
Significant accounting policies 1		

As per our report of even date attached

For G. M. Kapadia & Co.
Chartered Accountants

Satya Ranjan Dhall
Partner

Place: Chennai
Date : May 30, 2013

For and on behalf of the Board of Directors

CA. Mallika Ravi
Chief Executive Officer

R.Sankaranarayanan
Director

R.V.Shekar
Managing Director

K.Srinivasan
Chief Financial Officer

H.Viswanath
Company Secretary

Place: Chennai,
Date : May 30, 2013

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

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 based on the period of the project in case of its property development business and for others as less than 12 months for the purpose of current – non current classification of assets and liabilities.

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

Summary of significant accounting policies

1.03 Use of estimates

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

1.04 Tangible fixed assets

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

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

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

1.05 Depreciation on tangible fixed assets

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

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

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

Assets costing Rs. 5,000 or less individually are fully depreciated in the year of purchase.

1.06 Intangible Assets

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

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

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

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

	No. of Years
Computer Software	5

1.07 Leases

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

<u>Where the Company is lessee- Operating Lease</u>

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.

<u>Where the Company is the lessor- Operating Lease</u>

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

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

1.08 Borrowing costs

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

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

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

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

1.09 Impairment of Tangible and Intangible Assets

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

1.10 Investments

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

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

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

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

1.11 Inventories

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

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

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

1.12 Revenue recognition

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

Income from services

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

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

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

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

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

Interest

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

Dividends

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

1.13 Foreign currency 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 statement of profit and loss of the year in which the related service is rendered.

1.15 Income taxes

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

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

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

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

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

1.16 Earnings Per Share

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

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

1.17 Provisions

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

1.18 Contingent Liabilities & Contingent Assets

a) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of

i. a probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

ii. a possible obligation, unless the probability of out flow of resources is remote.

b) Contingent Assets are neither recognised nor disclosed.

1.19 Cash and Cash equivalents

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

1.20 Measurement of EBITDA

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

(Figures in Indian Currency)

2.01 Share capital	**As at March 31,**	
	2013	**2012**
Authorized shares		
75,000,000 (March 31, 2012: 75,000,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	150,000,000	**150,000,000**
Issued, subscribed & fully paid up equity shares		
20,250,000 (March 31, 2012: 20,250,000) equity shares of Rs.2/- each (fully paid up)	40,500,000	40,500,000
Total issued, subscribed and fully paid-up share capital	**40,500,000**	**40,500,000**

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

Equity shares	**As at March 31,**			
	2013		**2012**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
At the beginning of the period	20,250,000	40,500,000	20,250,000	40,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	20,250,000	40,500,000	20,250,000	40,500,000

b. Rights, preference and restrictions attached to shares:

Equity Shares

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

(Figures in Indian Currency)

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, 2013, the amount of dividend per share recognised as distribution to equity shareholder was Rs.2 (March 31, 2012: Rs.2).

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

	As at March 31,			
	2013		2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid				
R.V.Shekar	5,911,607	29.19%	5,911,607	29.19%
Shyamala Shekar	3,905,575	19.29%	3,905,575	19.29%
G Corp Projects Pvt Ltd	2,900,000	14.32%	2,900,000	14.32%
Sangeetha Shekar	1,376,850	6.80%	1,376,850	6.80%
Swetha Shekhar	1,376,800	6.80%	1,376,800	6.80%

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

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

2.02 Reserves and Surplus

	As at March 31,	
	2013	2012
Capital Reserve on Consolidation	4,465,511	5,317,199
Revaluation reserve		
Balance as at the end of the year	141,747,452	-
	141,747,452	-
General reserve		
Balance as at the beginning of the year	154,059,810	141,646,661
Add: amount transferred from surplus balance in the statement of profit and loss	9,385,737	12,413,149
Balance at the end of the year	305,192,999	154,059,810
Surplus / (deficit) in the statement of profit and loss		
Balance at the beginning of the year	776,190,393	723,610,242
Profit for the year	73,784,221	112,064,425
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,570,113	6,571,125
Transfer to general reserve	9,385,737	12,413,149
Total appropriations	56,455,850	59,484,274
Net surplus in the statement of profit and loss	793,518,764	776,190,393
Total reserves and surplus	**1,103,177,274**	**935,567,402**

2.03 Long-term borrowings

	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	-	-	-	488,760
Catholic Syrian Bank- Term loan II	311,538,059	367,207,552	54,059,507	40,925,948
Catholic Syrian Bank- Term Loan III (Machinery)	-	-	-	6,639,379
Catholic Syrian Bank- Term Loan IV (Vehicle)	-	23,650	28,768	867,211

(Figures in Indian Currency)

Axis Bank-Term Loan - I	147,603,833	-	-	-
Axis Bank-Term Loan- II	74,099,811	-	-	-
City Union Bank Ltd - I	70,720,006	-	16,725,766	-
City Union Bank Ltd - II	44,830,401	-	-	-
From Financial Institutions				
HDFC- Term loan I	-	-	-	4,283,590
HDFC- Term loan II	-	-	-	22,808,056
HDFC- Term loan III	-	-	-	14,508,718
HDFC- Term loan IV (Vehicle)	-	365,194	368,526	357,897
HDFC- Term loan V	169,075,000	100,000,000	-	-
HDFC- Term loan VI	60,000,000	-	40,000,000	-
	877,867,110	**467,596,396**	**111,182,567**	**90,879,559**
The above amount includes				
Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)	-	-	111,182,567	90,879,559
Net Amount	**877,867,110**	**467,596,396**	**-**	**-**

The above amount includes aggregate amount of secured borrowings Rs. 877,867,110 (March 31, 2012: 467,596,396)

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

	Nature of Security	**Terms of Repayment**
i.	Term loan I from Catholic Syrian Bank Limited is secured by present and future rent 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. 320,810 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. 7,734,981 (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 loan is repayable in Rs. 60 equal monthly installments amounting to Rs. 792,000 from December 2011. 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. 3,387,000. 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 Axis Bank Limited is secured by 1) land measuring 20 grounds with 76% ownership standing in the name of the company and building of 80,809 sqft to be constructed at " The COURTYARD" project situated at Nanganallur. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).	The loan is repayable in 30 equal monthly installments, after a moratorium period of 18 months from the date receipt of loan. The applicable rate of interest is 13.75% per annum. i.e base rate @ 10% + 3.75%.

vi. Term Loan II from Axis Bank Limited is secured by 1) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at "The Kiruba Cirrus" project situated at Valasaravakkam. 2) Collateral security of residential land measuring 3.56 acres at Sriperumbudur, belonging to Lancor Sriperumbudur Developments Limited, a subsidiary company. 3) First charge on current assets of the project including cash flows (Present and future).	The loan sanctioned to the Company is amounting to Rs. 19 crore. The loan is repayable by 30 equal monthly installment, after a moratorium of 18 months from the date of receipt of loan. The applicable rate of interest is 13.75% per annum.
vii. Term loan I from City Union Bank Limited is secured by mortgage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.	The loan sanctioned to the Company amounting to Rs. 10 crore is repayable in 60 equated monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e. base rate @ 10.75% + 3.25%.
viii. Term Loan II from City Union Bank Limited is secured by mortgage of 1) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company 2) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company 3) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company and 4) Land measuring 3.56 acres situated at Sriperumbudur village.owned by Lancor Sriperumbudur Developments Limited, subsidiary of Lancor Holdings limited.	The loan is repayable in 8 equal quarterly installments of Rs. 62.50 lac from April, 2014. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%.
ix. 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.
x. Term loan II from HDFC Limited is secured by present and future rent receivables of premises "West Minster" 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 present applicable rate of interest is 17% per annum.
xi. 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
xii. 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.
xiii. Term loan V 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.

xiv. Term loan VI from Housing Development Financial Corporation Limited is secured by mortgage of residential project "Lumina" situated at Kayarambedu Village, Guduvanchery and also secured by present and future scheduled receivables / sale proceeds from the customers of the project "Lumina- Phase-I" owned by the Company. Charge is created in the month of May 2013

The loan is repayable by 10% each scheduled receivables / sale proceeds from the customers of the property and the period of repayment of said loan is 36 months as per the terms of the loan agreement. The rate of interest applicable on the said loan is linked with HDFC CPLR with negative sped of 350 basis points. The present applicable interest rate is 14 %.

(Figures in Indian Currency)

2.04	**Other long-term liabilities**	**As at March 31,**	
		2013	**2012**
	Trade payables		
	Retention Money	7,828,725	14,315,759
	Others		
	Security Deposit from Customers	50,600,001	32,535,938
	Rental Deposits	109,946,816	106,089,956
		160,546,817	**138,625,894**
		168,375,542	**152,941,654**

2.05	**Provisions**	**Long-term**		**Short-term**	
		As at March 31,		**As at March 31,**	
		2013	**2012**	**2013**	**2012**
	Provision for employee benefits				
	Provision for gratuity (refer note No. 4.04)	9,285,973	6,385,174	3,946,839	1,103,694
	Provision for bonus	-	-	360,500	253,325
		9,285,973	6,385,174	4,307,339	1,357,019
	Other provisions				
	Proposed equity dividend	-	-	40,500,000	40,500,000
	Provision for tax on proposed equity dividend	-	-	6,570,113	6,571,125
	Provision for Income tax (Net of advance tax)	1,038,146	90,544	-	-
	Provision for the Compliance fees	-	-	10,112	-
		1,038,146	90,544	47,080,225	47,071,125
		10,324,119	**6,475,718**	**51,387,564**	**48,428,144**

2.06	**Short-term borrowings**	**As at March 31,**	
		2013	**2012**
	Loans repayable on demand		
	Secured		
	Catholic Syrian Bank	364,414,699	267,440,631
	Axis Bank - I	24,799,067	-
	Axis Bank - II	49,999,100	-
	City Union Bank	50,725,995	-
	Loans and Advance from Related parties		
	Unsecured	6,453,539	66,104
		496,392,399	**267,506,735**

(a) Nature of Security for secured borrowings :

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

(Figures in Indian Currency)

2.07 Other current liabilities	As at March 31, 2013	As at March 31, 2012
Trade payables		
Trade payables	101,680,902	78,433,291
Retention Money	21,865,397	13,382,170
	123,546,299	91,815,461
Other liabilities		
Current maturities of long-term borrowings (refer note No. 2.03)	111,182,567	90,879,559
Advances received from customers	240,775,749	107,454,614
Unclaimed dividend	719,289	648,299
Contractually reimbursable expenses	2,872,089	2,386,925
Payables on purchase of non current assets	1,253,995	901,894
Rental deposits	4,715,320	12,631,130
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	7,316,463	8,439,899
Interest accrued and due on borrowings	-	3,776
Others	304,967	-
	369,140,439	**223,346,096**
	492,686,739	**315,161,557**

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 111,182,567 (March 31, 2012: 90,879,559)

(Figures in Indian Currency)

