

Ref: 164/SECT/BSE/2017 - 18

Date: September 23, 2017

To
The BSE Limited
Rotunda Building
Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001

Sub: Annual Report of LANCOR HOLDINGS LIMITED duly approved and adopted at the AGM

Ref.: Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

LANCOR HOLDINGS LIMITED, ISIN: INE572G01025

Dear Sir,

Pursuant to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the 32<sup>nd</sup> Annual Report of our company i.e., Lancor Holdings Limited duly approved and adopted by the Shareholders at the Annual General Meeting (AGM) of the Company held on Friday, September 22, 2017 at the Quality Inn Sabari, No: 29, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017 at 02:30 P.M. (IST).

Kindly take the above on record and oblige.

For LANCOR HOLDINGS LIMITED

4 8

Dr. V. RAJESH
Company Secretary cum Compliance Officer



VTN Square, 2<sup>nd</sup> Floor, No: 58 (Old No.104), G.N. Chetty Road,

T.Nagar, Chennai – 600017.

+91 44 2834 5880 – 83| <u>www.lancor.in</u> **CIN: L65921TN1985PLC049092** 







#### **BOARD OF DIRECTORS**

SI. No	DIN	DIN Name of the Directors Position	
01.	00259129	Mr. R.V. Shekar	Chairman, Non - Executive & Non - Independent
02.	00004010	Mr. S.V. Venkatesan	Non – Executive & Independent
03.	00172202	Mr. R. Sankaranarayanan	Non – Executive & Independent
04.	00320782	Mr. T.P. Raman	Non – Executive & Independent
05.	01773791	Mr. S. Sridharan	Non – Executive & Non – Independent
06.	03344252	Mrs. Sangeetha Shekar	Non – Executive & Non – Independent

#### **KEY MANAGERIAL PERSONNEL**

SI. No	Name of the Person	Designation
01.	Mrs. Mallika Ravi	Chief Executive Officer
02.	Mr. K. Prakash	Chief Financial Officer (Since March 20, 2017)
03.	Dr. V. Rajesh	Company Secretary & Compliance Officer

SI. No	BOARD COMMITTEES	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee	
01.	Mr. R. Sankaranarayanan	Chairman cum member				
02.	Mr. S.V. Venkatesan	Member				
03.	Mr. T.P. Raman	Member				

Statutory Auditors	Secretarial Auditors
M/s. G.M. Kapadia & Co., Chartered Accountants, 7A, P.M. Towers, No: 37, Greams Road, Chennai - 600006	M/s. Rabi Narayan & Associates Company Secretaries, "APARAJITA", No.12(Old No.122), Second Floor First Sector, Sixth Street, K.K.Nagar,Chennai 600 078

#### SOLICITORS

M/s. Raman & Associates, Chennai

В	ANKERS AND FINANCIAL INSTITUTIONS	Registered Office
S.No 01. 02. 03. 04. 05. 06. 07.	Name of the Bankers M/s. The Catholic Syrian Bank Limited M/s. City Union Bank Limited M/s. Axis Bank Limited M/s. HDFC Bank Limited M/s. TATA Capital Housing Finance Limited M/s. LIC Housing Finance Limited M/s. State Bank of India	"VTN Square", 2 <sup>nd</sup> floor, No: 58, G.N. Chetty Road, T. Nagar, Chennai – 600017.  Share Transfer Agent (STA)  Cameo Corporate Service Limited, "Subramanian Buildings" No: 1, Club House Road, Chennai – 600 002.

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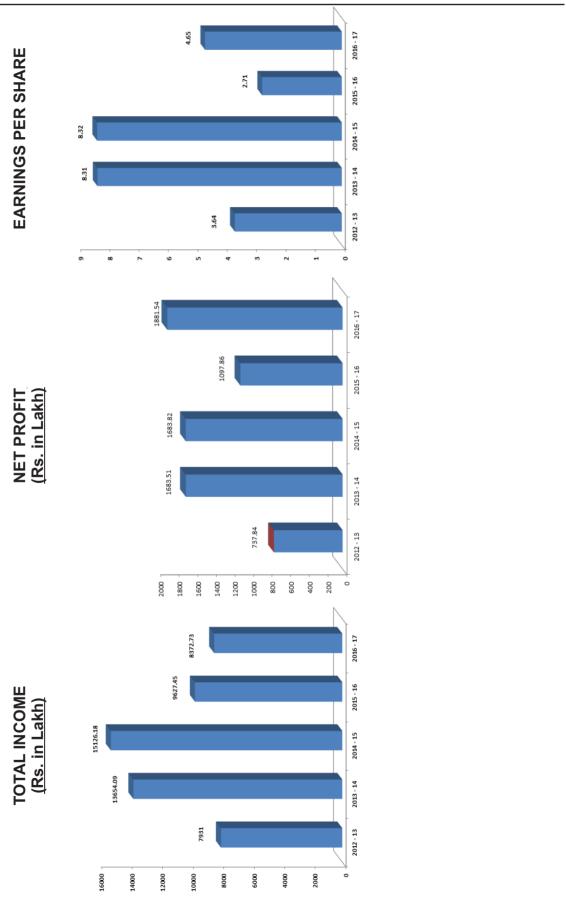
#### **MISSION STATEMENT**

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 (on consolidated basis)

Rs. In Lakhs

S.NO.	PARTICULARS	2016 -2017	2015 -2016	2014-2015	2013-2014	2012-2013
1	CONSTRUCTED AREA (SQ.FT)	45,573	1,51,596	3,36,759	4,78,795	2,60,219
2	CONSTRUCTED AREA LINKED TO SALES (SQ.FT)	95,809	1,41,968	2,97,908	2,61,328	1,91,283
3	INCOME FROM OPERATIONS	4121.12	7,402.80	12,931.06	11,307.32	5,232.94
4	TOTAL INCOME	8372.73	9,627.45	15,126.18	13,654.09	7,931.00
5	EBIDTA	4238.95	3,753.58	5,385.15	5,307.23	2855.35
6	INTEREST	2078.58	2,125.34	2,387.21	2,237.59	1576.45
7	DEPRECIATION	271.85	249.70	326.60	269.44	233.46
8	TAX	6.82	270.59	966.36	1,115.96	276.45
9	NET PROFIT	1881.54	1,097.86	1,683.82	1,683.51	737.84
10	EQUITY SHARE CAPITAL	810.00	810.00	405.00	405.00	405.00
11	NETWORTH	15347.77	14,355.68	13,745.26	12,646.45	11,436.77
12	GROSS FIXED ASSETS	7386.08	11,227.93	10,276.07	10,462.13	10241.27
13	NET FIXED ASSETS	5299.77	9,138.37	8,424.33	8,748.02	8,777.18
14	TOTAL ASSETS	32706.31	39,664.92	38,083.87	38,908.96	32,410.68
15	BOOK VALUE PER SHARE (Rs.)	37.90	35.45	67.88	62.45	56.48
16	TURNOVER PER SHARE (Rs.)	20.67	23.77	74.69	67.42	39.17
17	EARNINGS PER SHARE (Rs.)	4.65	2.71	8.32	8.31	3.64
18	EBIDTA/GROSS TURNOVER (%)	50.63	38.99	35.60	38.87	36.00
19	ROCE (%)	12.26	7.65	12.25	13.31	6.45



#### DIRECTORS' REPORT TO THE MEMBERS

Dear Member(s),

Your Directors have great pleasure in presenting the 32 <sup>nd</sup> Annual Report on the business and operations of your Company together with Audited financial statement of the Company including consolidated financial statement of the Company for the financial year ended 31 st March 2017 and the Auditors' report thereon.

#### FINANCIAL SUMMARY AND HIGHLIGHTS

(Amount in Rs. Lakhs)

	Standalone		Consolidated		
Particulars	2016 – 17	2015 - 2016	2016 – 17	2015 – 2016	
Total Revenue	7956.45	8397.48	8372.73	9627.45	
Expenditure	3809.58	5349.88	4133.78	5873.87	
EBITDA	4146.87	3047.60	4238.95	3753.58	
Interest	2078.58	1616.20	2078.58	2125.34	
Depreciation	210.34	234.47	271.85	249.70	
Profit / (Loss) before extraordinary items & tax	1857.95	1196.92	1888.52	1378.54	
Less Extraordinary items	0	0	0	9.67	
Profit / (Loss) after extraordinary items & tax	1857.95	1196.92	1888.52	1368.86	
Current tax	0	339.79	8.83	433.37	
Deferred tax	14.26	33.28	16.51	24.65	
(Excess) / short provision of Tax earlier year	(18.52)	(191.29)	(18.52)	(187.42)	
Profit / (Loss) after Tax	1862.21	1015.14	1881.70	1098.27	
Minority Interest	0	0	0.15	0.4	
Add: Balance brought forward from previous year (includes LGDL & LSDL)	8153.25	7727.08	9118.842	8609.93	
Less : Prior year adjustments	-	-	-	-	
Available for appropriation	10911.26	8742.22	11625.87	9707.79	
Dividend	81	405	81	405	
Tax on dividend	16.49	82.45	16.49	82.45	
Transfer to General Reserve	-	101.52	-	101.51	
Balance Carried to Balance Sheet	10813.76	8153.26	11528.39	9118.84	

## BUSINESS OUTLOOK FOR LANCOR HOLDINGS LIMITED, ITS SUBSIDIARIES AND ASSOCIATES BUSINESS OVERVIEW

There has been no material change in the nature of business of the company

The demand in the real estate sector continued to be subdued in 2016-17 and the demonetization has completely halted the demand between November 2016 and January 2017. Since February 2017, the enquiries and the site visits have been improved; however the conversions have been slow.

In the last one year, your company has been focusing on liquidating its inventories. A summary of completed/ongoing projects has been detailed in the Management Discussion and Analysis Report forming part of the Annual Report.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT:

There has been no other material changes and commitment effecting the financial position of the company between the end of the financial year and the date of the report.

#### **FINANCIAL OVERVIEW**

#### **STANDALONE**

During the financial year 2016-17, the Company has on a standalone basis, registered total revenues of Rs.79,56,44,708/- as compared to Rs. 83,97,48,604/- in the previous year, a decrease of 5.25% year on year. However due to effective operations the overall expenditure has reduced from Rs. 72,00,56,354/- during previous FY 2015-16 to Rs.60,98,49,962/- in FY 2016-17, a straight decrease of 15.31% in expenditure, consequently the Profit before Tax and Profit after Tax have increase by 55.23% and 83.44% respectively.

#### **CONSOLIDATED**

The consolidated revenues of the Company during the financial year 2016-17 was **Rs.83,72,73,400** a decline of **13.03**% from the previous year. The Profit before Tax was higher by **37.96**% and Profit after Tax was higher (after considering minority interest) by **71.38**% as compared to the financial year 2015-16.

#### **DIVIDEND:**

The Board of Directors at its meeting held on 29<sup>th</sup> May 2017 recommended a final dividend of **0.20** paise per equity share(i.e.,10% on Equity Paid up capital), subject to the approval of the members at the ensuing Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March 2017.

The total dividend appropriation (excluding dividend distribution tax) for the current year is Rs.81 lakhs.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company has transferred Rs. 39.35 lakhs to Lancor Foundation towards meeting of its objective.

Your Company through 'Lancor Foundation' has started initiative with an objective of not only to impart training to the youth at the rural area and also to make them employable.