2.08 Tangible Assets

	Gross Block					Depreciation					Net Block	
	As at April 1, 2012	Addition	Acquisition	Disposal / Adjustment	As at March 31, 2013	As at April 1, 2012	Acquisition	For the Year	Disposal/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Own Assets:												
Land	56,282,736	-	300,273,590	16,967,142	339,589,184	-	-	-	-	-	339,589,184	56,282,736
Building	10,570,372	2,750,000	28,717,743	3,169,421	38,868,694	885,110	1,603,639	229,993	146,374	2,572,368	36,296,326	9,685,262
Plant & Machinery	16,638,179	15,078,152	-	282,275	31,434,056	2,338,901	-	2,865,659	269,025	4,935,535	26,498,521	14,299,278
Electrical Installation	1,673,457	-	-	-	1,673,457	984,801	-	124,647	-	1,109,448	564,009	688,656
Air conditioners	2,179,368	155,840	-	271,159	2,064,049	1,267,741	-	143,541	239,432	1,171,850	892,199	911,627
Furniture & Fixtures	12,556,272	83,735	-	-	12,640,007	7,551,255	-	917,244	-	8,468,499	4,171,508	5,005,017
Computers	4,915,868	451,936	149,690	149,690	5,367,804	4,020,481	125,100	485,667	125,100	4,506,148	861,656	895,387
Office Equipment	1,983,453	248,476	12,900	12,900	2,231,929	1,241,125	10,511	129,823	10,511	1,370,948	860,981	742,328
Vehicles	15,658,075	165,498	-	1,616,155	14,207,418	9,47t3,223	-	1,573,436	1,221,212	9,825,447	4,381,971	6,184,852
Total (A)	**122,457,780**	**18,933,637**	**329,153,923**	**22,468,742**	**448,076,598**	**27,762,637**	**1,739,250**	**6,470,010**	**2,011,654**	**33,960,243**	**414,116,355**	**94,695,143**
Assets given on Operating Lease:												
Buildings	433,446,294	-	-	-	433,446,294	32,692,411	-	7,165,324	-	39,857,735	393,588,559	400,753,883
Plant & Machinery	50,718,899	4,216,943	-	-	54,935,842	20,821,380	-	4,586,008	-	25,407,388	29,528,454	29,897,519
Electrical Installation	42,291,816	969,154	-	-	43,260,970	20,927,850	-	3,881,776	-	24,809,626	18,451,344	21,363,966
Air Conditioner	34,257,179	1,905,422	-	-	36,162,601	13,426,505	-	2,927,436	-	16,353,941	19,808,660	20,830,674
Furniture & Fixtures	6,481,995	-	-	-	6,481,995	4,284,300	-	397,783	-	4,682,083	1,799,912	2,197,695
Office Equipment	-	183,484	-	-	183,484	-	-	19,859	-	19,859	163,625	-
Total (B)	**567,196,184**	**7,275,003**	**-**	**-**	**574,471,187**	**92,152,446**	**-**	**18,978,186**	**-**	**111,130,632**	**463,340,555**	**475,043,738**
Total (A+B)	**689,653,964**	**26,208,640**	**329,153,923**	**22,468,742**	**1,022,547,785**	**119,915,083**	**1,739,250**	**25,448,196**	**2,011,654**	**145,090,875**	**877,456,910**	**569,738,881**
As At March 31, 2012	**663,272,642**	**26,712,534**	**-**	**331,213**	**689,653,963**	**94,519,298**	**-**	**25,465,807**	**70,021**	**119,915,084**	**569,738,879**	**568,753,343**

Note: Out of total amount of depreciation for the year ended 2013, depreciation amount Rs.2,296,963 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, 2012	Addition	Acquisition	Disposal	As at March 31, 2013	As at April 1, 2012	Acquisition	For the Year	Disposal/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Computer software	1,579,383	-	-	-	1,579,383	1,123,474	-	194,546	-	1,318,020	261,363	455,909
Total	**1,579,383**	**-**	**-**	**-**	**1,579,383**	**1,123,474**	**-**	**194,546**	**-**	**1,318,020**	**261,363**	**455,909**
As At March 31, 2012	**1,563,941**	**15,442**	**-**	**-**	**1,579,383**	**853,102**	**-**	**270,372**	**-**	**1,123,474**	**455,909**	**710,839**

(Figures in Indian Currency)

2.10 Capital Work in Progress

	As at March 31, 2013	As at March 31, 2012
Opening Capital Work in Progress	-	-
Land Cost	22,494,448	-
Purchase of material & Construction expenses	58,458,056	-
Approval charges	-	-
Cost of services	16,805,509	-
Staff welfare expenses	390,395	-
Travelling and conveyance	7,492,261	-
Printing and stationery	40,617	-
Communication expenses	150,378	-
Repairs and maintenance	19,620	-
Business support services	9,728,148	-
Interest expenses	49,289,744	-
Depreciation	111,484	-
Fringe benefit tax	26,577	-
Professional charges	111,089,192	-
Power and fuel	358,267	-
Rates and taxes	539,492	-
Other expenses	3,042,079	-
Closing Capital Work in Progress	**280,036,267**	**-**

2.11 Non-current investments

	As at March 31, 2013	As at March 31, 2012
Other investments (valued at cost)		
Unquoted equity instruments		
28,000 (March 31, 2012: 21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	3,001,800	2,476,800
Aggregate amount of unquoted investments	3,001,800	2,476,800

2.12 Deferred tax assets / liabilities(net)

	As at March 31, 2013	As at March 31, 2012
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,779,418	56,076
Gross deferred tax liability	**1,779,418**	**56,076**
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	274,040	235,014
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	4,561,589	2,746,112
Provision for doubtful debts and advances	324,450	324,450
Unabsorbed business Loss	6,487,594	272,842
Others	3,090	4,635
Gross deferred tax asset	**11,650,764**	**3,583,053**
Net deferred tax asset	**9,871,345**	**3,526,977**

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, 2013 of Rs. 98,71,345 (March 31, 2012: 35,26,977) and Rs. 15,715,402 (March 31, 2012: 759,530) has been credited to the statement of profit & loss.

(Figures in Indian Currency)

2.13 Loans and Advances		Non-current portion		Current portion	
		As at March 31,		As at March 31,	
		2013	2012	2013	2012
Capital advances					
Unsecured, considered good		178,800	70,750	-	-
	(A)	**178,800**	**70,750**	**-**	**-**
Security deposit					
Unsecured, considered good		50,953,239	46,037,495	2,240,000	570,000
	(B)	**50,953,239**	**46,037,495**	**2,240,000**	**570,000**
Loans and advances to related parties					
Unsecured, considered good		-	106,201	-	13,388,567
	(C)	**-**	**106,201**	**-**	**13,388,567**
Other loans and advances					
(Advances recoverable in cash or kind)					
Unsecured, considered good					
Advance for land		-	55,200,000	11,460,000	2,134,129
Advance to suppliers		-	-	5,612,129	20,734,245
Advance to contractors		916,693	-	63,203,983	29,070,108
Advance given for purchase of property		-	-	-	21,944,552
Prepaid expenses		179,474	20,642	1,546,676	1,068,446
Reimbursement expenses		-	-	5,722,950	416,898
Other advances		12,016,497	155,584	9,074,090	13,804,247
Doubtful		-	-	1,000,000	1,000,000
		13,112,664	55,376,226	97,619,828	90,172,625
Provision for doubtful advances		-		1,000,000	1,000,000
	(D)	**13,112,664**	**55,376,226**	**96,619,828**	**89,172,625**
Advance income-tax (net of provision for taxation)		5,468,216	6,612,393	952,124	-
	(E)	5,468,216	6,612,393	952,124	-
Total (A+B+C+D+E)		**69,712,919**	**108,203,065**	**99,811,952**	**103,131,192**

2.14 Trade Receivables	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Unsecured, considered good unless stated otherwise				
Unsecured, considered good	3,361,834	2,909,715	29,289,942	30,673,327
	3,361,834	**2,909,715**	**29,289,942**	**30,673,327**
Outstanding for a period exceeding six months from the date they are due for payment	3,040,858	2,901,207	17,956,143	8,228,154
Other receivables	320,976	8,508	11,333,799	22,445,173
	3,361,834	**2,909,715**	**29,289,942**	**30,673,327**

(Figures in Indian Currency)

2.15 Other Assets:

	Non-current portion		Current portion	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Unsecured, considered good unless stated otherwise				
Interest accrued but not due on deposits	-	-	636,104	508,722
Income Tax refund receivables	-	-	35,107	-
Contractually reimbursable expenses	-	-	3,975,412	186,739
Unbilled Revenue	-	-	940,567	-
Expenses recoverable from customers	-	-	-	432,639
Deposits with Original Maturity for more than 12 months (2.18)	7,484,000	-	-	-
	7,484,000	**-**	**5,587,190**	**1,128,100**

2.16 Current investments

	As at March 31,	
	2013	2012
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 {(52302.468 units @ Rs. 100.0948 Per unit) (March 31, 2012: 143,168,129) (Face value of Rs.10 each)}	5,235,205	143,168,129
Investments in DWS Ultra Short Term Fund - Super Institutional Div. Reinv. daily {((Nil)(March 31, 2012-5,760,494.784 units) (Face value of Rs. 10 each)}	-	57,708,061
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {(Nil)(March 31, 2012 -98,170.6367 units) (Face value of Rs.100 each)}	-	10,380,072
HDFC Cash Management Fund - Treasury Advantage Plan {((2020304.479@ 10.0315 per unit) (March 31, 2012: Nil))}	20,266,684	-
Investments in DWS Manager Fund - Super Institutional Div. Reinv.daily {(Nil)(March 31, 2012-795,084.926 units) (Face value of Rs. 10 each)}	-	7,967,081
Investment in DWS Ultra Short Term Fund {((2,998,451.647 units @ 10.0179 per unit) (March 31, 2012 -Nil) (Face Value - Rs.10/- each))}	29,295,222	-
Investment in Franklin Templeton {(Nil)(March 31, 2012 -1,201,625.053 units) (Face Value - Rs.10/- each))}	-	12,029,589
Investment in Sundaram Money Fund {(Nil) (March 31, 2012 - 510,318.844 units) (Face Value - Rs.10/- each))}	-	5,122,070
	54,797,111	236,375,002
Aggregate amount of unquoted investments	**54,797,111**	**236,375,002**

(Figures in Indian Currency)

2.17 Inventories

	Current portion As at March 31, 2013	2012
(a) Constructed premises / properties held for sale at cost		
Opening constructed premises held for sale	4,250,000	28,395,438
Add: Transfer from construction work in progress	-	-
Add: Purchase cost of properties	-	3,403,125
Less: Sale of constructed premises	(2,750,000)	(27,548,563)
Closing stock of unsold constructed premises	**1,500,000**	**4,250,000**
(b) Construction materials at Cost		
Opening construction materials	17,426,428	9,536,424
Add: Purchase of materials	249,952,540	155,585,258
Less: Consumption of materials	247,419,705	147,695,253
Closing construction materials	**19,959,263**	**17,426,428**
(c) Closing work in progress at cost (under broad head)		
Land and land related expenses	944,779,389	779,617,299
Material cost	222,607,221	81,478,527
Other construction expenses	253,047,204	116,211,453
Borrowing cost	157,145,247	54,812,241
Approval charges	101,410,987	2,316,269
Professional fee	7,052,267	8,757,083
Power & Fuel	4,890,002	916,331
Rates and taxes	1,691,446	1,199,917
Other expenses	11,366,726	6,606,260
	1,703,990,490	**1,051,915,380**
Total (a+b+c)	**1,725,449,754**	**1,073,591,808**

2.18 Cash and Bank Balance

	Current portion As at March 31, 2013	2012
Cash & Cash Equivalents		
Balances with banks:		
On current accounts	57,342,570	86,084,514
Cash on hand	138,505	216,806
Deposits with original maturity of less than 3 months	3,203,000	-
	60,684,075	**86,301,320**
Other Bank Balance		
Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank)	12,900,015	15,201,809
Unpaid dividend account (Earmarked)	800,335	729,391
	13,700,350	**15,931,200**
Less: Amount disclosed under the head 'other non current asset' (refer note No.2.15)	7,484,000	-
	66,900,425	**102,232,520**

(Figures in Indian Currency)

3.01	Revenue from operations	Year ended March 31, 2013	2012
	Revenue from operations		
	Revenue from real estate development	523,294,205	801,601,145
	Contract revenue	43,354,390	7,893,179
	Rental income	133,320,164	148,042,157
	Project management fee	3,364,717	1,001,187
	Maintenance income	69,229,188	51,670,185
	Brokerage income	7,471,055	7,441,549
	Other operating revenues	1,440,477	9,661,715
		781,474,196	**1,027,311,117**

3.02	Other Income	Year ended March 31, 2013	2012
	Interest Income on		
	Bank Deposits	1,202,937	690,989
	Subsidiaries	-	-
	Others	723,894	34,223,624
	Dividend Income On		
	Current investments		
	Mutual Funds	8,964,773	18,039,696
	Net gain on sale of current investments	-	-
	Excess liabilities / provisions no longer required	183,434	-
	Other non - operating income (net of expenses directly attributable to such income)	550,553	14,958
		11,625,591	**52,969,267**

3.03	Project development expenses	Year ended March 31, 2013	2012
	a) Land and land related expenses	283,669,889	641,179,450
		283,669,889	**641,179,450**
	b) Cost of Materials and Construction Expenses		
	Purchase of material	249,518,956	146,518,060
	Construction expenses	344,891,492	338,602,578
	Approval charges	123,628,786	10,448,552
	Professional charges	14,479,071	3,640,807
	Power and Fuel	9,046,871	7,117,610
	Rates and taxes	3,644,605	10,183,529
	Other expenses	8,635,354	13,747,851
		753,845,135	**530,258,986**
	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	17,426,428	9,536,424
	Work in progress	1,051,915,380	423,553,982
	Less: Transferred to Capital Work-in-Progress	(88,902,985)	-
	Constructed premises / properties for sale	4,250,000	28,395,438
	Inventory at the end of the year		
	Construction material	19,986,331	17,426,428
	Work in progress	1,703,990,490	1,051,915,380
	Constructed premises / properties for sale	1,500,000	4,250,000
	Increase or decrease in inventories	**(740,787,998)**	**(612,105,964)**
	Total (a+b+c)	**296,727,026**	**559,332,472**

(Figures in Indian Currency)

3.04 Employee Benefit Expense

	Year ended March 31, 2013	2012
Salaries, wages and bonus	59,992,000	52,326,136
Contribution to provident and other fund	5,165,206	4,280,619
Gratuity expense (refer note No. 4.05)	5,818,670	1,236,526
Staff welfare expenses	3,854,490	2,980,040
	74,830,366	**60,823,321**

3.05 Other Expenses

	Year ended March 31, 2013	2012
Directors' sitting fees (board meeting)	100,000	105,000
Advertisement and sales promotion	47,284,781	8,240,360
Printing & stationery	1,298,682	1,176,618
Communication costs	1,676,802	1,439,326
Travelling & conveyance	2,095,449	568,171
Vehicle maintenance	3,631,426	3,849,256
Rates & taxes	2,556,512	2,298,086
Legal expenses & professional fees	12,585,205	6,386,758
Repairs & maintenance		
- Building	6,437,731	8,872,234
- Plant & Machinery	236,203	180,523
- Others	816,385	853,565
Rent	3,936,014	3,697,367
Power and fuel	1,079,050	1,973,190
Insurance	424,059	360,772
Payment to auditors (Refer details below)	1,795,366	1,851,755
Brokerage	453,357	37,847
Loss on sale of fixed assets (net)	26,979	36,551
Other sundry expenses	4,255,448	4,583,350
	90,689,449	**46,510,729**

Payment to Auditors

	Year ended March 31, 2013	2012
As auditor:		
Audit fee	1,435,230	1,331,840
Tax Audit Fee	198,540	198,540
In other Capacity:		
Taxation matters	73,034	182,055
Company law matters	88,562	139,320
	1,795,366	**1,851,755**

(Figures in Indian Currency)

3.06	Depreciation and amortization expense	Year ended March 31, 2013	2012
	Depreciation of tangible assets	23,151,232	24,656,776
	Amortization of Intangible assets	194,546	270,372
		23,345,777	**24,927,148**

3.07	Prior Period Items	Year ended March 31, 2013	2012
	Prior Period Income		
	Depreciation	(34,441)	-
	Prior Period Expenses		
	Loss on Sale of building	3,057,488	-
		3,023,047	**-**

3.08	Finance Costs	Year ended March 31, 2013	2012
	Interest on borrowings	145,877,268	76,218,796
	Loan Processing, preclosure & other Charges	11,610,475	2,087,421
	Bank Charges & Commission	157,048	102,870
		157,644,791	**78,409,087**

4.01 Principles of consolidation

a) The consolidated financial statements are based on the audited financial statements of the subsidiaries and a joint venture entity for the current financial year.

b) The consolidated financial statements have been prepared using uniform accounting policies 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.

c) The financial statement of the Company and its subsidiaries has been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealised profits and losses resulting from intra group transactions and intra group balances have been eliminated.

d) The excess of Company's portion of equity and reserves of the subsidiaries as at the time of its investment over the cost of acquisition of shares in subsidiaries is treated as Capital Reserve. Similarly any excess of the cost of acquisition of shares of subsidiaries over the Company's portion of equity and reserves in subsidiary is treated as goodwill.

e) Minority interest in the net income and net assets of the subsidiaries is computed and disclosed separately.

f) List of subsidiaries which are included in the consolidation are as follows;

Name of the subsidiary	Country of incorporation	Voting power held as at March 31, 2013	2012
Lancor Realty Limited	India	100%	100%
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Projects Limited	India	0%	100%
Lancor Guduvanchery Developments Limited.	India	100%	100%
Lancor Sriperumbudur Developments Limited	India	100%	100%
Lancor GST Developments Limited	India	100%	0%
		March 31, 2013	**December 31, 2011**
Lancor Egatoor Developments Limited	India	100%	100%

(Figures in Indian Currency)

g) Interest in joint venture has been accounted by using the proportionate consolidation method as per Accounting Standard 27 “Financial Reporting of interests in joint venture” as notified by the rules.

h) Details of Company’s ownership interest in joint venture, which is included in the consolidation is as follows

Name of the partnership firm	Profit sharing percentage	Country of incorporation	Contingent Liabilities as at March 31, 2013	Capital commitments as at March 31, 2013
Central Park West Venture	100%	India	2,398,695	Nil

4.02 Earnings Per Share (EPS)

	Year ended March 31, 2013	2012

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

	2013	2012
Net profit / (loss) for the year from continuing operations	73,784,221	112,064,425
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	3.64	5.53

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, 2013	2012
Contract revenue recognised during the year	43,354,390	7,893,179
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	43,354,390	7,893,179
Advances received for contracts in progress	6,455,977	2,288,669
Retention money for contracts in progress	255,905	-
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, 2013	2012
Borrowing costs capitalised during the year		
- as part of work in progress for residential property development	123,014,131	42,410,287
	123,014,131	42,410,287

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 whichever 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.

(Figures in Indian Currency)

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity	
	Year ended March 31,	
	2013	**2012**
Current service cost	840,383	1,971,204
Interest cost on benefit obligation	451,282	531,259
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the year	4,527,005	(1,265,937)
Net benefit expense	5,818,670	1,236,526

Balance sheet

Benefit asset / liability recognised in the Balance Sheet	Gratuity	
	As at March 31,	
	2013	**2012**
Present value of defined benefit obligation	13,196,812	7,488,868
Fair Value of the Plan Assets	-	-
Liability / (asset) recognised	13,196,812	7,488,868

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

	Gratuity	
	As at March 31,	
	2013	**2012**
Opening defined benefit obligation	5,157,511	6,439,496
Current service cost	840,383	1,971,204
Interest cost	451,282	531,259
Liability Transfer in	2,331,357	-
Benefits paid	(110,726)	(190,384)
Actuarial (gains) / losses on obligation	4,527,005	(1,262,707)
Closing defined benefit Obligation	13,196,812	7,488,868

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2013	**2012**
Discount rate	8.00%	8.75%
Expected rate of return on assets	NA	NA
Employee turnover	8.25%	10%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (94-96) Mortality Table
Salary Escalation	10%	10%

The estimates of future salary increases considered in actuarial valuation takes into 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. 39,36,014 (March 31, 2012 : Rs 36,97,367)

(Figures in Indian Currency)

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,	
	2013	**2012**
Rental income credited to statement of profit and loss	133,821,229	148,299,996
Within one year	108,031,612	114,482,160
After one year but not more than five years	179,349,757	288,280,994
More than five years	-	-
	287,381,369	402,763,154

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

4.07 Interest in a joint venture

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

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

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2013 (PY : March 31, 2012) are as follows: (before inter Company elimination)

	Year ended March 31,	
	2013	**2012**
Current assets	1,562,410	9,983,876
Non-current assets	96,426,009	89,009,189
Current liabilities	10,301,089	21,054,864
Non-current liabilities	33,700,000	32,626,482
Revenue from operation	576,396	177,334,418
Cost of materials and construction expenses	-	51,963,121
Changes in inventories of constructed premises for sale, work-in-progress & construction materials	-	60,573,610
Finance cost	3,568	1,375,122
Other expenses	1,564,752	3,576,290
Profit / (Loss) before tax	(991,924)	59,846,275
Income-tax expense	91,093	(76,915,505)
Profit after tax	(900,831)	(17,069,230)

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.2,398,695 for service tax and value added tax matter. With respect to value added tax matter, Rs. 485,000 has been paid under protest by the firm and has also given a security in the form of a bank guarantee for an amount of Rs. 911,695 to the assessing authority.

b) The Company has not entered into 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	31/3/2013	566,648,595	133,320,164	89,213,168	789,181,927
	31/3/2012	809,494,324	148,042,157	78,152,617	1,035,689,098
Inter segment Revenue	31/3/2013	-	-	-	-
	31/3/2012	-	-	-	-
Total Revenue	31/3/2013	566,648,595	133,320,164	89,213,168	789,181,927
	31/3/2012	809,494,324	148,042,157	78,152,617	1,035,689,098
Segment Result	31/3/2013	226,058,048	73,824,999	43,895,221	343,778,268
	31/3/2012	206,298,331	64,437,879	40,104,900	310,841,111
Less: Interest	31/3/2013	-	-	-	157,644,791
	31/3/2012	-	-	-	78,409,087
Unallocable Other Expenditure	31/3/2013	-	-	-	85,506,906
	31/3/2012	-	-	-	8,196,525
Add: Unallocable other Income	31/3/2013	-	-	-	3,917,861
	31/3/2012	-	-	-	44,591,286
Profit Before Taxation	31/3/2013				104,544,432
	31/3/2012	-	-	-	268,826,785
Segment Assets	31/3/2013	1,860,308,081	550,455,389	94,574,356	2,505,337,826
	31/3/2012	1,240,345,129	538,347,616	295,056,651	2,073,749,396
Unallocable Assets	31/3/2013	-	-	-	735,730,397
	31/3/2012	-	-	-	160,693,900
Total Assets	31/3/2013				3,241,068,223
	31/3/2012				2,234,443,295
Segment Liabilities	31/3/2013	1,745,115,411	480,048,702	(339,765,311)	1,885,398,802
	31/3/2012	547,591,092	563,984,759	43,135,632	1,154,711,482
Unallocable Liabilities	31/3/2013	-	-	-	211,992,147
	31/3/2012	-	-	-	103,664,411
Total liabilities	31/3/2013				2,097,390,949
	31/3/2012				1,258,375,893
Capital Expenditure					
Segment Capital Expenditure	31/3/2013	-	7,275,003	-	7,275,003
	31/3/2012	-	981,498	-	981,498
Unallocable Capital Expenditure	31/3/2013	-	-	-	18,933,637
	31/3/2012	-	-	-	25,746,478
Total Capital Expenditure	31/3/2013	-	7,275,003	-	26,208,640
	31/3/2012	-	981,498	-	26,727,976
Segment Depreciation	31/3/2013		18,978,186	-	18,978,186
	31/3/2012	-	20,543,476	-	20,543,476
Unallocable Depreciation	31/3/2013	-	-	-	6,664,556
	31/3/2012	-	-	-	5,192,703
Non cash Expenses other than Depreciation					
Segment Non Cash Expenditure	31/3/2013	-	-	-	-
	31/3/2012	-	-	-	-
Unallocable Non Cash Expenditure	31/3/2013	-	-	-	-
	31/3/2012	-	-	-	1,236,526
Total Non cash expenses		-	-	-	-