#### **BOARD OF DIRECTORS AND ITS COMMITTEES**

#### A. Composition of the Board of Directors

The Board of Directors of the Company comprises of Non Executive Chairman who is a promoter of the Company along with him other Five Non-Executive Directors, including Three Independent Directors. The Company also has one Women Director who is also a Non Executive. The composition of the Board of Directors is in compliance with regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Obligations) Regulations 2015 and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and as per Regulation of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

#### **B.** Meetings

The Board of Directors duly met Eight (08) times during the year, the details of which are given in the Corporate Governance report that forms part of this annual report. In respect of all such meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 07, 2017.

#### C. Re-appointment of Director Retiring by Rotation (1/3 as per AOA no.100)

In terms of Section 152 of the Companies Act, 2013, Mrs. Sangeetha Shekar (DIN-03344252) liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors based on the recommendation of Nomination, Remuneration Committee, has recommended the re-appointment of Mrs. Sangeetha Shekar (DIN-03344252) retiring by rotation.

Brief resume of the Director proposed to be re-appointed have been provided in the note to the Notice convening the Annual General Meeting. Specific information about the nature of her expertise in specific functional areas and the names of the companies in which she hold Directorship and membership / chairmanship of the Board Committees as per regulation 26 (4) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 have also been included.

#### D. Committees of the Board

The Constitution and terms of reference of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were aligned with the requirements of regulations 18 to 22 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as per Companies Act 2013.

A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report forming part of the Annual Report.

#### E. Performance Evaluation

Section 134 of the Companies Act, 2013 states that formal evaluation needs to be made by the Board, of its own performance and that of its committees and the individual Directors. Schedule IV of the Companies Act, 2013 and regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Directors being evaluated.

Pursuant to the provisions of section 134 (3)(p) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. None of the Independent Directors is due for re-appointment.

#### F. Directors' Responsibility Statement

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

#### G. Changes in Directors and Key Managerial Personnel

There are no changes in the directorship.

Mr. R. Sridhar was appointed as Chief Financial Officer of the Company with effect from August 29, 2016, consequent to the resignation of Mr. K. Srinivasan, with effect from June 22, 2016. Further Mr. K. Prakash was appointed as Chief Financial Officer of the Company with effect from March 20, 2017 consequent to the resignation of Mr. R. Sridhar with immediate effect from March 20, 2017.

#### H. Changes in Subsidiaries, Joint Ventures and Associates

The Hon'ble High court of Madras vide its order dated January 03, 2017 approved the scheme of Amalgamation of two wholly owned subsidiaries viz., Lancor Guduvanchery Developments Limited and Lancor Sriperumbudur Developments Limited with your Company with effective from the appointed date i.e., April 01, 2015.

#### I. Significant or Material Orders Passed by Regulators / Courts

In the matter of the Commercial Property, "**Menon Eternity**" owned by the Company, the arbitrator had issued an award dated March 16, 2016, invalidating the sales deeds registered in favour of the Company. The single bench of the Hon'ble High court of Madras by its judgment delivered on December 23, 2016, set aside the Award of the Arbitrator, with regard to the invalidation of the Sale deeds and hence confirmed the title in favour of the Company. Subsequently, the land owners have gone on appeal before the division bench in the Hon'ble High Court of Madras which is being contested by the Company. In the meanwhile, the Company has also filed cross objection on certain matters.

There were no any other significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### J. Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### **Audit Related Matters**

#### A. Audit Committee

Pursuant to regulation 18 of SEBI (LODR) Regulations 2015 and the provision of Section 177(8) read with Rule 6 of the companies (Meeting of Board and its Powers) Rules 2014 the Company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consisting of three "Non-Executive - Independent Directors" as members having adequate financial and accounting knowledge. The composition, procedures, powers and role/functions of the audit committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

#### **B. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s.G.M.Kapadia & Co, as the Statutory Auditor of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s.G.M.Kapadia & Co, as the Statutory Auditors of the Company.

Subject to the approval of the Members, the members of the Audit Committee and Board of Directors of the Company has recommended the appointment of M/s. Nayan Parikh & Co., (ICAI Firm Registration No.:107023W), Chartered Accountants as the Statutory Auditor of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditor, for the approval by the shareholders of the Company

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

#### C. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Rabi Narayan & Associates, Company Secretaries-in-Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report in **Form No.MR.3** for Financial year 2016–17 is annexed herewith, as **Annexure-A**.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

#### D. Cost Audit

As per Sec. 148 (6) of Companies Act 2013 and rule 6(6) of the Companies (Cost records and audit) Rules, 2014 the applicability of Cost audit is based on overall annual turnover of the company from all its products and services during the immediately preceding financial year of rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty five crore or more.

Since, your company annual turnover does not exceed the threshold limit as mentioned above; hence appointment of cost auditor is not applicable for the FY 2017 - 18.

#### E. Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Control ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act 2013.

For the year ended March 31, 2017, the board is of the opinion that the company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

#### **POLICY MATTERS**

#### A. Nomination and Remuneration Policy

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board comprised of appropriately qualified people with wide range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

The Nomination, Remuneration Committee of the Board of Directors has formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a Director and policy relating to the remuneration for the Directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company at http://www.lancor.in/investorsrelations and relevant extracts from the Policy are reproduced in **Annexure B** to this report.

#### **B. Risk Management Framework**

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & regulation 21 of SEBI(Listing Obligations and Disclosures Requirements) Regulations 2015, the Board of Directors of the Company has constituted a Risk Management Committee which is entrusted with the task of monitoring and reviewing the risk management plan and procedures of the Company. The Company has developed and implemented a risk management framework detailing the various risks faced by the Company and methods and procedures for identification, monitoring and mitigation of such risks. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards report. At present the Company has not identified any element of risk which may threaten the existence of the Company.

#### C. Corporate Social Responsibility Policy

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the website of the Company at http://www.lancor.in/investors/

As reported in the last Annual Report the Company has created a registered Trust under the name and style of Lancor Foundation, a non- profit trust to pursue the corporate social responsibility policy. The Foundation works closely with and supports the Board and the committee in identifying and implementing CSR activities. The Foundation also assists the Board and the committee in reporting progress of deployed initiatives and in making appropriate disclosures on a periodic basis.

In terms of Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Rule 9 of the Companies (Accounts) Rules 2014 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the annual report on Corporate Social Responsibility activities of the Company is given in **Annexure - C** to this report.

#### D. Vigil Mechanism

Pursuant to regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the provision of Section 177(9) read with Rule 7 of the companies (Meeting of Board and its Powers) Rules 2014 the Company has duly established a vigil mechanism for stakeholders, Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee of the Company oversees the vigil mechanism. The Company affirms that no personnel have been denied direct access to the Chairman of the Audit Committee.

The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices. The Policy is available on the website of the Company at http://www.lancor.in/investors/

#### **OTHER MATTERS**

#### A. Debentures

During the year under review, the Company has not issued any debentures. As on date, the Company does not have any outstanding debentures.

#### **B. Bonus Shares:**

During the year under review, the Company has not issued any bonus shares.

#### C. Borrowings

The Company has outstanding borrowings of Rs. 150,61,71,328/- during the financial Year ended March 31, 2017.

#### D. Deposits

The Company has not accepted any deposit in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

#### E. Transfer to Investor Education and Protection Fund

As required under the provisions of Sections 124(5) and 125(2)(c) of the Companies Act, 2013, the dividends pertaining to the financial year 2008-09 which were lying unclaimed with the Company was transferred to the Investor Education and Protection Fund during the financial year 2016-17.

The details of unclaimed dividend transferred to the Investor Education and Protection Fund has been detailed in the Corporate Governance Report forming part of the Annual Report.

#### F. Human Resources

Employee relation continues to be cordial and harmonious at all levels and in all divisions of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and dedication.

As a part of the policy for Prevention of Sexual Harassment in the organization, the Company has in place, an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at work place in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules thereunder. No complaints were received by the Committee during the period under review.

Number of employees as on March 31, 2017 was 56, which include 10 women employees.

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - D** to the Board's Report.

None of the Employee of the company drawing remuneration in excess of the limit specified under Rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including amended rules.

#### G. Credit Rating:

CRISIL has re-affirmed its rating of "BBB - with outlook stable" in respect of company's long term bank loans.

#### H. Code of Corporate Governance

In compliance with the requirement of regulations 24 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a detailed report on Corporate Governance is annexed to this report as **Annexure – H** together a Certificate from M/s. Rabi Narayan & Associates, Company Secretaries-in-Practice, affirming compliance with the said Code.

#### I. Code of Conduct

In compliance with requirement of regulations 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Companies Act, 2013 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 http://www.lancor.in/investors/. All the Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended March 31, 2017. A declaration to this effect signed by

#### J. Management Discussion and Analysis Report

In accordance with the requirement of the Listing regulations, the Management Discussion and Analysis Report titled as Management Report is presented in a separate section of the Annual Report.

#### K. Extract of Annual Return

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2016 -17 is provided in **Annexure - E** to this report.

#### L. Particulars of Loans, Guarantees and Investments

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in (Note No.2.13) Notes to Standalone Financial Statements

#### M. Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for approval on quarterly basis, for the transactions which are of a foreseen and repetitive nature. The Board of Directors of the Company has, on recommendation of the Audit Committee adopted a policy to regulate the transactions between the Company and its related parties in compliance with the applicable provisions of the Companies Act, 2013 and rules made there under and the Listing Agreement.

During the year, the Company has not entered into any contract / arrangement / transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. These Policies have been uploaded on the website of the Company at http://www.lancor.in/investors/ the related party transactions undertaken during the financial year 2016 – 17 are detailed in Notes (Note No.4.09) to Accounts of the Financial Statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in form AOC-2 is appended as **Annexure-G** to the Board's Report.

#### N. 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 134(3)(m) of the Companies Act 2013, read with the Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars relating to (A) Conservation of energy and (B) Technology Absorption is not applicable.

#### Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings : Nil Foreign Exchange Outgo : Nil

#### O. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

As on 31<sup>st</sup> March 2017, the Company has two subsidiaries and one Joint Venture viz., Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited and a Joint Venture, Central Park West Venture.

There has been no material change in the nature of the businesses of subsidiaries. The consolidated financial statement has also been prepared in accordance with the relevant accounting standards and a separate statement containing the salient features of the financial statement of its subsidiaries and associate in form AOC - 1 is attached along with the financial statement of the Company as **Annexure - F** 

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website http://www.lancor.in/investors/ and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

#### P. Green initiatives

Electronic copies of the Annual Report 2016-17 and Notice of the **Thirty Second Annual General Meeting** are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the **Annual Report 2017** and the Notice of the **Thirty Second Annual General Meeting** are sent in the permitted mode. Members requiring physical copies can send a request to the Company. Further, the soft copy of the Annual Report (in pdf format) is also available in our website (www.lancor.in)

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Listing Regulations, the Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the notice. The instructions for e-voting are provided in the notice.

## Q. Details in respect of frauds reported by auditors under sub section (12) of section 143 other than those which are reportable to the Central Government

There is no such fraud required to be reported under section 143(12) of the Companies Act, 2013

#### R. Additional Information to Shareholders

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website (www.lancor.in) on a regular basis.

#### **ACKNOWLEDGEMENT**

Place: Chennai

Date: 22 August 2017

The Directors would like to place on record their sincere appreciation to the Company's customers, vendors, and bankers, viz., The Catholic Syrian Bank Limited, Axis Bank Limited, City Union Bank Limited, Axis Finance Limited, LIC Housing Finance Limited, TATA Capital Housing Finance Limited and HDFC Limited, for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organization. We thank the Government of India, the state government(s) and other government agencies for their assistance and cooperation and look forward to their continued support in future.

Finally, the Board would like to express its gratitude to the members for their continued trust, cooperation and support.