4.09 Related party disclosures

Names of related parties and related party relationship

Joint Ventures

a) Central park West Venture

Key Management Personnel (KMP) & relatives

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

Related party transactions

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

(Figures in Indian Currency)

	Year ended	Subsidiary	Key management Personnel	Total
a. Expenditure				
Remuneration paid				
R.V.Shekhar	31/3/2013	-	5,981,923	5,981,923
	31/3/2012	-	5,590,654	5,590,654
Mallika Ravi	31/3/2013	-	5,218,920	5,218,920
	31/3/2012	-	3,804,477	3,804,477
Interest paid				
R.V.Shekhar	31/3/2013	-	-	-
	31/3/2012	-	72,132	72,132
b. Income				
Income from real estate Development				
Sangeetha Shekar	31/3/2013		15,515,957	15,515,957
	31/3/2012	-	7,571,524	7,571,524
Shwetha Shekar	31/3/2013		15,515,957	15,515,957
	31/3/2012	-	7,571,524	7,571,524
Mallika Ravi	31/3/2013	-	5,344,676	5,344,676
	31/3/2012	-	-	-
d. Advances received towards sale of properties				
Sangeeta Shekar	31/3/2013		1,912,519	1,912,519
	31/3/2012	-	4,928,476	4,928,476
Shwetha Shekar	31/3/2013		1,912,519	1,912,519
	31/3/2012	-	4,928,476	4,928,476
Mallika Ravi	31/3/2013	-	1,953,105	1,953,105
	31/3/2012	-	-	-
Other advances				
Lancor Egatoor Developments Limited	31/3/2013	-	-	-
	31/3/2012	66,104	-	66,104
e. Closing balances				
Lancor Egatoor Developments Limited	31/3/2013	-	-	-
	31/3/2012	66,104	-	66,104

(Figures in Indian Currency)

4.10 Capital and other commitments	Year ended March 31, 2013	2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,430,400	5087500
Other commitments (specify nature)	-	-
	5,430,400	5,087,500

4.11 Contingent liabilities

a) The Arbitration proceeding on the "Menon Eternity" project is pending, where the Company has made a claim of Rs. 9,98,47,408, while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing a rejoinder. As per the interim order dated 20.10.2010 of sole arbitrator the Company has given the possession of the area belonging to the land owners on receipt of Rs.4.82 Crores being refundable deposits from them along with the bank guarantee of Rs.1.66 crores to the Arbitrator. In view of the management, the claims are frivolous and are not sustainable, accordingly the claims are not acknowledged as debt.

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 the interim application filed by the lessee and has dismissed the same. However, the main suit is pending. Aggrieved by the order of the single Judge, the lessee has filed an appeal before the larger bench and the same 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.24,99,898.

c) Claims against the Company in respect of the service tax matter not acknowledged as debt amounting to Rs.12,04,358 (March 31, 2012: 12,04,358), against which an amount of Rs.60,000/- has been remitted as pre-deposit as per the direction of CESTAT.

d) The service tax department has raised a demand of Rs. 15,610,334 and also a penalty of equal amount on Lancor GST for wrong availment of Cenvat Credit. This demand was raised before acquisition of stake by the Company. The erstwhile holding Company of Lancor GST has undertaken to reimburse to the Company to the extent of Rs. 3,902,584 in the event the Company is made liable to pay the demand. The matter is before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.

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

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

4.13 Previous year figures

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

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

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

Date : May 30, 2013
Place: Chennai

H.Viswanath
Company Secretary

Date : May 30, 2013
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 Guduvanchery development limited	Lancor Sriperumbudur Developments Limited	Lancor Egatoor development limited	Lancor GST Developments Limited
02	Financial year of the subsidiary company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
03	Date from which they became subsidiary	04.10.2000	03.10.2002	22.11.2010	12.04.2011	01.12.2010	26.11.2012
04	Shares of the Subsidiary held by the Company on the above dates:						
	Nos.	2,50,000	50,000	50,000	50,000	50,000	9,60,000
	Face Value	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-
	Paid up value	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-
	Extent of Holding	99.30%	100%	100%	100%	100%	100%
05	Net aggregate amount of profits or losses of the Subsidiary upto the above financial year so far as they concerns members of the Holding						
	Dealt with the Accounts of the Company for the year ended 31-03-2013.	Nil	Nil	Nil	Nil	Nil	Nil
	Not dealt with in the Accounts of the Company for the year ended 31-03-2013	4,91,95,184	2,69,49,485	(1,54,63,455)	(1,79,00,968)	(1,22,829)	(15,40,92,419)
06	Net aggregate amount of profits or losses upto the previous financial year of the Subsidiary, since it became a Subsidiary so far as they concerns members of the Holding						
	Dealt with the Accounts of the Company for the year ended 31-03-2012.	Nil	Nil	Nil	Nil	Nil	Nil
	Not dealt with in the Accounts of the Company for the year ended 31-03-2012.	3,60,83,245	2,32,56,757	(6,86,212)	(73,87,050)	(81,397)	Nil
07	Changes in the interest of the Holding Company between the end of Subsidiary's financial year ended and March 31, 2013	Nil					
08	Material Changes between the end of the Subsidiary's financial year ended and March 2012	Not Applicable					

Note : The particulars of shareholding mentioned in Sl.No.4(a) herein above also includes shares held by Company through its nominees.

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

Place : Chennai
Date : May 30, 2013

R.SANKARANARAYANAN
Director

R.V. SHEKAR
Managing Director

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

Sl. No	Name of the Subsidiary Company'	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover / Total Income	Provision for Taxation	Prof t / (Loss) after Taxation	Proposed Dividend	Country
1	Lancor Maintenance & Services Ltd	INR	2,517,500	50,561,871	97,279,983	97,279,983	55,797,111	75,156,146	47,96,490	13,204,370	N.A.	INDIA
2	Lancor Realty Ltd	INR	500,000	27,269,996	29,253,597	29,253,597	NIL	9,543,361	13,02,770	3,692,728	N.A.	INDIA
3	Lancor Guduvanchery Developments Ltd	INR	500,000	(15,463,455)	446,872,289	446,872,289	NIL	NIL	NIL	(14,777,243)	N.A.	INDIA
4	Lancor Sriperumbudur Developments Ltd	INR	500,000	(17,900,968)	79,323,440	79,323,440	NIL	NIL	NIL	(10,513,918)	N.A.	INDIA
5	Lancor Egatoor Developments Ltd	INR	500,000	(122,829)	401,890	401,890	NIL	NIL	NIL	(41,432)	N.A.	INDIA
6	Lancor GST Developments Ltd	INR	9,600,000	112,195,176	490,943,696	490,943,696	NIL	NIL	NIL	(33,378,638)	N.A.	INDIA

AUDITOR'S REPORT TO THE MEMBERS OF LANCOR HOLDINGS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013

(a) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

(b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:

    (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Satya Ranjan Dhall
Partner
Membership No. 214046

Place of Signature: Chennai
Date: May 30, 2013

Annexure

Re: Lancor Holdings Limited

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

(i) (a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets.

(b) 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 verifications.

(c) The Company has not disposed off any substantial part of its fixed assets during the year.

(ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventory and no discrepancies were noticed on verification between the physical stocks and books of accounts.

(iii) (a) The Company has granted unsecured loans to five 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.714,880,205 and maximum amount outstanding during the year was Rs.897,052,310.

(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 & two companies, as per the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.

(d) As stated above, in case of Companies, there are no overdue amounts in excess of rupees one lakh and in case of the firm & two companies, as no repayment schedules have been specified, there are no overdue amounts in excess of Rupees one lakh.

(e) The Company has taken unsecured loan from two Companies covered in the register maintained under section 301 of Companies Act, 1956. The maximum amount involved during the year was Rs.4,66,03,057 & the year-end balance of such loan taken was Nil.

(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 and on our perusal of books of account, repayment schedule has been specified and accordingly the repayment of the principal amount has been regular.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

(v) a) Based on the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.

b) According to sub clause (v) (b) of clause 4 of the Order, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence there is no question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.

(vii) The scope of internal audit needs to be broadened to make it commensurate with the size of the Company and nature of the business.

(viii) We have broadly reviewed the books of account and records maintained by the Company relating to construction and development activity, pursuant to the order made by the Central Government for the maintenance of cost record under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a cost auditor.

(ix) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, 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.

(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 therein. All the investments have been held by the Company in its own name.

(xv) As informed to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) In our opinion, the term loan has been utilized for the purpose for which it has been raised.

(xvii) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we are of the opinion that no funds raised on short term basis has been used for long term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of share to parties and Companies covered in the register maintained under section 301 of the Act. Hence reporting whether the price at which shares have been issued are not prejudicial to the interest of the Company is not required.

(xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.

(xx) The Company has not raised money by public issue hence the sub clause (xx) of the clause 4 of the Order is not applicable to the Company.

(xxi) According to the information and explanation given to us by the management and which has been relied by us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Satya Ranjan Dhall
Partner
Membership No. 214046

Place: Chennai
Date: May 30, 2013

Balance Sheet as at March 31, 2013

(Figures in Indian Currency)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	40,500,000	40,500,000
Reserves and surplus	2.02	933,512,307	861,079,291
		974,012,307	901,579,291
Non-current liabilities			
Long-term borrowings	2.03	817,867,110	467,596,396
Trade payables	2.04	7,138,908	13,766,809
Other long-term liabilities	2.04	126,846,817	122,989,957
Long-term provisions	2.05	8,511,241	3,005,424
		960,364,076	607,358,586
Current liabilities			
Short-term borrowings	2.06	489,938,860	267,440,631
Trade payables	2.07	86,898,221	66,761,818
Other current liabilities	2.07	176,468,926	160,359,742
Short-term provisions	2.05	51,334,490	48,274,657
		804,640,497	542,836,848
Total		**2,739,016,880**	**2,051,774,725**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2.08	559,318,874	559,796,846
Intangible assets	2.09	154,749	180,673
Non-current investments	2.10	25,951,451	25,476,800
Deferred tax assets (net)	2.11	3,872,647	2,076,647
Long-term loans and advances	2.12	417,435,179	103,693,652
Other Non Current Assets	2.14	24,310,777	-
		1,031,043,677	691,224,618
Current assets			
Current investments	2.15	-	181,218,073
Inventories	2.16	1,233,219,358	685,087,492
Trade receivables	2.13	27,182,053	13,799,363
Cash and bank balances	2.17	20,500,834	83,207,826
Short-term loans and advances	2.12	402,150,278	360,183,637
Other current assets	2.14	24,920,680	37,053,716
		1,707,973,203	1,360,550,107
Total		**2,739,016,880**	**2,051,774,725**

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

Date : May 30, 2013
Place: Chennai

H.Viswanath
Company Secretary

Date : May 30, 2013
Place: Chennai

Statement of Prof t & Loss for the year ended March 31, 2013

(*Figures in Indian Currency*)

	Notes	Year ended March 31, 2013	2012
Continuing operations			
Income			
Revenue from operations	3.01	708,778,444	817,940,026
Share of profit / (loss) from investment in partnership firm		(900,832)	(17,069,230)
Other income	3.02	61,782,919	56,337,500
Total Revenue		769,660,531	857,208,296
Expenses			
Land and land related expenses		283,669,889	498,477,465
Cost of materials and construction expenses	3.03	599,030,372	448,756,000
Changes in inventories of constructed premies, work-in-progress & construction material	3.04	(548,131,866)	(456,421,015)
Employee benefits expense	3.05	67,557,785	29,101,936
Other expenses	3.06	62,288,314	36,596,412
Total Expenses		464,414,494	556,510,798
Earnings before Exceptional, Extraordinary, Interest, Tax, Depreciation and Amortization (EBITDA)		305,246,037	300,697,498
Depreciation and amortization expense	3.07	22,468,758	23,796,236
Finance costs	3.08	152,932,874	75,580,066
Prof t/(loss) before Exceptional, Extraordinary items and Tax		**129,844,405**	**201,321,196**
Exceptional items		-	-
Prof t / (loss) before Extraordinary items and Tax		129,844,405	201,321,196
Extraordinary items		-	-
Prof t / (loss) before tax		129,844,405	201,321,196
Tax expenses			
Current tax		37,387,713	60,754,524
Deferred tax	2.11	(1,365,570)	(96,564)
(Excess) / Short Provision for Tax of earlier years		(35,107)	16,531,743
Prof t / (loss) for the year from continuing operations		**93,857,369**	**124,131,493**
Earnings per equity share (Nominal Value of share Rs. 2 each)	4.01		
Basic & Diluted			
Computed on the basis of profit from continuing and total operations		4.63	6.13
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

Date : May 30, 2013
Place: Chennai

H.Viswanath
Company Secretary

Date : May 30, 2013
Place: Chennai

Cash Flow Statement for the year ended March 31, 2013

(*Figures in Indian Currency*)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash f ow from operating activities		
Profit Before Tax from Continuing Operations	129,844,405	201,321,197
Prof t Before Tax	**129,844,405**	**201,321,197**
Non-cash Adjustment to Profit Before Tax:		
Share of (profit)/loss from investment in partnership firm	900,832	17,069,229
Depreciation / amortisation on continuing operation	22,468,758	23,796,237
Provision for Gratuity	5,089,260	326,819
Loss / (profit) on sale of assets	(224,555)	25,942
Sundry balances written back	(183,434)	(5,086,685)
Interest expense	152,932,874	75,580,066
Interest income	(56,904,262)	(36,017,565)
Dividend income	(4,470,668)	(15,222,641)
Operating profit before working capital changes	249,453,210	261,792,599
Movements in working capital:		
Increase / (decrease) in trade payables	13,417,306	(3,832,204)
Increase / (decrease) in provisions	23,081	(90,521)
Increase / (decrease) in other current liabilities	39,218,287	30,064,712
Decrease / (increase) in trade receivables	(9,121,545)	39,371,452
Decrease / (increase) in inventories	(545,834,901)	(455,611,983)
Decrease / (increase) in loans and advances	(344,301,929)	(104,530,052)
Decrease / (increase) in other assets	(10,951,496)	(181,937)
Cash generated from/(used in) operations	(608,097,989)	(233,017,932)
Direct taxes paid (net of refunds)	(36,349,571)	74,113,270
Net cash f ow from / (used in) operating activities (A)	**(644,447,560)**	**(307,131,203)**
Cash f ow from investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(22,312,792)	(20,585,526)
Proceeds from sale of fixed assets	664,475	35,250
Purchase of investments	(321,618,983)	(366,222,641)
Proceeds from sale / maturity of investments	509,429,485	611,755,689
Interest received	56,145,763	80,444
Dividends received	4,470,668	15,222,641
Net cash f ow from / (used in) investing activities (B)	**226,778,616**	**240,285,857**
Cash f ow from f nancing activities		
Proceeds from borrowings	658,697,234	369,902,265
Repayment of borrowings	(105,625,282)	(106,778,890)
Interest paid	(152,932,874)	(75,576,290)
Dividends paid on equity shares	(40,500,000)	(40,525,100)
Tax on equity dividend paid	(6,571,125)	(6,726,544)
Net cash f ow from / (used in) in f nancing activities (C)	**353,067,952**	**140,295,441**

Net increase /(decrease) in cash and cash equivalents (A+B+C)	(64,600,991)	73,450,095
Cash and cash equivalents at the beginning of the year	83,207,825	9,757,731
Pursuant to Merger		
Lancor Projects Limited	1,894,000	-
Cash and cash equivalents at the end of the year	**20,500,834**	**83,207,826**
Note: (i) Figures in bracket represents outflows		
(ii) Cash and Cash Equivalent as per note No. 2.17 of the f nancial statement	20,500,834	83,207,826
	20,500,834	**83,207,826**

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

Date : May 30, 2013
Place: Chennai

H.Viswanath
Company Secretary

Date : May 30, 2013
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 signif cant accounting policies

1.03 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgement, 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 f xed assets

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

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

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

1.05 Depreciation on tangible f xed 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 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.

	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 assets or cash generating units net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.10 Investments

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

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

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

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

1.11 Inventories

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

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

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

1.12 Revenue recognition

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

Income from services

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

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

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

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

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 benef ts

a) Def ned 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) *Def ned Benef t 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 Benef t*

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 outflow 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 the Financial Statements

(Figures in Indian Currency)

2.01 Share capital	As at March 31, 2013	As at March 31, 2012
Authorized shares		
7,50,00,000 (March 31, 2012: 7,50,00,000) equity shares of Rs.2/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, subscribed & fully paid up equity shares		
2,02,50,000 (March 31, 2012: 2,02,50,000) equity shares of Rs.2/- each (fully paid up)	40,500,000	40,500,000
Total issued, subscribed and fully paid-up share capital	**40,500,000**	**40,500,000**

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

Equity shares	As at March 31, 2013		2012	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	20,250,000	40,500,000	20,250,000	40,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	20,250,000	40,500,000	20,250,000	40,500,000

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

Equity shares

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

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

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

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

	As at March 31, 2013		2012	
	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 S hekar	3,905,575	19.29%	3,905,575	19.29%
G Corp Projects Pvt Ltd	2,900,000	14.32%	2,900,000	14.32%
Sangeetha S hekar	1,376,850	6.80%	1,376,850	6.80%
Swetha S hekar	1,376,800	6.80%	1,376,800	6.80%

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

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

(Figures in Indian Currency)

2.02 Reserves and surplus	As at March 31, 2013	As at March 31, 2012
General reserve		
Balance as at the beginning of the year	153,090,201	140,677,052
Add: amount transferred from surplus balance in the statement of profit and loss	9,385,737	12,413,149
Add: Pursuant to amalgamation with Lancor Projects Limited	100,000	
Balance at the end of the year	**162,575,938**	**153,090,201**
Surplus / (def cit) in the statement of prof t and loss		
Balance at the beginning of the year	707,989,090	643,341,871
Profit for the year	93,857,369	124,131,493
Add: Pursuant to amalgamation with Lancor Projects Limited	25,545,760	-
Less: Appropriations		
Proposed final equity dividend	40,500,000	40,500,000
Tax on proposed equity dividend	6,570,113	6,571,125
Transfer to general reserve	9,385,737	12,413,149
Total appropri ations	56,455,850	59,484,274
Net surplus in the statement of prof t and loss	770,936,369	707,989,090
Total reserves and surplus	**933,512,307**	**861,079,291**

2.03 Long-term borrowings	Non-current portion As at March 31, 2013	Non-current portion As at March 31, 2012	Current portion As at March 31, 2013	Current portion As at March 31, 2012
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term loan I	-	-	-	488,760
Catholic Syrian Bank- Term loan II	311,538,059	367,207,552	54,059,507	40,925,948
Catholic Syrian Bank- Term Loan III (Machinery)	-	-	-	6,639,379
Catholic Syrian Bank- Term Loan IV (Vehicle)	-	23,650	28,768	867,211
Axis Bank-Term Loan -I	147,603,833	-	-	-
Axis Bank-Term Loan - II	74,099,811	-	-	-
City Union Bank - Term Loan I	70,720,006	-	16,725,766	-
City Union Bank - Term Loan II	44,830,401	-	-	-
From Financial Institutions				
HDFC- Term loan I	-	-	-	4,283,590
HDFC- Term loan II	-	-	-	22,808,056
HDFC- Term loan III	-	-	-	14,508,718
HDFC- Term loan IV (Vehicle)	-	365,194	368,526	357,897
HDFC- Term loan V	169,075,000	100,000,000	-	-
	817,867,110	467,596,396	71,182,567	90,879,559
Amount disclosed under the head ‘other current liabilities’ (refer note No. 2.07)	-	-	71,182,567	90,879,559
Neta mount	817,867,110	467,596,396	-	-

The above amount includes agrregate amount of secured borrowings Rs. 81,78,67,110 (March 31, 2012: Rs. 46,75,96,396)

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

	Nature of Security	Terms of Repayment
i.	Term loan I from Catholic Syrian Bank Limited is secured by present and furture 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 montly installments Rs. 3,20,810 as per the terms of the loan agreeement. 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 montly instalments per annum) as per the terms of the loan agreeement. 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 loan is repayable in 60 equal monthly installments amounting to Rs.7,92,000 from December 2011. 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 Axis Bank Limited is secured by a) land measuring 20 grounds with 76% ownership standing in the name of the Company and building of 80,809 sqft to be constructed at “ The COURTYARD” project situated at Nanganallur. b) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Devlopments Limited, a subsidiary Company. c) First charge on current assets of the project including cash flows both present and future.	The loan is repayable in 30 equal monthly installments, after a moratorium period of 18 months from the date of receipt of loan. The applicable rate of interest is 13.75% per annum.i.e base rate @ 10% + 3.75%.
vii.	Term Loan II from Axis Bank Limited is secured by a) land measuring 21,095 sqft out of 35,600 sqft and building of 81,627 sqft to be constructed at “ The Kiruba Cirrus” project situated at Valasaravakkam. b) Collateral security of residential land measuring 3.56 acres at Sriperumbudur,belonging to Lancor Sriperumbudur Developments Limited, a subsidiary Company. c) First charge on current assets of the project including cash flows both present and future.	The loan sanctioned to the Company is amounting to Rs. 19 crores. The loan is repayable by 30 equal monthly installment, after a moratorium of 18 months from the date of receipt of loan. The applicable rate of interest is 13.75% per annum.