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

Sd/-

R.V. Shekar Director

DIN: 00259129

Sd/-

R. Sankaranarayanan Director DIN: 00172202

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

#### MANAGEMENT DISCUSSION & ANALYSIS REPORT:

#### Macroeconomic overview:

India has emerged as the fastest growing economy in the world as per the Central Statistics Organisation(CSO) and International Monetary Fund(IMF). The initiatives taken by the Government on the economic reforms and good monsoon should create business prospect for private investments. The increase in the Government spending has partially offset the lack of private investments. The low global commodity prices will continue to have its positive impact on inflation.

The political unrest in Chennai, Tamilnadu, the market in which your company operates, has resulted in economic slowdown and thereby impacting investor sentiments. The annual job growth trend in Chennai has been down by 12%, which is the steepest decline. The drop in industrial activity coupled with tepid IT sector hiring is dragging down the growth scene.

#### **Industrial Developments:**

The Real Estate industry is witnessing systematic changes in decades especially on the policy front. In the last one year, the Government has unfolded many policy measures viz Housing for All, Smart Cities, RERA, GST, Affordable Housing, CLSS, all of which should push the Real Estate demand in the middle income group.

#### Real Estate (Regulation and Development) Act 2016 (RERA):

The Government enacted the RERA and all the sections of the Act have come into force with effect from 1st May 2017 while the Tamil Nadu rules were passed effective 22nd June 2017. The RERA will bring in transparency and accountability in the sector and will aid to protect the rights of the home buyers. There will be uniformity amongst developers and is expected to bring back confidence of the buyers in the market. It has given the India's property development business a new direction. RERA implementation will have long term benefits but might have short term disruption till things settle down. Your Company is already compliant on many aspects of RERA and will be approaching RERA authorities for registration as regards TCP Altura and Phase II of Lumina project.

#### Goods & Service Tax (GST):

The GST has come into effect from 1st July 2017. It is a major reform which will subsume all indirect taxes and will pave the way for single market across India. GST will have long term positive impact, but implementation will have its own challenges.

GST implementation should bring operational efficiency and widen the tax base leading to higher revenue, infrastructure spending and more investments in the country.

The GST & RERA should make the sector organized and efficient and therefore stimulate demand.

#### Affordable Housing:

In order to boost the sagging property development business, the following slew of measures were announced by the Central/State Government for Affordable Housing:

- 1) The infrastructure status has been given to the Affordable Housing.
- 2) The Central Government with a view to provide housing for all by 2022 extended Credit Linked Subsidy Scheme (CLSS) to loans up to Rs.12 lakhs for the first time home buyers under Pradhan Mantri Awaz Yojana(PMAY).
- 3) CLSS has been extended to middle income group. The subsidiary amount of Rs.2.6 lakhs will be credited upfront into the housing loan account by the Government, which will increase the affordability of the buyers under the PMAY.
- 4) The reduced interest rates for construction finance of affordable projects.
- 5) The Section 80-IBA of Income Tax Act was introduced for tax holiday on affordable housing.
- 6) PF amount can be withdrawn by the employees for buying house under PMAY.
- 7) The State Government has announced additional FSI for affordable housing.

Affordable Housing is set to drive the Indian Real Estate market for the next decade; the maximum supply and demand for an apartment is currently driven between 600 – 1200 sft. Despite uncertainty in the market, there is a strong demand for housing projects. Developers are now focusing on the affordable housing segment as there are support from both Central and State Governments as well as tax benefits.

#### Office Market:

Despite recent layoffs by the IT companies due to automation and change in technologies, the expectation is that commercial market will remain resilient backed by sustained expansion plans of major occupiers.

#### Ongoing and Upcoming Residential projects:

2016-17 was another year of continued slow down in the real estate sector, which got accentuated further due to demonetization. In 2017-18, when the market is transitioning under RERA and GST regime, your company will focus on sale of completed apartments with diversified marketing approach. Your company has increased its marketing efforts through digital platform and a team of tele-marketing executives. The sales and marketing team has been strengthened to outreach potential buyers.

Your company has taken cognizance of the fact that the buyers are looking for affordable housing with a ticket size of 600 sft to 1200 sft and therefore has tweaked the sizes of the apartment in Phase-II, Lumina and TCP Altura from 591 sq.ft to 1062 sq.ft. Two marketing campaigns with the tag line of "Unga life style unga budgetla" meaning "your life style at your budget" for both TCP Altura pre-launch and Lumina were done during the month of June 2017 and July 2017. Both these campaigns created a buzz in the market.

**TCP Altura, Sholinganallur:** The recent prelaunch offer in TCP Altura, has given encouraging number of bookings. The plan approval for the project has been obtained and your company will be approaching RERA authority for the registration of the project and after which the project will be actively marketed for further sales. The success of prelaunch is reassuring on the direction that the company is taking as far as the ticket sizes which the buyers are looking for today.

**Lumina H1 & H2 blocks**; Your company has also revised the sizes in Lumina Phase II from 618 sqft to 933 sqft across blocks. With a view to make Lumina a great living place, your company has decided to increase the sporting amenities with 3 badminton courts, Tennis Court, 2 swimming pools, cricket pitches apart from the existing billiards, Table Tennis and fully loaded Gymnasium. The market is very positive about these developments and the recent ad campaign has started bringing momentum to sales.

**Town & Country, Sriperumbudur;** The Bengaluru-Chennai expressway is a six lane toll expressway which will start from Hoskote and end at Sriperumbudur and is further connected to Manali, North Chennai. The stones have already been placed for laying the roads in Sriperumbudur, which comes in front of our project Town & Country. This expressway is within 500 metres from our project entrance. This will aid quicker movement of goods and will be a big boost for Sriperumbudur and our project in particular when implemented.

**SRIHARI**, **Anna Nagar**: Your company prelaunched a small boutique residential project of 12000 sqft Super Built Up Area in Shanthi Colony, Anna Nagar under Joint Development agreement. The plan approval is expected by first week of August 2017.

#### New Residential Projects under discussion with the land owners:

Your company has identified two large land parcels for outright purchase within city limits and the legal due diligence for both is under way. It is planned for putting up Multi-storied buildings of apartments in affordable sizes in these two projects, which in all will have total super built up area of 600000 sft.

Your company has identified that the affordable houses are here to stay and hence going forward will be offering more on affordable ticket sizes coupled with Lancor's standard specifications and amenities, which will make our future projects interesting to invest in by the buyers.

#### Risks & Concerns:

#### Market Risk:

The real estate market is inherently cyclical and is driven by market sentiments and competition. Your company has been liquidating the inventories by offering incentives and deals and through its concerted marketing efforts.

#### Land related risks:

The land being the main raw material for your business, non availability of land parcels at the vantage locations at reasonable price can have its impact on the company. Your company has been in the market for more than three decades and has good standing in the market for its transparency, timely completion and innovation and therefore is able to get good Joint development proposals from the land owners.

#### Approvals:

There are substantial delays with regard to getting approvals, service connections etc., from the Government authorities. You company has an in-house team which constantly follows up in getting approvals.

#### Materials & Labour:

The sudden scarcity of materials and therefore rise in price are risks in our business which needs to be mitigated by purchasing sufficient quantity of material at appropriate time. The quality of manual labour in construction is a concern which needs to be continuously supervised. The skill development of the labour need to be a continuous process.

#### De-Leveraging:

The Company's total borrowings as on 31.03.2016 Rs. 170.36 Crore was brought down to Rs. 150.61 Crore as on 31.03.2017.

The Company's Debt Equity ratio is 0.98:1.0 as on 30th June 2017. Your company has sold 2 floors in Westminster building and the proceeds of the same have been used to reduce the debt.

#### CAUTIONARYSTATEMENT

The financial and operational information contained in the Management Report is based on the consolidated operations of the Company unless stated otherwise. Further, statements in the Management Report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations but it is not exhaustive.

Annexure A

#### No. MR-3 Secretarial Audit Report for the financial year ended March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lancor Holdings Limited,
L65921TN1985PLC049092

"Arihant VTN Square" II Floor, 58 G.N.Chetty Road,
T.Nagar, Chennai, 600017

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Lancor Holdings Limited (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Lancor Holdings Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lancor Holdings Limited ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not Applicable as the Company has not raised any Share Capital by Issue of Shares during the financial year under review];
  - (d The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 [Not Applicable as the Company has not issued any ESOP/ESPS securities during the financial year under review];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any debt securities during the financial year under review];

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review]; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not Applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review];
- (I) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (vi) The Laws as are applicable specifically to the Company are as under:
  - a) Transfer of Property Act, 1882
  - b) Indian Easements Act, 1882,
  - c) Registration Act, 1908,
  - d) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996,
  - e) The Land Acquisition Act, 1894
  - f) Real Estate (Development and Regulation) Act 2016 and.
  - g) Housing Board Act, 1965.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that -

Based on the information provided to me during the conduct of audit and based on the reports submitted by the Board/Committees from time to time, in my opinion adequate systems, processes and control measures are in place exist in the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition laws and environmental laws.

Compliance by the Company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same is subject to review statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

 The Hon'ble High court of Madras vide its order dated January 03, 2017 approved the scheme of Amalgamation of two wholly owned subsidiaries viz., Lancor Guduvanchery Developments Limited and Lancor Sriperumbudur Developments Limited with your Company with effective from the appointed date i.e., April 01, 2015.

For RABI NARAYAN & ASSOCIATES

Sd/-V.S.SOWRIRAJAN FCS 2368/ CP. No:6482

Place : Chennai Date : 22 August 2017

To,
The Members,
Lancor Holdings Limited,
L65921TN1985PLC049092

"Arihant VTN Square" II Floor, 58 G.N.Chetty Road,
T.Nagar, Chennai, 600017

Our report of even date is to be read along with this letter.

- 1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RABI NARAYAN & ASSOCIATES

Sd/-V.S.SOWRIRAJAN FCS 2368/ CP. No:6482

Place : Chennai Date : 22 August 2017

Annexure - B

#### REMUNERATION POLICY

#### Purpose of this Policy:

**LANCOR HOLDINGS LIMITED (the "Company")** has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and regulations made there under regulation 19(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

#### Role of the Nomination and Remuneration Committee:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

#### Appointment and removal of Director, KMP and Senior Management:

#### Appointment criteria and qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and CEO and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole time Director/CEO) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the CEO is authorised to identify and appoint a suitable person for such position, in consultation with the Board.

#### Term:

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, as amended from time to time.

Whereas the term of the Key Managerial Personnel (other than the Managing / Whole time Director/CEO) and Senior Management shall be governed by the prevailing HR policies of the Company.

#### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is available in the website of the Company (www.lancor.in)

#### Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

#### Remuneration of Managing / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Chief Executive Officer of the Company is authorised to decide the remuneration of KMP and Senior Management, based on the standard market practice and prevailing HR policies of the Company.

#### Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the regulation 17(6)(d) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, as amended from time to time.