	Nature of Security	Terms of Repayment
viii.	Term loan I from City Union Bank Limited is secured by mortgage of a) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the Company b) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the Company c) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the Company.	The loan sanctioned to the Company amounting to Rs. 10 crore is repayable in 60 equated monthly installments at Rs.23,26,825/- from May 2012. The applicable rate of interest is 14% i.e base rate @ 10.75% + 3.25%.
ix.	Term Loan II from City Union Bank Limited is secured by mortgage of a) commercial property having a built up area of 6,122 sqft on the IV Floor at "CITI TOWER" building owned by the company b) commercial property having a built up area of 6,954 sqft on II & III Floor at "ROMA" building owned by the company c) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company and d) Land measuring 3.56 acres situated at Sriperumbudur village owned by Lancor Sriperumbudur Developments Limited, subsidary of Lancor Holdings limited.	The loan is repayable in 8 equal quarterly installments of Rs. 62.50 lac from April, 2014. The applicable rate of interest is 14% per annum.i.e base rate @ 10.75% + 3.25%.
x.	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 applicable rate of interest is 17% per annum.
xi.	Term loan II from HDFC Limited is secured by present and future rent receivables of premises "West Minister" 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 present applicable rate of interest is 17% per annum.
xii.	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.
xiii.	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.
xiv.	Term loan V 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, 2013	As at March 31, 2012
Trade payables		
Retention money	7,138,909	13,766,809
Others		
Rental deposits	109,946,816	106,089,956
Security Deposit from Customers	16,900,001	16,900,001
	126,846,817	122,989,957
	133,985,726	136,756,766

2.05 Provisions

	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Provision for employee benefits				
Provision for gratuity (refer note no. 4.05)	7,473,099	3,005,424	3,903,878	1,049,070
Provision for bonus	-	-	360,500	154,463
	7,473,099	3,005,424	4,264,378	1,203,533
Other provisions				
Provision for Taxation	1,038,142			
Proposed equity dividend	-	-	40,500,000	40,500,000
Provision for tax on proposed equity dividend	-	-	6,570,113	6,571,125
	1,038,142	-	47,070,113	47,071,125
	8,511,241	3,005,424	51,334,491	48,274,657

2.06 Short-term borrowings

	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand		
Secured		
From Banks		
Catholic Syrian Bank	364,414,698	267,440,631
Axis Bank I	24,799,067	-
Axis Bank II	49,999,100	-
City Union Bank	50,725,995	-
	489,938,860	267,440,631

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

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

(Figures in Indian Currency)

2.07 Other current liabilities	**As at March 31,**	
	2013	**2012**
Trade payables		
Trade payables	71,712,583	59,337,284
Retention money	15,185,638	7,424,535
	86,898,221	66,761,819
Other liabilities		
Current maturities of long-term borrowings (refer note No. 2.03)	71,182,567	90,879,559
Advances received from customers	95,566,927	49,592,880
Unclaimed dividend	719,289	648,299
Contractually reimbursable expenses	613,336	58,987
Payables on purchase of non current assets	1,253,995	901,894
Rental deposits	4,504,320	12,444,530
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	2,323,527	5,328,807
Interest accrued and not due on borrowings	-	3,776
Others	304,965	501,011
	176,468,926	160,359,741
	263,367,147	227,121,561

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs. 7,11,82,567 (March 31, 2012: Rs.9,08,79,559)

(Figures in Indian Currency)

2.08 Tangible Assets

	Gross Block					Depreciation					Net Block	
	As at April 1, 2012	Addition	Disposal / Adjustments	Amalga-mation	As at March 31, 2013	As at April 1, 2012	Amalga-mation	For the Year	Disposal/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Own Assets:												
Land	56,282,736	-	-	-	56,282,736	-	-	-	-	-	56,282,736	56,282,736
Building	5,806,562	250,000	-	-	6,056,562	658,988	-	109,754	-	768,743	5,287,819	5,147,574
Plant & Machinery	12,767,818	14,033,006	282,275	-	26,518,549	1,052,297	-	2,435,049	269,025	3,218,322	23,300,227	11,715,521
Electrical Installation	1,290,217	-	-	375,955	1,666,172	751,103	226,412	124,647	-	1,102,162	564,010	539,114
Air conditioners	1,845,073	155,840	271,159	330,400	2,060,154	1,093,898	169,948	143,541	239,432	1,167,956	892,198	751,175
Furniture & Fixtures	10,845,101	83,735	-	1,676,273	12,605,109	6,482,199	1,038,822	916,400	-	8,437,422	4,167,687	4,362,902
Computers	4,135,513	347,285	-	323,063	4,805,861	3,410,230	258,084	413,154	-	4,081,468	724,392	725,282
Office Equipment	1,324,608	248,476	-	308,967	1,882,051	815,206	202,072	112,291	-	1,129,570	752,481	509,401
Vehicles	12,696,503	165,498	1,616,155	2,182,875	13,428,721	7,977,099	1,223,705	1,442,361	1,221,212	9,421,953	4,006,768	4,719,404
Total....A	**106,994,130**	**15,283,840**	**2,169,589**	**5,197,533**	**125,305,914**	**22,241,023**	**3,119,043**	**5,697,198**	**1,729,669**	**29,327,594**	**95,978,318**	**84,753,107**
Assets given on Operating Lease:												
Buildings	433,446,294	-	-	-	433,446,294	32,692,410	-	7,165,324	-	39,857,734	393,588,560	400,753,884
Plant & Machinery	50,718,899	4,216,943	-	-	54,935,842	20,821,380	-	4,586,008	-	25,407,388	29,528,454	29,897,519
Electrical Installation	42,291,816	969,154	-		43,260,970	20,927,850	-	3,881,776	-	24,809,626	18,451,344	21,363,966
Air Conditioners	34,257,179	1,905,422	-		36,162,601	13,426,505	-	2,927,436	-	16,353,941	19,808,660	20,830,674
Furniture & Fixtures	6,481,995	-	-	-	6,481,995	4,284,300	-	397,783	-	4,682,083	1,799,912	2,197,695
Office Equipment	-	183,484	-		183,484	-	-	19,859	-	19,859	163,625	-
Total....B	**567,196,183**	**7,275,003**	**-**	**-**	**574,471,186**	**92,152,445**	**-**	**18,978,185**	**-**	**111,130,630**	**463,340,556**	**475,043,738**
Total.... A+B	**674,190,313**	**22,558,843**	**2,169,589**	**5,197,533**	**699,777,100**	**114,393,468**	**3,119,043**	**24,675,383**	**1,729,669**	**140,458,225**	**559,318,874**	**559,796,845**
As at March 31, 2012	**654,927,166**	**19,594,360**	**331,213**	**-**	**674,190,314**	**89,970,291**	**-**	**24,493,195**	**70,021**	**114,393,465**	**559,796,846**	**564,956,876**

Note: Out of total amount of depreciation for the year ended 2013, depreciation amount Rs.22,96,963 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, 2012	Addition	Disposal	Amalga-mation	As at March 31, 2013	As at April 1, 2012	Amalga-mation	For the Year	Disposal/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Computer software	776,408	-	-	283,239	1,059,647	595,735	218,826	90,337	-	904,898	154,749	180,673
Total	**776,408**	**-**	**-**	**283,239**	**1,059,647**	**595,735**	**218,826**	**90,337**	**-**	**904,898**	**154,749**	**180,673**
As at March 31, 2012	**776,408**	**-**	**-**	**-**	**776,408**	**483,662**	**-**	**112,073**	**-**	**595,735**	**180,673**	**292,746**

(Figures in Indian Currency)

2.10 Non-current investments	As at March 31, 2013	As at March 31, 2012
Trade investments (valued at cost)		
Unquoted equity instruments		
Investment in subsidiaries		
50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Guduvanchery Developments Ltd	500,000	500,000
50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Egatoor Developments Ltd	500,000	500,000
50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Sriperumbudur Developments Ltd	500,000	500,000
960,000 Equity shares (March 31, 2012: Nil) of Rs. 0.885 each fully paid up in Lancor GST Developments Limited (Face Value Rs. 10 each)	849,651	-
Others		
Investment in Capital of partnership firm Central Park West Venture	20,000,000	20,000,000
	22,349,651	21,500,000
Other investments (valued at cost)		
Unquoted Equity Instruments		
Investment in subsidiaries		
2,50,000 Equity shares (March 31, 2012: 2,50,000) of Rs. 10 each fully paid up in Lancor Maintenance & Services Limited	100,000	100,000
50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Projects Limited	-	900,000
50,000 Equity shares (March 31, 2012: 50,000) of Rs. 10 each fully paid up in Lancor Realty Limited	500,000	500,000
Others		
28,000 (March 31, 2012: 21,000) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	3,001,800	2,476,800
	3,601,800	3,976,800
Aggregate amount of unquoted investments	25,951,451	**25,476,800**

Investments in partnership f rm (Central Park West Venture)	As at March 31, 2013	As at March 31, 2012
Name of the partner and share in prof ts(%)		
Lancor Holdings Limited	100	93.23
Lancor Maintenance & Services Limited	0	0.11
Clasic Farms (Chennai) Limited	0	6.66
Total capital of the f rm	41,000,000	41,000,000

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

(Figures in Indian Currency)

2.11 Deferred tax assets / liabilities (net)	As at March 31,	
	2013	2012
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	119,525	216,133
Others	-	-
Gross deferred tax liability	119,525	216,133
Deferred tax asset		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	3,667,722	1,968,330
Provision for doubtful debts and advances	324,450	324,450
Gross deferred tax asset	3,992,172	2,292,780
Net deferred tax asset	3,872,647	2,076,646

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, 2013 of Rs. Rs. 38,72,647 (March 31, 2012: Rs. 20,76,646) and Rs.13,65,570 (March 31, 2012: (Rs. 96,564) 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,	
		2013	2012	2013	2012
Capital advances					
Unsecured, considered good		176,800	70,750	-	-
Doubtful		-	-	-	-
	(A)	176,800	70,750	-	-
Security deposit					
Unsecured, considered good		50,381,452	45,070,488	2,240,000	570,000
	(B)	50,381,452	45,070,488	2,240,000	570,000
Loan and advances to related parties (refer note No. 4.08)					
Unsecured, considered good		349,469,911	-	331,002,275	295,890,208
	(C)	349,469,911	-	331,002,275	295,890,208

(Figures in Indian Currency)

		Non-current portion		Current portion	
		As at March 31,		As at March 31,	
		2013	2012	2013	2012
Other loans and advances					
(Advances recoverable in cash or kind)					
Unsecured, considered good					
Advance for land		-	55,200,000	11,460,000	2,000,000
Advance to suppliers		-	-	5,612,129	19,520,902
Advance to contractors		916,693	-	43,183,281	28,986,386
Prepaid expenses		179,474	20,642	1,462,622	756,168
Other advances		11,916,497	55,584	6,630,513	12,459,974
Doubtful		-	-	1,000,000	1,000,000
		13,012,664	55,276,226	69,348,545	64,723,429
Provision for doubtful advances		-	-	1,000,000	1,000,000
	(D)	13,012,664	55,276,226	68,348,545	63,723,429
Advance income-tax (net of provision for taxation)		4,394,352	3,276,188	559,458	-
	(E)	4,394,352	3,276,188	559,458	-
Total (A+B+C+D+E)		417,435,179	103,693,652	402,150,278	360,183,637

		Current portion	
2.13	**Trade Receivables**	As at March 31,	
		2013	2012
	Unsecured, considered good unless stated otherwise		
	Unsecured, considered good	27,182,053	13,799,363
		27,182,053	13,799,363
	Outstanding for a period exceeding six months from the date they are due for payment	16,505,410	1,167,084
	Other receivables	10,676,643	12,632,279
		27,182,053	13,799,363

		Non-current portion		Current portion	
2.14	**Other Assets:**	As at March 31,		As at March 31,	
		2013	2012	2013	2012
	Unsecured, considered good unless stated otherwise				
	Interest accrued but not due on advances	16,826,777	-	19,333,490	35,529,767
	Interest accrued but not due on deposits	-	-	636,104	508,105
	Income Tax refund receivables	-	-	35,107	-
	Contractually reimbursable expenses	-	-	3,975,412	186,739
	Unbilled Revenue	-	-	940,567	829,105
	Deposits with Original Maturity for more than 12 months (refer note no.2.17)	7,484,000	-	-	-
		24,310,777	-	24,920,680	37,053,716

(Figures in Indian Currency)