#### **ANNUAL REPORT ON CSR ACTIVITIES**

Annexure C

- 1. A brief outline of the Company's <u>CSR policy</u>, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. The detailed Corporate Social Responsibility Policy is available on the website of the Company at http://www.lancor.in/investors/
- 2. The Composition of the CSR Committee.
  - a) Mr.R.Sankaranarayanan, Chairman (Independent Director)
  - b) Mr.T.P.Raman, Member (Independent Director)
  - c) Mr.S.V.Venkatesan, Member (Independent Director)
- 3. Average net profit of the Company for last three financial years is Rs. 19,67,48,139
- 4. Prescribed <u>CSR Expenditure</u> (two per cent. of the amount as in item 3 above): Rs.39,34,963/The Company is required to spend Rs.39,34,963/- towards CSR, i.e. 2% of the average net profits mentioned in Point 3 above.
- 5. Details of CSR spent during the financial year
  - (a) Total amount spent for the financial year Rs.39,34,963
  - (b) Amount unspent, if any; Nil
  - (c) Reason for unspent: Not Applicable
  - (d) Manner in which the amount spent during the financial year is detailed below:

(1) S.No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1)Local area or other. (2) Specify the State and district where projects or Programs was undertaken.	(5) Amount outlay (budget) project or wise	(6)  Amount spent on the projects or programs Subheads:  1. Direct expendit ure on projects or programs  2. Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementi ng agency
1	Establishme nt of Skill Training Centre	Promoting education, and employment enhancing vocation skills	Sriperumbudur	Rs.39,34,963/-	Rs.39,34,963/-	Rs.39,34,963/-	Lancor Foundation

#### 6. Give details of implementing agency:

Lancor Foundation, a public charitable trust with a major objective to pursue the various objectives, as set out in Schedule VII of the Companies Act.

#### 7. Responsibility Statement

Place: Chennai

Date: 22.08.2017

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

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

Sd/- Sd/-

S V VENKATESAN ( Director) DIN: 00004010 R SANKARANARAYANANAN Chairman of CSR Committee

DIN: 00172202

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

ANNEXURE - D

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

The Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

- (I) The ratio of remuneration of each Director to the median employee's remuneration of the Company for the financial year
  - No Directors were paid any remuneration except sitting fees and therefore computation of ratio of remuneration of each director for the financial year is not applicable
- (ii) The percentage of increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial Year 2016-2017.

  There is no increase in remuneration for any of the above category during the FY 2016-17
- (iii) The percentage increase in the median remuneration of employees for the financial year 2016-2017 was NIL
- (iv) The number of permanent employees on the rolls of Company as on 31.03.2017 is 56 including 10 women employees.
- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2016 -17 was NIL.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms that remuneration is as per the Nomination and Remuneration policy of the Company.

#### Note:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel)Rules 2014 Notified on June 30,2016, the following clauses are omitted.

Clauses(v,vi,vii,ix,x&xi) of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel)Rules 2014.

#### TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Statement pursuant to Section 134 of the Companies Act 2013, read with rule 5(2) and 5(3) of the Companies Act (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2016

Employee name	Designation	Qualification	Experience (in Years)	Date of Commencement of employment	Age	Gross Remuneration (in Rs.)	Last Employment and designation	Percentage of equity Shares held in the Company
Mallika Ravi	Chief Executive Officer	B.Sc., ACA	24	17.09.2009	53	57,02,520	Hiranandani Group Head – Finance and Accounts	NIL
A V Surender	VP-Sales & Marketing & Business Development	PGDM – IIM (Kolkatta)	24	27.08.2016	49	18,19,718	Express Avenue Group VP – Sales, CSD & Marketing	NIL
Mr. R. Sridhar	Chief Financial Officer	ACA	23	29.08.2016	58	16,01,871	Real Estate – Financial Consultant	NIL
Chandrasekar J M	GM - Commercial Services	B.Com	22	18.01.1995	45	14,00,444	-	NIL
Babuji V	General Manager	B.Tech	35	01.04.2000	52	13,58,272	New Metro Construction Pvt. Ltd as Project Engineer	NIL
Babu S	Deputy General Manager	B.E	22	01.05.2002	44	12,59,644	NAM & Associates as Site Engineer	NIL
Mr. S.Rangaraj	Vice President - Engineering	BE (Civil)	23	06.09.2006	52	12,90,102	True Value Homes as General Manager - Projects	NIL
Subramanian R	GM- Maintenance & Realty Services	B.Com	26	06.05.1992	47	11,06,976	Lintas India Ltd as Secretary	NIL
V. Rajesh	Company Secretary & Compliance Officer & Sr.Manager- Legal	FCS.,Ph.D., L.L.B	12	28.05.2016	37	8,97,348	Ravindranath GE Medical Associates Pvt. Ltd (Global Hospitals) as Group Company Secretary	NIL
MVD Kumar	AGM - Inst. & Channel Sales	BE. (Mechanical Eng.) B.A (Business Economics) MBA (Marketing)	25	09.08.2016	48	8,49,970	Akshaya Pvt. Ltd as AGM - Marketing	NIL

#### Note:

- 1. None of the employee is a relative to any of the director or manager of the company.
- 2. The nature of employment for all employees is full time.

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1. CIN	L65921TN1985PLC049092
2. Registration Date	04.01.1985
3. Name of the Company	LANCOR HOLDINGS LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5. Address of the Registered office & contact details	LANCOR HOLDINGS LIMITED VTN Square, 58, G N Chetty Road T.Nagar, Chennai – 600 017 Phone: 044-28345880 – 84 Fax : 044-2834 5885 Email : compsecy@lancor.in Website : www.lancor.in
6. Whether listed Company	Yes, Listed on BSE Limited
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	M/s.Cameo Corporate Services Limited Subramanian Buildings No.1, Club House Road, Chennai 600 002, Phone No.044-28460390-94, Fax No.28460129, Email: investor@cameoindia.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% of total turnover of the Company.
1	Construction and Development of Properties#	410	91%
2	Renting of Commercial Properties	681	9%

# includes sales of commercial properties

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name And Address Of The Company	CIN/GLN/PAN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Lancor Egatoor Developments Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017	U70109TN2010PLC078287	Subsidiary	100%	Section 2(87) (ii)
2	Lancor Maintenance & Services Limited VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017	U70101TN1996PLC036569	Subsidiary	99.30%	Section 2(87) (ii)
3	Central Park West Venture(*) VTN Square, Second Floor, 58, G N Chetty Road T.Nagar, Chennai – 600 017	AAFFC1891G	Joint Venture	100%*	Section 2(87) (ii)

<sup>(\*)</sup> the obligation in respect of partners viz., Classic Farms (Chennai) Limited and Lancor Maintenance & Services Limited have been complied with and hence the assets and liabilities of the firm vests wholly with Lancor Holdings Limited

Pursuant to the Hon'ble Madras High Court Order vide dated 03.01.2017, Lancor Guduvanchery Developments Limited and Lancor Sriperumbudur Developments Limited has been merged with Lancor Holdings Limited w.e.f. 28.02.2017

# IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (A)Category-wise Share Holding

(A)	Category-wise Share Holding									
Category code	Category of Shareholder	No. of sl	hares held at the	beginning o	of the year	No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
	INDIVIDUALS/HINDU UNDIVIDED									
a.	FAMILY	25141664	0	25141664	62.0781	25141664	0	25141664	62.0781	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
C.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	25141664	0	25141664	62.0781	25141664	0	25141664	62.0781	0.0000
2.	FOREIGN									
	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/									
a. b.	FOREIGN INDIVIDUALS) BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
C.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
е.	ANY OTHER	<u> </u>	<u> </u>	0	0.0000	<u>`</u>			0.0000	0.0000
U.	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	25141664	0	25141664	62.0781	25141664	0	25141664	62.0781	0.0000
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
C.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000

2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1218484	0	1218484	3.0086	1632736	0	1632736	4.0314	1.0228
b.	INDIVIDUALS-									
	I INDIMDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTORS. 1 LAKH	4615823	238070	4853893	11.9849	5031736	214070	5245806	12.9526	0.9676
	II INDIMDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	7014102	0	7014102	17.3187	6105889	0	6105889	15.0762	-2.2425
C.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANYOTHER									
	CLEARING MEMBERS	3801	0	3801	0.0093	64574	0	64574	0.1594	0.1500
	HINDU UNDIMDED FAMILIES	648283	0	648283	1.6006	678647	0	678647	1.6756	0.0749
	NON RESIDENT INDIANS	1619773	0	1619773	3.9994	1630684	0	1630684	4.0263	0.0269
		2271857	0	2271857	5.6095	2373905	0	2373905	5.8614	0.2519
	SUB-TOTAL (B)(2)	15120266	238070	15358336	37.9218	15144266	214070	15358336	37.9218	0.0000
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	15120266	238070	15358336	37.9218	15144266	214070	15358336	37.9218	0.0000
	TOTAL (A)+(B)	40261930	238070	40500000	100.0000	40285930	214070	40500000	100.0000	0.0000

### (B) Shareholding of Promoter-

SI No	Shareholder's Name	Shareholdin	g at the beginn	ning of the year	Sharehol	ding at the end	l of the year
		No of shares	'% of total shares of the company	'% of shares pledged / encumbered to total shares	No of shares	'% of total shares of the company	'% of shares pledged / encumbered to total shares
1	R V SHEKAR	10917764	26.9574	0.0000	10917764	26.9574	0.0000
	HAVING SAME PAN						
1	R V SHEKAR	502000	1.2395	0.0000	502000	1.2395	0.0000
2	SHYAMALA SHEKAR	7608830	18.7872	0.0000	7608830	18.7872	0.0000
3	SANGEETHA SHEKAR	2753700	6.7992	0.0000	2753700	6.7992	0.0000
4	SHWETHA SHEKAR	2753600	6.7990	0.0000	2753600	6.7990	0.0000
5	R V SHEKAR JT1 : SHYAMALA SHEKAR	403450	0.9961	0.0000	403450	0.9961	0.0000
6	SHYAMALA SHEKAR JT1 : R V SHEKAR	202320	0.4995	0.0000	202320	0.4995	0.0000

### (C) Change in Promoters' Shareholding (please specify, if there is no change) -

		Shareholding at the beginning of the year during the year		•			
SI No	Name of the Share holder	No of shares	'% of total shares of the company	No of shares	'% of total shares of the company	FOLIO/DP_CL_ID	PAN
	D.V.OUEKAD						
1	R V SHEKAR At the beginning of the year 01-Apr- 2016	10917764	26.9574	10917764	26.9574	'IN30355910004032	AFUPR6488L
	At the end of the Year 31-Mar-2017	10917764	26.9574	10917764	26.9574		
	HAVING SAME PAN						
1	R V SHEKAR						
	At the beginning of the year 01-Apr- 2016	502000	1.2395	502000	1.2395	'IN30179910070606	AFUPR6488L
	At the end of the Year 31-Mar-2017	502000	1.2395	502000	1.2395		
2	SHYAMALA SHEKAR						
	At the beginning of the year 01-Apr- 2016	7608830	18.7872	7608830	18.7872	'IN30355910004058	AAUPS6460L
	At the end of the Year 31-Mar-2017	7608830	18.7872	7608830	18.7872		
3	SANGEETHA SHEKAR						
	At the beginning of the year 01-Apr- 2016	2753700	6.7992	2753700	6.7992	'IN30179910070698	BPNPS6702Q
	At the end of the Year 31-Mar-2017	2753700	6.7992	2753700	6.7992		
4	SHWETHA SHEKAR						
	At the beginning of the year 01-Apr- 2016	2753600	6.7990	2753600	6.7990	'IN30179910070647	BGGPS5907R
	At the end of the Year 31-Mar-2017	2753600	6.7990	2753600	6.7990		

5	R V SHEKAR JT1 : SHYAMALA SHEKAR						
	At the beginning of the year 01-Apr- 2016	403450	0.9961	403450	0.9961	'IN30355910004040	AFUPR6488L
	At the end of the Year 31-Mar-2017	403450	0.9961	403450	0.9961		
6	SHYAMALA SHEKAR JT1 : R V SHEKAR						
	At the beginning of the year 01-Apr- 2016	202320	0.4995	202320	0.4995	'IN30355910004066	AAUPS6460L
	At the end of the Year 31-Mar-2017	202320	0.4995	202320	0.4995		

#### (D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: -

(Other than Directors, Promoters and Holders of GDRs and ADRs):

	Name of the Share holder		Shareholding at the beginning of the year		Shareholding the year		
SI No		No of shares	'% of total shares of the company	No of shares	'% of total shares of the company	FOLIO/DP_CL_ID	PAN
1	RAJASHEKAR SWAMINATHAN IYER						
- 1		1191806	2.9427	1191806	2.9427	'IN30039418113645	AAAPI0724
	At the beginning of the year 01-Apr-2016  Sale 19-Aug-2016	-500000	1.2345	691806	1.7081	11130039410113043	AAAPIU124
	Sale 19-Aug-2016 Sale 07-Oct-2016	-691806	1.7081	091806	0.0000		
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
	HAVING SAME PAN						
1	RAJASHEKAR S IYER						
	At the beginning of the year 01-Apr-2016	551576	1.3619	551576	1.3619	'IN30317320007430	AAAPI0724
	At the end of the Year 31-Mar-2017	551576	1.3619	551576	1.3619		
	HAVING SAME PAN						
1	RAJASHEKAR IYER		0.0000	0	0.0000	14000470000500007	A A A DIO 70
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'1202470000522007	AAAPI0724
	Purchase 07-Oct-2016	691806	1.7081	691806	1.7081		
	At the end of the Year 31-Mar-2017	691806	1.7081	691806	1.7081		
2	RAJESWARI SRIDHARAN JT1 : SEETHARAMAN SRIDHARAN						
	At the beginning of the year 01-Apr-2016	1099918	2.7158	1099918	2.7158	'IN30048417496711	ABCPS527
	At the end of the Year 31-Mar-2017	1099918	2.7158	1099918	2.7158		
3	RAJIV CHESETTY .						
3	At the beginning of the year 01-Apr-2016	428518	1.0580	428518	1.0580	'1204010000004240	AAFPR128
	Sale 08-Apr-2016	-3672	0.0090	424846	1.0490	1204010000004240	704111120
	Sale 22-Apr-2016	-5120	0.0030	419726	1.0363		
	Sale 22-Apr-2016	-25	0.0000	419720	1.0362		
	Sale 06-May-2016	-4000	0.0098	415701	1.0264		
	Sale 13-May-2016	-33660	0.0831	382041	0.9433		
	Sale 20-May-2016	-1180	0.0031	380861	0.9403		
	Sale 30-Jun-2016	-1700	0.0023	379161	0.9362		
	Sale 01-Jul-2016	-301	0.0007	378860	0.9354		
	Sale 01-3ul-2016	-8000	0.0007	370860	0.9354		
	Sale 13-Jan-2017	-300	0.0197	370560	0.9137		
	Sale 13-Jan-2017 Sale 20-Jan-2017	-47056	0.0007	323504	0.7987		
	Sale 03-Feb-2017	-2000	0.0049	321504 311003	0.7938 0.7679		
	Sale 10-Feb-2017	-10501	0.0259				
	Sale 17-Feb-2017	-3100	0.0076	307903	0.7602		
	At the end of the Year 31-Mar-2017	307903	0.7602	307903	0.7602		
	HAVING SAME PAN						

3	RAJIV CHESETTY						
	At the beginning of the year 01-Apr-2016	139000	0.3432	139000	0.3432	'IN30267933195703	AAFPR1281B
	Sale 22-Apr-2016	-500	0.0012	138500	0.3419		
	Purchase 29-Apr-2016	100	0.0002	138600	0.3422		
	Sale 06-May-2016	-2300	0.0056	136300	0.3365		
	Purchase 03-Jun-2016	200	0.0004	136500	0.3370		
	Purchase 10-Jun-2016	100	0.0002	136600	0.3372		
	Sale 17-Jun-2016	-100	0.0002	136500	0.3370		
	Purchase 30-Jun-2016	100	0.0002	136600	0.3372		
	Sale 08-Jul-2016	-400	0.0009	136200	0.3362		
	Sale 15-Jul-2016	-200	0.0004	136000	0.3358		
	Purchase 05-Aug-2016	1050	0.0025	137050	0.3383		
	Purchase 09-Sep-2016	1000	0.0024	138050	0.3408		
	Sale 04-Nov-2016	-13050	0.0322	125000	0.3086		
	Sale 11-Nov-2016	-1000	0.0024	124000	0.3061		
	Sale 25-Nov-2016	-279	0.0006	123721	0.3054		
	Sale 02-Dec-2016	-3271	0.0080	120450	0.2974		
	Sale 10-Feb-2017	-1131	0.0027	119319	0.2946		
	At the end of the Year 31-Mar-2017	119319	0.2946	119319	0.2946		
4	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED						
	At the beginning of the year 01-Apr-2016	426558	1.0532	426558	1.0532	'IN30072410153429	AAACR4122F
	Sale 27-May-2016	-6635	0.0163	419923	1.0368	-	
	Sale 03-Jun-2016	-10325	0.0254	409598	1.0113	-	
	At the end of the Year 31-Mar-2017	409598	1.0113	409598	1.0113		
5	GIRISH GULATI						
	At the beginning of the year 01-Apr-2016	405238	1.0005	405238	1.0005	'IN30021417531989	AAFHG1700A
	Sale 19-Aug-2016	-405238	1.0005	0	0.0000	11400021417001000	701111017007
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000		
	HAVING SAME PAN	Ü	0.0000	Ü	0.0000		
	TITO OTABLE LAND						
6	NALINI DEVI CHESETTY						
	At the beginning of the year 01-Apr-2016	317012	0.7827	317012	0.7827	'1204010000004236	AADPN1970E
	At the end of the Year 31-Mar-2017	317012	0.7827	317012	0.7827		
	I CANADA A A CANADA CAN						
7	KUNTAL HASMUKHLAL SHAH						
	JT1 : HASMUKHLAL VRIJLAL SHAH						
	At the beginning of the year 01-Apr-2016	277764	0.6858	277764	0.6858	'ln30001110516773	AAGPS5867F
	At the end of the Year 31-Mar-2017	277764	0.6858	277764	0.6858		
8	ASHA KRISHNANAND SAWANT						
		272400	0.0745	070400	0.6745		A A D D O 400 41
	At the beginning of the year 01-Apr-2016  At the end of the Year 31-Mar-2017	273190 273190	0.6745 0.6745	273190 273190	0.6745 0.6745	'ln30317320007464	AAPPS4091L
	7 to and of the Total OT-IVIAL-2017	213180	0.0740	213180	0.0743		

9	ANURAG VITHLANI						
	At the beginning of the year 01-Apr-2016	247000	0.6098	247000	0.6098	'IN30051310663613	ACAPV0603N
	At the end of the Year 31-Mar-2017	247000	0.6098	247000	0.6098		
10	SELVAKUMAR T JT1 : ABIRAM S						
	At the beginning of the year 01-Apr-2016	221936	0.5479	221936	0.5479	'IN30136410236149	AAGFK0730M
	At the end of the Year 31-Mar-2017	221936	0.5479	221936	0.5479		
	NEW TOP 10 AS ON (31-Mar-2017)						
11	SCIL VENTURES LIMITED						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'1202470000522556	AAACS8124N
	Purchase 07-Oct-2016	500000	1.2345	500000	1.2345		
	At the end of the Year 31-Mar-2017	500000	1.2345	500000	1.2345		

# (E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

			hareholding at the ginning of the year Cumulative Shareholding during the year		the year		
SI No	Name of the Share holder	No of shares	'% of total shares of the company	No of shares	'% of total shares of the company	FOLIO/DP_CL_ID	PAN
	D.V.OUEVAD						
1	R V SHEKAR						
	At the beginning of the year 01-Apr- 2016	10917764	26.9574	10917764	26.9574	'IN30355910004032	AFUPR6488L
	At the end of the Year 31-Mar-2017	10917764	26.9574	10917764	26.9574		
	HAVING SAME PAN						
1	R V SHEKAR						
	At the beginning of the year 01-Apr- 2016	502000	1.2395	502000	1.2395	'IN30179910070606	AFUPR6488L
	At the end of the Year 31-Mar-2017	502000	1.2395	502000	1.2395		
2	SANGEETHA SHEKAR						
	At the beginning of the year 01-Apr- 2016	2753700	6.7992	2753700	6.7992	'IN30179910070698	BPNPS6702Q
	At the end of the Year 31-Mar-2017	2753700	6.7992	2753700	6.7992		
3	R V SHEKAR JT1 : SHYAMALA SHEKAR						
	At the beginning of the year 01-Apr- 2016	403450	0.9961	403450	0.9961	'IN30355910004040	AFUPR6488L
	At the end of the Year 31-Mar-2017	403450	0.9961	403450	0.9961		
4	SHYAMALA SHEKAR JT1 : R V SHEKAR						
	At the beginning of the year 01-Apr- 2016	202320	0.4995	202320	0.4995	'IN30355910004066	AAUPS6460L
	At the end of the Year 31-Mar-2017	202320	0.4995	202320	0.4995		

Note: No other directors and KMPs hold the shares

# (V) INDEBTEDNESS (In Rupees)

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	165,20,65,980	5,15,58,580	-	170,36,24,560
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	165,20,65,980	5,15,58,580	ı	170,36,24,560
Change in Indebtedness during the financial year				
* Addition		2,48,85,022	-	2,48,85,022

* Reduction	22,23,38,254		-	22,23,38,254
Indebtedness at the end of the				
financial year				
i) Principal Amount	142,97,27,726	7,64,43,602	-	150,61,71,328
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	
Total (i+ii+iii)	142,97,27,726	7,64,43,602	-	150,61,71,328

# VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

# A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify	-	-
	Total (A)	NIL	NIL

# B. Remuneration to the other Directors

SN.	Particulars of Remuneration	Name of Directors	Name of Directors					
			(In Rs.)					
	Independent Directors	Mr R.Sankaranarayanan	Mr SV.Venkatesan	Mr T.P.Raman				
	Fee for attending Board and Committee meetings	100,000/-	82,500/-	55,000/-	2,37,500			
1	Commission	Nil	Nil		Nil			
	Others, please specify	Nil	Nil		Nil			
	Total (1)	100,000/-	82,500/-	55,000/-	2,37,500			
	Other Non-Executive Directors	Mr R.V. Shekar*	Mrs Sangeetha Shekar	Mr S.Sridharan				
2	Fee for attending Board meetings	60,000	NIL	60,000	1,20,000			
	Commission	Nil	Nil	Nil	Nil			
	Others, please specify	Nil	Nil	Nil	Nil			
	Total (2)	60,000	NIL	60,000	1,20,000			
	Total (B)=(1+2)	160,000	82,500	115,000	3,57,500			
	Total Managerial Remuneration(by way of sitting fee for attending Board meeting)  (Rupees Three Lakh Fifty Seven Thousand Five Hundred only) Within the overall limit as specified under section 197(5) of the companies Act,2013							

# C. Remuneration to Key Managerial Personnel

SI. No	Particulars of Remuneration		Key Managerial Personnel – Remuneration							
		CEO	CFO K. Srinivasan (Upto June 2016)	CFO R.Sridhar (Upto March 2017)	CFO K. Prakash (March 2017)	CS Dr. V. Rajesh	Total			
	Gross salary	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,02,500	5,32,081	16,01,871	1,02,297	8,97,348	88,36,117			
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	7,380	-	-	-	46,980			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-			
2	Stock Option	-	-	-	-	-	-			
3	Sweat Equity	-	-	-	-	-	-			
4	Commission	-	-	-	-	-	-			
	- as % of profit	-	-	-	-	-	-			
	others, specify	-	-	-	-	-	_			
5	Others, please specify	-	-	-	-	-	-			
	Total	57,42,100	5,39,461	16,01,871	1,02,297	8,97,348	88,83,097			

# D. Penalties / Punishment / Compounding of Offences (if any)

Туре	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)			
A. COMPANY								
Penalty			Nil					
Punishment			Nil					
Compounding			Nil					
B. DIRECTORS								
Penalty			Nil					
Punishment			Nil					
Compounding			Nil					
C.OTHER OFFIC	ERS IN DEFAULT							
Penalty	Nil							
Punishment	Nil							
Compounding			Nil					

Annexure - F

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

# Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Reporting Period: April 1, 2016 to March 31, 2017

**Reporting Currency: INR** 

(Rs. in actual)

Sr. No	Subsidiary	Share capital	Reserves & surplus	Total assets	Total Liabilities (Excluding Equity and Reserve and Surplus	Investme nts	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1	Lancor Maintenance and Services Limited	25,17,500	7,40,84,815	9,83,92,442	2,17,90,128	1,18,19,098	3,91,33,377	23,58,361	10,02,595	13,55,766	Nil	99.30%
2	Lancor Egatoor Development s Limited	5,00,000	(3,56,202)	2,30,510	86,712	-	-	(57,635)	-	(57,635)	Nil	100%

<sup>1.</sup>Lancor Egatoor Developments Limited is yet to commence operation.