2.15 Current investments

	Current portion	
	As at March 31,	
	2013	2012
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 {(March 31, 2013: Nil) (March 31, 2012: 14,30,708.4079 units) (Face value of Rs.10 each)}	-	143,168,129
Investments in DWS Ultra Short Term Fund - Super Institutional Div. Reinv.daily {(March 31, 2013: Nil, (27,62,043.1371 units @ Rs.10.0179 per unit)) (Face value of Rs. 10 each)}	-	27,669,872
Investments in ICICI Pru Flexible Income Plan Premium - Div. Reinv.daily {(March 31, 2013: Nil, (98,170.6367 units @ Rs. 105.7350 per unit)) (Face value of Rs.100 each)}	-	10,380,072
	-	181,218,073
Aggregate amount of unquoted investments	-	181,218,073

2.16 Inventories

		Current portion	
		As at March 31,	
		2013	2012
(a)	**Constructed premises held for sale at cost**		
	Opening constructed premises held for sale	4,250,000	28,395,438
	Add: Transfer from construction work in progress	-	-
	Less: Sale of constructed premises	(2,750,000)	(24,145,438)
	Closing stock of unsold constructed premises	1,500,000	4,250,000
(b)	**Construction materials at Cost**		
	Opening construction materials	16,540,520	8,680,815
	Add: Purchase of materials	192,076,713	125,425,074
	Less: Consumption of materials	193,339,167	117,565,369
	Closing construction materials	15,278,066	16,540,520
(c)	**Closing work in progress at cost (under broad head)**		
	Land and land related expenses	702,077,404	515,943,246
	Material cost	165,578,044	61,066,715
	Other construction expenses	166,756,349	54,200,032
	Borrowing cost	93,710,442	18,249,200
	Approval charges	74,326,283	2,143,140
	Professional fee	7,052,267	7,468,457
	Power & Fuel	3,637,566	916,331
	Rates and taxes	1,305,053	1,199,917
	Other expenses	1,997,883	3,109,934
		1,216,441,292	664,296,972
	Total (a+b+c)	**1,233,219,358**	**685,087,492**

(Figures in Indian Currency)

2.17	Cash and Bank Balance	Current portion	
		As at March 31,	
		2013	2012
	Cash & Cash Equivalents		
	Balances with banks:		
	On current accounts	11,939,201	74,902,095
	On fixed deposit	3,200,000	-
	Cash on hand	56,978	72,020
		15,196,179	74,974,115
	Other Bank Balance		
	Deposits with original maturity for more than 3 months but less than 12 months (held for guarantee with bank)	11,988,320	7,504,320
	Unpaid dividend account (Earmarked)	800,335	729,391
		12,788,655	8,233,711
	Less: Amount disclosed under the head 'other non current asset' (refer note no.2.14)	7,484,000	-
		20,500,834	83,207,826

3.01	Revenue from operations	Year ended March 31,	
		2013	2012
	Revenue from operations		
	Revenue from real estate development	522,204,205	662,004,690
	Contract revenue	43,354,390	7,893,179
	Rental income	133,320,164	148,042,157
	Project management fee	3,364,717	-
	Employee deputation charges	6,534,968	-
		708,778,444	817,940,026

3.02	Other Income	Year ended March 31,	
		2013	2012
	Interest income on		
	Bank deposits	1,104,612	472,239
	Subsidiaries	55,649,180	35,529,767
	Others	150,470	15,559
	Dividend income on		
	Current investments		
	Mutual Funds	4,470,668	15,222,641
	Trade payables written back	183,434	5,086,685
	Other non - operating income (net of expenses directly attributable to such income)	224,555	10,609
		61,782,919	56,337,500

(Figures in Indian Currency)

		Year ended March 31,	
3.03	**Cost of Materials and Construction Expenses**	**2013**	**2012**
	Purchase of materials	192,076,713	125,425,074
	Construction expenses	284,013,278	272,714,297
	Approval charges	96,717,211	10,363,408
	Professional charges	14,479,071	18,595,818
	Power and Fuel	7,807,835	6,521,748
	Rates and taxes	3,274,110	10,163,710
	Other expenses	662,154	4,971,945
		599,030,372	448,756,000

		Year ended March 31,	
3.04	**Changes in Inventories of constructed premises held for sale, work in progress and construction material**	**2013**	**2012**
	Inventory at the beginning 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
	Inventory at the end of the year		
	Construction materials	15,278,066	16,540,520
	Work in progress	1,216,441,292	664,296,972
	Constructed premises for sale	1,500,000	4,250,000
	Increase / (decrease) in inventories	(548,131,866)	(456,421,015)

		Year ended March 31,	
3.05	**Employee Benef ts Expense**	**2013**	**2012**
	Salaries, wages and bonus	55,242,324	25,639,736
	Contribution to provident and other fund	4,286,092	2,126,016
	Gratuity expense (refer note No. 4.04)	5,089,260	326,819
	Staff welfare expenses	2,940,109	1,009,365
		67,557,785	29,101,936

(Figures in Indian Currency)

3.06 Other Expenses

	Year ended March 31, 2013	Year ended March 31, 2012
Directors' sitting fees	80,000	105,000
Advertisement and sales promotion	24,036,752	7,223,726
Printing & stationery	1,143,380	845,226
Communication costs	1,305,300	784,499
Travelling & conveyance	1,466,419	370,903
Vehicle maintenance	3,435,262	2,044,088
Rates & taxes	2,413,705	1,874,896
Legal expenses & professional fees	10,654,203	4,827,104
Repairs & maintenance		
- Building	5,540,891	8,588,994
- Plant & Machinery	236,203	180,523
- Others	951,459	581,427
Rent	3,936,014	2,667,817
Power and fuel	938,658	1,312,200
Insurance	401,165	360,772
Payment to auditors (refer details below)	1,144,746	947,694
Brokerage	453,357	-
Loss on sale of fixed assets (net)	-	36,551
Other sundry expenses	4,150,801	3,844,991
	62,288,314	36,596,411

Payment to auditors

	Year ended March 31, 2013	Year ended March 31, 2012
As auditor:		
Audit fee	926,970	702,250
Tax audit fee	168,540	112,360
In other Capacity:		
Taxation matters	-	44,120
Company law matters	49,236	88,964
Other services	-	-
	1,144,746	947,694

3.07 Depreciation and amortization expense

	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation of tangible assets	22,378,422	23,684,163
Amortisation of Intangible assets	90,337	112,073
	22,468,758	23,796,236

3.08 Finance Costs

	Year ended March 31, 2013	Year ended March 31, 2012
Interest on borrowings	143,426,777	73,390,441
Loan processing, preclosure & other charges	9,363,275	2,087,421
Bank charges & commission	142,822	102,204
	152,932,874	75,580,066

(Figures in Indian Currency)

4.01 Notes on Scheme of Amalgamation with Lancor Projects Limited

a) Pursuant to the Scheme of Amalgamation in accordance with section 391 - 394 of the Companies Act, 1956 sanctioned by the High Court of Judicature of Madras vide their order dated May 17, 2013, Lancor Projects Limited (LPL) a wholly owned subsidiary of the Company in the business of property management has been amalgamated and all assets and liabilities are transferred to and vested in the Company with effect from April 1, 2012 (the Appointed Date).

b) During the transition period i.e. from the Appointed Date to the Effective Date i.e., May 20, 2013, LPL carried on the aforesaid business activities including all statutory compliances in “trust” in its own name but for and on behalf of the Company. The transactions carried out by LPL during the aforesaid period have been incorporated in the books of the Company on sanctioning of the said Scheme.

c) The said scheme has been given effect to in the accounts under the “Pooling of Interest Method” as prescribed by the Accounting Standard 14 on Amalgamation. Accordingly, all assets and liabilities as at April 1, 2012 have been recorded at their respective book values. All the employees and other rights, privileges, benefits attributable to the LPL have been transferred to and vested in the Company retrospectively with effect from April 1, 2012. Similarly, Contingent Liabilities as on the Appointed Date is disclosed.

d) In accordance with the Scheme, the Company’s existing investment in the equity share Capital of LPL amounting to Rs. 500,000 stands cancelled on amalgamation and the difference between the investment of the Company and the amount of share capital of the LPL has been adjusted in the reserves of the Company.

e) The Company is in the process of transferring the documents, agreements, title deeds for the properties, balance in staff benefit schemes etc. in its own name.

4.02 Earnings Per Share (EPS)	**Year ended March 31,**	
	2013	**2012**
Basic earning per share amounts is calculated by dividing profit for the year attributable to the equity share holders by the weighted average number of equity share outstanding during the year. As there are no dilutive instruments outstanding, basic and dilutive earning per shares are identical.		
Continuing operations & Total operation		
Net profit / (loss) for the year from continuing operations	93,857,369	124,131,493
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	4.63	6.13

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

(Figures in Indian Currency)

4.03	Details of contract revenue and costs	Year ended March 31, 2013	2012
	Contract revenue recognised during the year	43,354,390	7,893,179
	Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	43,354,390	7,893,179
	Advances received for contracts in progress	6,455,977	2,288,669
	Retention money for contracts in progress	255,905	-
	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, 2013	2012
	Borrowing costs capitalised during the year		
	- as part of work in progress for residential property development	87,836,645	15,606,202
		87,836,645	15,606,202

4.05 Gratuity benef t plans

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

Net employee benefit expense recognized in the employee cost

	Gratuity	
	Year ended March 31,	
	2013	2012
Current service cost	557,695	749,927
Interest cost on benefit obligation	354,768	323,240
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	4,176,797	(746,348)
Net benef t expenses	5,089,260	326,819

Balance sheet *(Figures in Indian Currency)*

Benefit asset / liability recognised in the Balance Sheet

	Gratuity	
	As at March 31,	
	2013	2012
Present value of defined benefit obligation	11,376,977	4,054,495
Fair Value of the Plan Assets	-	-
Liability / (asset) recognised	11,376,977	4,054,495

Changes in the present value of the def ned benef t obligation are as follows:

	Gratuity	
	As at March 31,	
	2013	2012
Opening defined benefit obligation	4,054,495	3,918,060
Current service cost	557,695	749,927
Interest cost	354,768	323,240
Liability Transfer in	2,331,357	-
Benefits paid	(98,135)	(190,384)
Actuarial (gains) / losses on obligation	4,176,797	(746,348)
Closing def ned benef t Obligation	11,376,977	4,054,495

The principal assumptions used in determining gratuity are shown below:

	Gratuity	
	Year ended March 31,	
	2013	2012
Discount rate	8.00%	8.75%
Expected rate of return on assets	NA	NA
Employee turnover	8.25%	10%
Mortality	Indian Assured Lives Mortality ultimate (2006-08)	LIC (94-96) Mortality Table
Salary Escalation	10%	10%

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

4.06 Leases

Operating lease: Company as lessee

The Company has entered into commercial leases on office building. The lease has a life of five years with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. Rental expenses debited to Statement of profit & loss amounting to Rs.39,36,014 (March 31, 2012: Rs.26,67,817).

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 and 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,	
	2013	**2012**
Rental income credited to statement of profit and loss	133,320,164	148,042,157
Within one year	107,741,562	114,181,160
After one year but not more than five years	179,089,877	287,783,194
More than five years	-	-
	286,831,439	401,964,354

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

4.07 Interest in a joint venture

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

The Company holds 100% interest in Central Park West Venture(firm), a jointly controlled entity which is involved in construction and sale of residential properties.(Refer note No 2.10)

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2013 (March 31, 2012) are as follows: (before inter Company elimination)

(Figures in Indian Currency)

	Year ended March 31, 2013	2012
Current assets	1,562,410	9,983,876
Non-current assets	96,426,009	89,009,189
Current liabilities	10,301,089	21,054,864
Non-current liabilities	33,700,000	32,626,482
Revenue from operation	576,396	177,334,418
Land and land related expenses	-	-
Cost of Materials and Construction expenses	-	51,963,121
Changes in inventories of constructed premises, work-in-progress & construction materials	-	60,573,610
Finance cost	3,568	1,375,122
Employee benefit expense	-	-
Other expenses	1,564,752	3,576,290
Profit before tax	(991,924)	59,846,275
Income-tax expense	91,093	76,915,505
Profit / (loss) after tax	(900,831)	(17,069,230)

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.2,398,695 for service tax and value added tax matter. With respect to value added tax matter, Rs. 485,000 has been paid under protest by the firm and has also given a security in the form of a bank guarrantee for an amount of Rs. 911,695 to the assessing authority.

b) The Company has not entered in to any capital commitments in relation to its interest in the partnership firm.