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

Sd/-

Sd/-

Sd/-

Sd/-

R.V.Shekar Chairman R.Sankaranarayanan Director

Mallika Ravi

Satya Ranjan Dhall Partner DIN: 00259129

DIN: 00172202

**Chief Executive Officer** 

Membership No.214046

Sd/-

Sd/-

Place : Chennai

K. Prakash

Dr. V. Rajesh

Date: 22 August 2017

**Chief Financial Officer** 

**Company Secretary** 

<sup>2.</sup>No Subsidiary has been sold during the year.

<sup>3.</sup>Lancor Guduvancherry Developments Limited and Lancor Sriperumbudur Development Limited had merged with your company as per Hon'ble Madras high court order.

Part - B

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint Ventures

(Rs. In lakhs)

N C1 /n/	
Name of the associates/JV	Joint Venture
Latest Audited Balance Sheet Date	31.03.2017
Shares of Associate/JV held by the Company	Not Applicable
Extend of holding	200.00
Description of how they are significant influence	Voting power
Reason for why the associate/JV is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited B/s	290.88
Profit/Loss for the year	80.24
Considered in Consolidation	Yes
Not considered in consolidation	Not Applicable

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

Sd/- Sd/-R.V.Shekar R.Sanka

R.Sankaranarayanan Mallika Ravi

Chairman DIN: 00259129 Director DIN: 00172202 **Chief Executive Officer** 

Sd/-

Sd/-

Place : Chennai Date : 22 August 2017

Satya Ranjan Dhall Partner

Membership No.214046

Sd/-K. Prakash Chief Financial Officer Sd/-Dr. V. Rajesh Company Secretary

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

Annexure - G

# FORM NO. AOC.2 (Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

SI No.	Particulars	Details
Α	Name(s) of the related party and nature of relationship	
В	Nature of contracts/arrangements/transactions	
С	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any	
Е	Justification for entering into such contracts or arrangements or transactions	Not Applicable
F	Date of approval by the Board	
G	Amount paid as advances, if any	
Н	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

# 2. Details of material contracts or arrangement or transactions at arm's length basis

SI. No.	Particulars	Details				
А	Name(s) of the related party	Lancor Maintenance and Services Limited	Lancor Egatoor Development Limited	R.V. Shekar		
В	Nature of relationship	Subsidiary	Subsidiary	Control		
С	Nature of contracts/arrangements/transactions	Maintenance Charges Paid	Reimbursement Expenses	Interest Expenses		
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs.38,65,182	Rs.9,240	Rs.69,77,752		
Е	Duration of the contracts/arrangements/transactions	2016 -17	2016 -17	2016 -17		
F	Date(s) of approval by the Board, if any	Approved on Quarterly basis	Approved on Quarterly basis	Approved earlier		
G	Amount paid as advances, if any:	Nil	Nil	NIL		

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

Sd/-Sd/-

**S V VENKATESAN** 

R SANKARANARAYANAN

**Director Director** 

Place: Chennai Date: 22 August 2017 DIN: 00004010 DIN: 00172202

Annexure – H

#### REPORT ON CORPORATE GOVERNANCE

'Governance' refers to the way in which something is governed. The term 'Corporate Governance' refers the way in which companies are governed and to what purpose. It is concerned with practices and procedures for trying to ensure that a company is run in such a way that it achieves its mission and goals. It includes maximizing the wealth of the shareholders subject to various guidelines and constraints.

Guidelines and constraints include behaving in an ethical way and in compliance with laws and regulations.

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is complying with the mandatory requirements of the code of corporate governance introduced by the SEBI.

The Company 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 such as shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within the regulatory framework through transparency in all its dealings.

Members of the Board and key executives are periodically making disclosures to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company. The Board and top management conduct themselves, so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making. The Board was entrusted with the responsibility of ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Our Board has the ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.

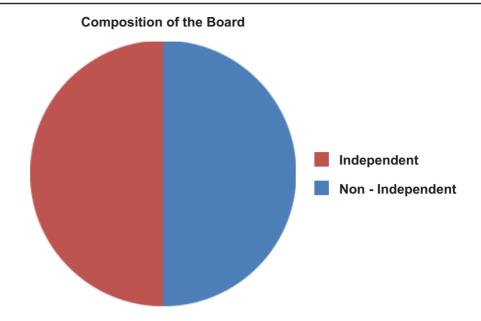
We comply with the Securities and Exchange Board of India (SEBI)'s guidelines and it's Regulations (Listing Obligation and Disclosure Requirement) Regulations 2015 on corporate governance and the Board periodically reviewing and monitoring the effectiveness of the Company's governance practices and making changes as needed.

# **Board diversity**

The Company recognizes the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board comprised of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

#### **Composition of Board of Directors**

The Company is managed by Mallika Ravi, Chief Executive Officer (CEO) who is a Key Managerial Personnel (KMP) under the direct control and supervision of the Board of Directors. The Board of Directors of the Company at present, having all non-executive Directors with one woman director in the Board.



#### **CHAIRMAN OF THE BOARD:**

The Chairman's responsibilities relate primarily to managing the board of directors, and ensuring that the board functions effectively. Our Chairman Mr. R.V. Shekar promote a culture of openness in the meetings of the board with the other members.

The Board of Directors of the Company comprises of Non – Executive Chairman and with other five Non-Executive Directors, including three Independent Directors.

The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company.

None of the Directors is a Member in more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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

#### Role of the Board of Directors:

The primary role of the Board is that of trusteeship to protect and enhance shareholder value by providing strategic directions to the company. As trustees, the Board has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders and stakeholders' value and their growth. The Board exercises its duties with care, skill and diligence and exercises independent judgments.

The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company managed in a manner that fulfills stakeholders' aspirations and societal expectations.

The Board of Directors meets at least four times a year, with maximum time gap of three months between any two meetings to review the quarterly results and other items in the agenda. Additional meetings were also held when necessary. It is pertinent to mentioned that during the reporting period the board has met eight times. Further, Policy formulation, evaluation of performance and control functions are vests with the Board.

#### **BOARD MEETINGS**

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 directorships / committee memberships held by them are as follows.

# Composition of the Board, and Directorships held as on 31st March 2017.

Name of the Directors	Title of Directors	No. of Board meetings in the year during respective tenure of Directors		Attendance of Last AGM	No. of Directorships held in the other companies	No. of Board committee memberships held in other companies
		Held	Attended			
Mr.R.V.Shekar	CNE	08	6	Yes	3	Nil
Mr. S.V.Venkatesan	NEI	08	6	Yes	10	Nil
Mr.R.Sankaranarayananan	NEI	08	7	Yes	3	Nil
Mr. T.P.Raman	NEI	08	4	NA	Nil	Nil
Mrs.Sangeetha Shekar	NENI	08 1		NA	Nil	Nil
Mr.S. Sridharan	NENI	08	6	Yes	3	Nil

CNE - Chairman and Non - Executive;

NEI - Non - Executive and Independent

NENI – Non – Executive and Non – Independent

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

Further the Board of Directors would like to inform the members that none of the Directors are disqualified to act as Directors of the Company or any other public Company under section 164 of the Companies Act 2013, read with rule 14 of the Companies (appointment and qualification of Directors) Rules, 2014.

The requisite information as prescribed under SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 placed before the Board from time to time and is provided as part of the agenda papers of the Board meeting and / or is placed during the course of the meeting.

The Board of Directors met 08 times in respect of which proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The board meetings held on following dates: 02.05.2016, 28.05.2016, 01.08.2016, 02.09.2016, 12.11.2016, 21.12.2016, 07.02.2017 & 20.03.2017.

The Annual General Meeting for the financial year ended 31<sup>st</sup> March 2016 was held on 29<sup>th</sup> September 2016 by giving due notice to the members of the Company and the resolutions passed there at were recorded in the minutes book maintained for the purpose.

#### Details of Shareholding of Directors as on March 31, 2017

S.NO.	NAME OF THE DIRECTORS	NO. OF EQUITY SHARES
1	Mr.R.V.Shekar	1,18,23,214
2	Mr. S.V.Venkatesan	Nil
3	Mr.R.Sankaranarayanan	1000
4	Mr. T.P.Raman	Nil
5	Mrs.Sangeetha Shekar	27,53,700
6	Mr.S. Sridharan	10,99,918 (These shares are held jointly by him and Mrs. Rajeshwari Sridharan w/o Mr. S. Sridharan –)

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 SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 with the stock exchange is forming part of the notice of the **Thirty-Second Annual general meeting** to the shareholders of the Company.

#### **Limit and tenure of Independent Directorships:**

As per the declaration furnished by the Independent Directors as on 31<sup>st</sup> March 2017, none of the Independent Director is serving as an Independent Director of more than **seven listed companies** and none of the Independent Director of the Company is presently serving as a whole time director in any listed Company.

Their tenure of appointment of Independent Directors is well within the maximum terms prescribed in the listing regulations.

# Letter of appointment to Independent Directors:

The Company was issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the letter of appointment along with the detailed profile of Independent Directors have been disclosed on the websites of the Company with due intimation to the Stock Exchanges within the prescribed time.

# Performance evaluation of Independent Directors:

The Board constantly evaluates the contribution of the members and periodically updates with the shareholders about their reappointment in consistent with applicable laws. One of the key functions of the Board is to monitor and review the Board evaluation framework. The criteria for evaluation of performance of Independent Directors have been laid down by the Nomination Committee and the same is annexed to the Annual Report.

The performance evaluation of Independent Directors has been done by the entire Board of Directors (excluding the Director being evaluated) at their meeting held on Tuesday, February 07, 2017.

## Separate meetings of the Independent Directors:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provision of schedule IV of the Companies Act, 2013 and the rules made there under, the Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting.

The Independent Directors at their meeting held on December 27, 2016. inter alia reviewed the following:

- 1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a Whole;
- 2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non Executive Directors.
- 3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting

#### Availability of Information to the Board Members

Adequate notice to all the Directors was given well in advance to schedule a Board Meetings, agenda and details note on agenda were sent at least seven days in advance to all the Directors. Board Meetings were held at the Registered Office of the Company. Additional meetings of the Board were held when deemed necessary by the Board. The minimum information as required under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 was being made available to the Board. The Board has unrestricted access to all companies' related information. At the Board meetings, Auditors, officers and senior management and representatives who can provide additional insight into the items being discussed are invited.