4.08 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.

4.09 Related party disclosures

Names of related parties and related party relationship

Subsidiaries

a) Lancor Maintenance & Services Limited

b) Lancor Realty Limited

c) Lancor Guduvanchery Developments Limited

d) Lancor Egatoor Developments Limited

e) Lancor Sriperumbudur Developments Limited

f) Lancor GST Developments Limited

Joint Ventures

a) Central Park West Venture

Key Management Personnel (KMP) & Relatives

a) R.V. Shekar

b) Sangeetha Shekar

c) Shwetha Shekar

d) Mallika Ravi

Related party transactions

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

Particulars	Year ended	Subsidiaries	Joint venture	Key management personnel	Total
a. Expenditure					
Remuneration / Salary paid					
R.V.Shekar	3/31/2013	-	-	5,981,923	5,981,923
	3/31/2012	-	-	5,590,654	5,590,654
Mallika Ravi	3/31/2013	-	-	5,218,920	5,218,920
	3/31/2012	-	-	3,804,477	3,804,477
Interest paid					
R.V.Shekar	3/31/2013	-	-	-	-
	3/31/2012	-	-	-	-
Brokerage paid					
Lancor Realty Limited	3/31/2013	-	-	-	-
	3/31/2012	-	-	-	-

	Particulars	Year ended	Subsidiaries	Joint venture	Key management personnel	Total
	Maintenance charges paid					
	Lancor Maintenance and Services Limited	3/31/2013	553,331	-	-	553,331
		3/31/2012	392,950	-	-	392,950
	Project management fee					
	Lancor Projects Limited	3/31/2013	-	-	-	-
		3/31/2012	15,136,714	-	-	5,136,714
	Central Park West Venture	3/31/2013	-	-	-	-
		3/31/2012	-	1,431,720	-	1,431,720
b.	**Income**					
	Income from real estate development					
	Lancor Projects Limited	3/31/2013	-	-	-	-
		3/31/2012	1,717,365	-	-	1,717,365
	Lancor Realty Limited	3/31/2013	-	-	-	-
		3/31/2012	7,005,779	-	-	7,005,779
	Lancor Maintenance and Services Limited	3/31/2013	1,750,000	-	-	1,750,000
		3/31/2012	7,285,325	-	-	7,285,325
	Sangeetha Shekar	3/31/2013	-	-	15,515,957	15,515,957
		3/31/2012	-	-	7,571,524	7,571,524
	Shwetha Shekar	3/31/2013	-	-	15,515,957	15,515,957
		3/31/2012	-	-	7,571,524	7,571,524
	Mallika Ravi	3/31/2013	-	-	5,344,676	5,344,676
		3/31/2012	-	-	-	-
	Income from Employee deputation					
	Lancor Guduvanchery Developments Limited	3/31/2013	4,397,389	-	-	4,397,389
		3/31/2012	-	-	-	-
	Lancor Sriperumbudur Developments Limited	3/31/2013	2,137,579	-	-	2,137,579
		3/31/2012	-	-	-	-
	Interest income:					
	Lancor Guduvanchery Developments Limited	3/31/2013	31,899,219	-	-	31,899,219
		3/31/2012	28,257,319	-	-	28,257,319
	Lancor Sriperumbudur Developments Limited	3/31/2013	6,923,184	-	-	6,923,184

	Particulars	Year ended	Subsidiaries	Joint venture	Key management personnel	Total
		3/31/2012	7,272,448	-	-	7,272,448
	Lancor GST Developments Limited	3/31/2013	16,826,777	-	-	16,826,777
		3/31/2012	-	-	-	-
c.	**Loans/advances given and receipt thereof**					
	Lancor Guduvanchery Developments Limited	3/31/2013	136,228,473	-	-	136,228,473
		3/31/2012	225,236,783	-	-	25,236,783
	Lancor Sriperumbudur Developments Limited	3/31/2013	16,996,538	-	-	16,996,538
		3/31/2012	54,235,807	-	-	54,235,807
	Lancor GST Developments Limited	3/31/2013	366,296,688	-	-	66,296,688
		3/31/2012	-	-	-	-
	Lancor Realty Limited	3/31/2013	56,634,782	-	-	56,634,782
		3/31/2012	-	-	-	-
	Lancor Maintenance and Services	3/31/2013	29,957,901	-	-	29,957,901
	Limited	3/31/2012	7,052,808	-	-	7,052,808
	Central Park West Venture	3/31/2013	-	121,799,080	-	121,799,080
		3/31/2012	-	67,517,687	-	67,517,687
	Receipt					
	Lancor Guduvanchery Developments Limited	3/31/2013	115,960,738	-	-	115,960,738
		3/31/2012	12,500,000	-	-	12,500,000
	Lancor Sriperumbudur Developments Limited	3/31/2013	25,320,177	-	-	25,320,177
		3/31/2012	-	-	-	-
	Lancor Realty Limited	3/31/2013	56,286,845	-	-	56,286,845
		3/31/2012	-			
	Lancor Maintenance and Services	3/31/2013	28,584,653	-	-	28,584,653
	Limited	3/31/2012	6,971,426	-	-	6,971,426
	Central Park West Venture	3/31/2013	-	117,804,809	-	117,804,809
		3/31/2012	-	172,059,588	-	172,059,588
d.	**Advances received towards sale of properties**					
	Lancor Projects Limited	3/31/2013	-	-	-	-

	Particulars	Year ended	Subsidiaries	Joint venture	Key management personnel	Total
		3/31/2012	9,127,675	-	-	9,127,675
	Lancor Realty Limited	3/31/2013	-	-	-	-
		3/31/2012	12,816,876	-	-	12,816,876
	Lancor Maintenance and Services Limited	3/31/2013	-	-	-	-
		3/31/2012	18,236,689	-	-	18,236,689
	Sangeeta Shekar	3/31/2013	-	-	1,912,519	1,912,519
		3/31/2012	-	-	4,928,476	4,928,476
	Shewatha Shekar	3/31/2013	-	-	1,912,519	1,912,519
		3/31/2012	-	-	4,928,476	4,928,476
	Mallika Ravi	3/31/2013	-	-	1,953,105	1,953,105
		3/31/2012	-	-	-	-
e.	**Trade receivable**					
	Lancor Maintenance and Services	3/31/2013	1,750,000	-	-	1,750,000
	Limited	3/31/2012	-	-	-	-
f.	**Closing Balances**					
	Unsecured loans and advances (Including Interest)					
	Lancor Sriperumbudur Developments Limited	3/31/2013	53,184,616	-	-	53,184,616
		3/31/2012	61,508,255	-	-	61,508,255
	Lancor Guduvanchery	3/31/2013	261,266,837	-	-	261,266,837
	Developments Limited	3/31/2012	240,994,102	-	-	240,994,102
	Central Park West Venture	3/31/2013	-	32,911,891	-	32,911,891
		3/31/2012	-	28,917,617	-	28,917,617
	Lancor Realty Limited	3/31/2013	347,937	-	-	347,937
		3/31/2012	-	-	-	-
	Lancor Maintenance and Services Limited	3/31/2013	872,237	-	-	872,237
		3/31/2012	(501,011)	-	-	(501,011)
	Lancor GST Development Limited	3/31/2013	366,296,688	-	-	366,296,688

(Figures in Indian Currency)

4.10	Capital and other commitments	Year ended March 31,	
		2013	2012
	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” project is pending, where the Company has made a claim of Rs. 9,98,47,408, while the land owners have made counter claim of Rs. 62,97,55,352, which the Company has refuted by filing a rejoinder. As per the interim order dated 20.10.2010 of sole arbitrator the Company has given the possession of the area belonging to the land owners on receipt of Rs.4.82 Crores being refundable deposits from them along with the bank guarantee of Rs.1.66 crores to the Arbitrator. In view of the managment, the claims are frivolous and are not sustainable, accordingly the claims are not acknowledged as debt.

b) The Company has certain dispute with a lessee which has arisen on termination of lease agreement by the lessee within the lock in period. In terms of the lease agreement the Company has forfeited the deposit amount. The lessee has demanded refund of rental deposit of Rs. 2,18,35,938 along with interest and damages amounting to Rs. 2,55,78,957. The Hon'ble High Court of Madras has not granted the interim application filed by the lessee and has dismissed the same. However, the main suit is pending. Aggrieved by the order of the single Judge, the lessee has filed an appeal before the larger bench and the same is pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.

c) Other claims other than the details as mentioned above for a leases not acknowledged as debt is Rs. 24,99,898.

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

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

4.12	Value of imports calculated on CIF basis	Year ended March 31,	
		2013	2012
	Construction Materials	4,872,159	4,873,730
		4,872,159	4,873,730

(Figures in Indian Currency)

4.13	Expenditure in foreign currency	Year ended March 31, 2013	2012
	Purchase of material	654,150	-
	Travelling and conveyance	494,711	8,120
		1,148,861	8,120
	The foreign currency exposure of the Company	Nil	Nil

4.14 Disclosure as per Clause 32 of the Listing agreement with Stock Exchange

Name of the Party	Relationship	Closing balance as at March 31,	Maximum balance during the year	Closing balance as at March 31,	Maximum balance during the year
		2013		2012	
Lancor Maintenance & Services Limited	Subsidiary	2,622,237	3,887,844	-	-
Lancor Projects Limited	Subsidiary	-	-	-	358,481
Lancor Realty Limited	Subsidiary	347,937	1,298,354	-	600,627
Lancor Guduvanchery Developments Limited	Subsidiary	232,557,541	303,723,572	215,562,515	215,562,515
Lancor Egatoor Developments Limited	Subsidiary	2,247	2,247	-	66,134
Lancor Sriperumbudur Developments Limited	Subsidiary	46,953,750	57,417,473	54,963,052	54,963,052
Lancor GST Development Limited		351,152,588	351,152,588	-	-
		633,636,300	717,482,078	270,525,567	271,550,809

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 f gures

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

As per our report of even date attached

For G. M. Kapadia & Co.
Chartered Accountants

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

Place: Chennai
Date : May 30, 2013

H.Viswanath
Company Secretary

Place: Chennai
Date : May 30, 2013

LANCOR®

CREATING ENDURING VALUE

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FORM – A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Lancor Holdings Limited
2.	Annual Financial Statements for the year ended	March 31, 2013
3.	Type of Audit Observation	a) Independent Auditor's Report (Stand Alone Financial Statements) - Unqualified b) Independent Auditor's Report (Consolidated Financial Statements) - Unqualified
4.	Frequency of Observation	Not Applicable

For G. M. Kapadia& Co.
Chartered Accountants

G. M. KAPADIA & CO. CHENNAI Chartered Accountants

SatyaRanjanDhall
Partner

CA.Mallika Ravi
Chief Executive Officer

For Lancor Holdings Limited

R V Shekar
Managing Director

R.Sankaranarayanan
Audit Committee Chairman

K.Srinivasan
Chief Financial Officer

Chennai
Dated : May 30, 2013

Chennai
Dated : May 30, 2013