## **Training of Independent Directors:**

Though there are no new Independent Directors on the board appointed during the reporting period, the Company regularly provides updates on new developments such as GST, IndAS, RERA etc. which are required to discharge their duties.

#### **Stock Option**

The Independent Directors of the Company are not entitled to any stock option of the Company.

#### **Review of Compliances Report:**

The Board periodically reviews compliance reports of all laws applicable to the Company. Adequate systems and processes commensurate with the size and operations of the Company to monitor and compliance of all applicable laws, rules, regulations and guidelines are in place.

#### Replacement of Independent Directors removed or resigned:

During the year under review none of the Independent Director has resigned from the Board.

#### **Succession Plan**

Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 a succession plan is in place for orderly succession for appointments to the Board and to senior management to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

# **Familiarization Programme**

At the time of their appointment, the Independent Directors are appraised of their role, duties and responsibilities in the Company. A detailed letter of appointment is also issued which set-outs the expectations of the Company, the rights, powers and liabilities of the Independent Directors and the policies of the Company to be adhered by them.

Periodic presentations are made to the Independent Directors on the financial and operational performance of the Company, strategy and business plan, significant process improvements and material business developments among others. The Independent Directors are also regularly updated and informed about material regulatory and statutory developments affecting the Company. The details of familiarization programmes for the Independent Directors are also disclosed on the website of the Company at http://www.lancor.in/investors/.

#### Committees of the Board of Directors

In compliance with the requirements of the Listing Agreement and the Companies Act, 2013 and to have a focused attention on specific matters, the Board of Directors has constituted various committees herein under. These Committees are entrusted with such powers and functions as are detailed in their terms of reference.

- 1. Audit Committee
- 2. Stakeholders Relationship Committee
- 3. Nomination Remuneration and Governance Committee
- 4. Corporate Social Responsibility Committee and
- 5. Risk Management Committee

# 2. AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. It ensures the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. The terms of reference of the Audit Committee are broadly as follows:

- · Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- · Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (such as
  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
- · Review and monitor the auditor's independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of 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 control 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;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

There is no such occasion aroused where the Board had not accepted any recommendation of the Audit Committee. Minutes of each audit Committee meetings are placed before the Board for information.

#### **Powers of Audit Committee**

- 1. Investigate any activity within its terms of reference
- 2. Seek information from any employee
- 3. Obtain outside legal or other professional advice
- 4. Secure attendance of outsiders with relevant expertise, if it considers necessary

### **Review of information by the Audit Committee**

- 1. Management discussion and analysis of financial position and result of operations
- 2. Financial statements and draft audit report, including quarterly / half-yearly financial information
- 3. Reports relating to compliance with laws and to risk management
- 4. Records of related party transactions
- 5. Management letters / letters of internal control weaknesses issued by statutory / internal auditors and
- 6. The appointment, removal and terms of remuneration of the head of the internal audit function

# Meetings

As per Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 specifies that the audit Committee should have at least 3 members of which at least two third of the members should be independent. Further Section 177 of the Companies Act 2013, specifies that the Audit committee should comprise at least three Independent directors forming majority.

The Company is in compliance both with provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee met Four (04) times on 27/05/2016, 01/08/2016, 10/11/2016 and 07/02/2017 during the financial year 2016 -17. The quorum of the Committee is two Independent Members present or one third of the total members of the Committee, whichever is higher.

#### **COMPOSITION AND ATTENDANCE**

The Audit Committee of the Board consisting of three "Non-Executive & Independent Directors" as members as detailed below and all members of audit committee are financially literate and having accounting/ related financial management expertise all members has adequate financial and accounting knowledge. The Chairman of the Audit Committee is an Independent Director. Mr. R. Sankaranarayanan, Chairman of the Audit Committee was present at the Annual General Meeting held on September 29, 2016.

The Audit Committee met Four (04) times during the financial year, with maximum time gap of three months between any two meetings and the details of the number of meetings held and attendance record of the members are as follows.

Name of the Directors	No. of Meetings	
Name of the Directors	Held	Attended
Mr. R.Sankaranarayanan, Chairman	04	04
Mr. S.V.Venkatesan, Member	04	04
Mr. T.P.Raman, Member	04	02

## **Invitees**

Company Secretary is the Compliance Officer of the committee. The Chief Financial Officer and the Head of theInternal Audit Function along with the Statutory Auditors have attended all the Audit Committee Meetings held during the financial year 2016-17 in the capacity of invitees. The Chief Executive Officer is also invited to attend the Committee Meetings.

#### 3. STAKE HOLDERS RELATIONSHIP COMMITTEE

Your Company has constituted a Stake Holders Relationship Committee in line with the Regulation 20 SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 as amended read with section 178(5) of the Companies Act, 2013, comprising with the following members

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

Mr.R.Sankaranarayanan, Chairman of the Stake Holders Relationship Committee was present at the Annual General Meeting held on September 29, 2016. The Stakeholders Relationship Committee of the Board of Directors deals with stakeholder relations and security holders' grievances including matters related to transfer, split, consolidation, dematerialization and re-materialization of shares, non-receipt of annual report, non-receipt of declared dividend and such other issues as may be raised by the investors from time to time. It ensures that investor grievances / complaints / queries are redressed in a timely and effective manner and to the satisfaction of investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

#### **Terms of Reference**

- To look into requests for transfer and transmission of shares.
- To look into requests for the re-materialization of shares
- To issue Duplicate Share Certificate in lieu of the Original Share Certificate.
- To issue Split Share Certificate as requested by the member.
- To take all such steps as may be necessary in connection with the transfer, transmission, split and issue of Duplicate Share Certificate in lieu of the Original Share Certificate
- Stakeholder relations and redressal of security holders' grievances in general and relating to non receipt of dividends, interest, non receipt of annual report, etc. in particular.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a Committee.

The quorum for the Committee is any two members present at the meeting. The Stakeholders Relationship Committee has met from time to time to discuss and approve the related matters.

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

#### **Investor Grievances and Queries**

The gueries received and resolved to the satisfaction of investors during the year are as follows:

Particulars	Balance as on 01.04.2016	Received during the year	Resolved during the year	Balance as on 31.03.2017
Dematerialisation and Re-materialisation	-	-	-	-
SEBI SCORES Website	-	-	-	-
Registrar of Companies	-	-	-	-
Stock Exchange	-	-	-	-
Non-Receipt / Revalidation of Dividend Warrants	-	-	-	-
Miscellaneous *	-	-	-	-

<sup>\*</sup> Miscellaneous includes requests for copy of annual reports, request for transport facility to attend annual general meeting, queries on e-voting etc.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Your Company has constituted a Nomination and Remuneration Committee in line with the regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with section 178 of the Companies Act, 2013, under the Chairmanship of Mr.R.Sankaranarayanan. The committee consisting of three Independent Directors Mr.R.Sankaranarayanan, Mr. T.P.Raman and Mr.S.V.Venkatesan as members to decide the structure of the executive director's Remuneration.

Mr.R.Sankaranarayanan, Chairman of the Nomination and Remuneration committee was present at the Annual General Meeting held on September 29, 2016. The Nomination and Remuneration Committee of the Board of Directors recommends the nomination of Directors, carries out evaluation of performance of individual Directors, recommends remuneration policy for Directors, Key Managerial Personnel and other employees and also deals with the governance related matters of the Company. It oversees the implementation of the nomination, remuneration and governance policies of the Company, reviews the effectiveness of such policies from time to time and recommends revisions as and when deemed necessary or expedient.

#### **Terms of Reference**

- To identify, review, assess, recommend and lead the process for appointments of Executive, Non-Executive
  and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and
  composition, balance of skills, knowledge and experience of the Board and Board Committees and make
  recommendations to the Board or, where appropriate, the relevant committee with regard to any adjustments
  that are deemed necessary.
- 2. To formulate criteria for evaluation of Independent Directors and the Board;
- 3. To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor and evaluate the performance and effectiveness of the Board and Board Committees and the contribution of each director to the Company. The Committee shall also seek the views of executive Directors on the performance of non-executive Directors.
- 4. To devise a policy on Board diversity
- 5. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 6. To make recommendations to the Board on the following matters:
  - Re-appointment of any executive and non-executive director at the conclusion of their specified term of office.
  - b) Re-election by members of any director who are liable to retire by rotation as per the Company's Articles of Association
  - c) Any matters relating to the continuation in office of any director at any time.
- 7. To formulate a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- 8. To define and articulate the Company's overall corporate governance structures and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.
- 9. To receive reports, investigate, discuss and make recommendations in respect of breaches or suspected breaches of the Company's Code of Conduct.
- 10. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the code of conduct to employees and Directors.
- 11. To perform such functions as may be detailed in the Listing Agreement, Companies Act, 2013 and the relevant Rules made there under.

## Meeting and attendance during the year

The quorum for the meeting shall be any two members present at the meeting. The Nomination, Remuneration and Governance Committee has met on November 10, 2016 during the financial year 2016-17 and the details of the number of meetings held and attendance record of the members are as follows

Name of the Directors	No. of Meetings	
Name of the Directors	Held	Attended
Mr. R.Sankaranarayanan, Chairman	1	1
Mr.S.V.Venkatesan	1	1
Mr. T.P.Raman	1	1

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

#### **Remuneration of Executive Directors**

None of the Directors of the Company had drawn any remuneration other than sitting fee. The sitting fees paid to non executive Directors, was within the limits prescribed under the Companies Act, 2013.

Further, Mallika Ravi, Chief Executive Officer of the Company was discharging all responsibilities of the management subject to the direct control and supervision of the Board and she has been designated as Key Managerial Personnel (KMP) pursuant to the provisions of the Companies Act 2013.

#### Remuneration of Non - Executive Directors

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. During the reporting period, there was no any instance of pecuniary relationship or transactions of the non – executive directors vis – a – vis the company which need to be disclose in the annual report.

The details of remuneration paid to the Non – Executive directors for the FY 2016 -17 are as under:-

SI. No	Name of the Directors	Commission/ Incentives	Sitting fees (in Rs.)	Total (in Rs.)
01.	Mr. R. V. Shekar	-	60,000	60,000
02.	Mr. S.V. Venkatesan	-	82,500	82,500
03.	Mr. R. Sankaranarayanan	-	1,00,000	1,00,000
04.	Mr. T.P. Raman	-	55,000	55,000
05.	Mr. S. Sridharan	-	60,000	60,000
06.	Mrs. Sangeetha Shekar	-	-	-
	TOTAL	-	3,57,500	3,57,500

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors is entrusted with the responsibility of formulating and monitoring the Corporate Social Responsibility policy of the Company. The Corporate Social Responsibility Policy is available on the website of the Company at http://www.lancor.in/investors/

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 135 of the Companies Act, 2013 and relevant rules made there under:-

#### **Terms of Reference**

- 1. Formulation of Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company.
- 2. Recommend the amount of expenditure to be incurred on the aforesaid activities
- 3. Monitor the Corporate Social Responsibility policy of the Company from time to time
- 4. Prepare an annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report
- 5. Perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made there under and any other applicable legislation

The composition and attendance of the members of the Corporate Social Responsibility Committee are as Follows. The committee consists of three Independent Directors namely, Mr.R.Sankaranarayanan, Mr.T.P.Raman and Mr.S.V.Venkatesan. Mr.R.Sankaranarayanan, is the Chairman of the Committee.

#### Meetings

The quorum for the meeting shall be any two members present at the meeting. The Committee has met on February 07, 2017 during the financial year 2016-2017.

Name of the Directors	No. of Meetings	
Name of the Directors	Held	Attended
Mr. R.Sankaranarayanan	1	1
Mr.S.V.Venkatesan	1	1
Mr. T.P.Raman	1	1

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee.

#### 6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee had duly laid down the procedures to inform Board members about the risk assessment and minimization of risks. The roles and responsibilities of the Risk Management Committee are defined in the risk management policy enclosed to the Annual Report.

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

The Risk Management Committee of the Board of the Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the risk management systems of the Company.

#### Terms of Reference

- 1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
- 2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.
- 3. Receive reports from, review with, and provide feedback to Management on the categories of risk the Company faces including but not limited to credit, market, liquidity and operational risk, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and Management's views on the acceptable and appropriate levels of those risk exposures.
- 4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may adversely affect the business of the Company.

- 5. Oversee and monitor management's documentation of the material risks that the Company faces and update as events change and risks shift.
- 6. Review reports on any material breach of risk limits and the adequacy of the proposed actions undertaken.
- 7. In consultation with the Audit Committee, review and discuss with Management:
  - a. the key guidelines and policies governing Company's significant processes for risk assessment and risk management; and
  - b. Company's major risk exposures and the steps Management has taken to monitor and control such exposures.
- 8. Report the proceedings of the Committee to the Board or the Audit Committee of the Board at its regular meetings on all matters which fall within its terms of reference.
- 9. Recommend to the Board or the Audit Committee of the Board as it deems appropriate on any area within its terms of reference where an action or improvement is needed.
- 10. Review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Company Secretary and Compliance Officer of the Company, acted as the secretary to the Committee. However pursuant to reg. 21(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 the requirement of constitution of Risk Management Committee for your company is excluded.

#### **DISCLOSURES**

## **Related Party Transactions**

In terms of Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Board of Directors has formulated a Policy on materiality on Related Party Transactions and also dealing with Related Party Transactions which can accessed from the website of the Company at http://www.lancor.in/investors/. All the related party transactions are periodically placed before the Audit Committee for the approval. The disclosure of related party transactions is part of the Notes to Accounts section of the Annual Report.

# **Subsidiary Monitoring Framework**

As on 31<sup>st</sup> March 2017, the Company has two subsidiaries viz., Lancor Egatoor Developments Limited, Lancor Maintenance & Services Limited and a Joint Venture Entity viz., Central Park West Venture. All Subsidiary Companies of the Company are managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. Wherever applicable, Non Executive and Independent Directors of the Company are nominated and inducted in to the Board of Material unlisted Indian Subsidiary Company.

The Company monitors performance of subsidiary companies inter alia, by the following means;

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

As required under Regulations 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries and the said policy has disclosed in the Company's website and is available at http://www.lancor.in/investors.

During the year 2016-17 the Company has not disposed of any shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise control over the subsidiary which require approval of the shareholders by way of special resolution.

Except in the ordinary course of business, the Company during the FY 2016-17 has not sold, disposed and leased of assets amounting to more than twenty percent of the assets of the material subsidiary which require prior approval of shareholders by way of special resolution.

Pursuant to the scheme of amalgamation as approved by Hon'ble High Court of Judicature at Madras, vide its Order dated 03.01.2017, Lancor Guduvanchery Developments Limited and Lancor Sriperumbudur Developments Limited were merged with the Company w.e.f 28.02.2017.

#### **CODE OF CONDUCT**

Your 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 http://www.lancor.in/investors. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31<sup>st</sup> March, 2017. A declaration to this effect signed by Mallika Ravi, Chief Executive Officer, of the Company forms part of this report.

# Confirmation of the Code of Conduct by Chief Executive Officer

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2017, received from the Senior Management Personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Name: Mallika Ravi

Designation: Chief Executive Officer

Place: Chennai Date: 22 August 2017

## Code of Conduct for Prevention of Insider Trading

The Company had earlier adopted a Code of Conduct for Prevention of Insider Trading in terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992. In view of the enactment of SEBI (Prohibition of Insider Trading) Regulations 2015, the Board of Directors of the Company has adopted a new Code of Conduct for Prevention of Insider Trading at its meeting held on 07.05.2015. This code is applicable to all Promoters, Directors, Key Managerial Personnel and Designated Persons. The new Code is available on the website of the Company at http://www.lancor.in/investors.

# Vigil Mechanism/ Whistle Blower Policy:

The Risk Management Committee/Audit Committee at its meeting held on March 30, 2015, has approved an Whistle Blower Policy that provides a formal mechanism for all stakeholders, Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy which also covered as per the requirement of Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015. Under the Policy, each employee of the Company has an assured access to the Chairman of the Audit Committee.

#### Compliances

There has been no occurrence of non-compliance of any legal requirements nor has there been any restriction imposed by any stock exchange, SEBI, on any matter relating to the capital market. The Company has complied with the requirements of the stock exchanges / SEBI / any other statutory authority on all matters related to capital markets. There are no material penalties or strictures imposed on the Company by the stock exchanges / SEBI / any other statutory authority relating to the above.

## **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Annual Report. It includes among others a discussion on the following matters:

- Industry structure and developments
- Risks and concerns
- Discussion on financial performance, with respect to operational performance.

#### **CEO / CFO Certificate**

The Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of the Annual Report.

#### **Remuneration to Statutory Auditors**

During the financial year 2016-2017, the details of the fees paid to the Statutory Auditors of the Company are as follows:

#### (In Rupees)

Audit fees [includes fees for quarterly reviews]	16,19,500
Other services	1,77,500
Out of pocket expenses	Nil
Total (excluding service tax)	17,97,000

#### **Compliance of Non-Mandatory Requirements**

SEBI (Listing Obligation and Disclosures Regulations) 2015, states that non-mandatory requirements may be implemented as per the Company's discretion. However, disclosures on compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements is as follows:

#### The Board

The Chairman of the Board of Directors is a Non Executive Director and no separate office has been provided to him.

#### **Shareholders Rights**

The half-yearly declarations of financial performance together with the summary of significant events are not individually disseminated to the shareholders. However, the information on financial and business performance is updated in the 'Investors' section of the Company's website, www.lancor.in on a quarterly basis.

#### **Audit Qualifications**

The audited financial statements of the Company for the financial year 2016-2017 do not contain any qualification and the Audit Report does not contain any adverse remarks.

# **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

# Statutory Compliance, Penalties & Strictures:

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets during the last three years:- Nil

# 7. COMPANY INFORMATION

# **GENERAL BODY MEETINGS**

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

Financial Year	Venue	Date & Time	Special Resolutions
2015 – 2016	<b>Quality Inn Sabari,</b> 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	September 29, 2016 @ 3.00 p.m	Nil
2014 – 2015	<b>Quality Inn Sabari,</b> 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	September 28, 2015 @ 2.30 p.m.	Nil
2013 – 2014	<b>Quality Inn Sabari,</b> 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017	December 26, 2014 @ 2.30 p.m.	Nil

# **Extraordinary General Meeting**

No Extraordinary General Meeting was held during the financial years 2014-2015, 2015 -16 and 2016 -17

# **POSTAL BALLOT AND E-VOTING**

During the reporting financial year, no resolutions have been passed through postal ballot .

#### **DISCLOSURES:**

# Disclosure of materially significant related party transactions

The details of the transactions with related parties or concerns, 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 2016-2017 have been given in Note 4.09 of the Notes to accounts to the Annual financial statement. There were no other transactions of material had been entered into by the Company with related parties that had potential conflict nature with the interest of the Company at large in the financial year ended 2016-2017.

#### **Disclosure of Accounting Treatment**

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

#### Disclosure to the shareholders:

As per the requirement of section 152(6) of the Companies Act, 2013, the Mrs. Sangeetha Shekar, Director of the Company is liable to retire by rotation and eligible for reappointment.

#### **COMPLIANCE OFFICER**

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

#### 8. MEANS OF COMMUNICATION:

1	The Company has designated a separate E-mail ID for investor servicing.	Investor Servicing compsecy@lancor.in
2	Stock exchange intimations are submitted to BSE through BSE Listing Centre. These results, inter alia are promptly submitted to the Stock Exchanges to enable them display the same on their website.	BSE Listing Centre
3	The quarterly, half-yearly and annual results are published in Trinity Mirror, Makkal Kural , regional language newspaper where the registered office of the Company is situated.	Financial Results
4	All vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations are regularly posted on the website www.lancor.in. The 'Investors' section provides comprehensive and up-to-date information to the shareholders on matters such as shareholding pattern, outcome of Board and general meetings, stock performance, unclaimed equity shares, unclaimed dividend, investor presentations etc.	Website http://www.lancor.in
5	The presentations made to institutional investors or to the analysts:	No Presentations made to institutional investors or to the analysts during the period under review
6	SEBI has initiated Scores for processing the investors' complaints in a centralized web based redress systems and online redressal of all the stakeholders' complaints. No shareholders complaint have been received through scores during the financial year	SEBI complaints Redressal System (SCORES)

# **Recommendation of Dividend and Dividend Payment Date**

The Board of Directors has recommended a dividend of Re.0.20 for each equity share of Rs.2/-(face value) which is subject to the approval of the members in the ensuing Annual General Meeting. In terms of Section 123 of the Companies Act, 2013, the dividend amount will be deposited in a separate bank account within 5 days from the date of Annual General Meeting and will be paid to the shareholders within the prescribed time.

# **Dividend History**

The dividends declared by the Company post listing of its equity shares on BSE are as follows:

Financial Year	Rate of Dividend (In%)	Dividend per Share (In Rupee/s)
2006-2007	10	0.20
2007-2008	50	1
2008-2009	50	1
2009-2010	100	2
2010-2011	100	2
2011-2012	100	2
2012-2013	100	2
2013-2014	100	2
2014-2015	100	2
2015 -2016	50	1

#### 9. GENERAL SHAREHOLDER'S INFORMATION

Financial calendar (Tentative)

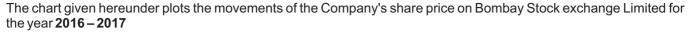
Financial Year	April 01, 2017 to March 31, 2018	
Calendar of Board meetings for the financial year (Tentative and subject to change)	August 22, 2017	
First Quarter Result (Qtr ending June 30,2017)	Sept 10, 2017	
Second Quarter Result (Qtr ending September 30,2017)	November 10, 2017	
Third Quarter Result (Qtr ending December 31,2017)	February 10, 2018	
Fourth Quarter Result (Qtr ending March 31,2018)	May 10, 2018	
Date of Book Closure	10 days, which includes 8 days prior and 2 days post proposed day of publishing results.	
32 <sup>nd</sup> ANNUAL GENERAL MEETING		
Date 22nd September,2017		
Day	Friday	
Time	2.30 pm	
Venue	Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai – 600 017	
Dividend Payment Date	Within 30 days from the date of Annual General Meeting	
Stock code	509048	

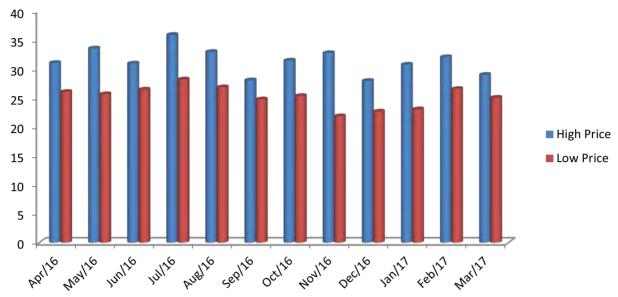
Listing at	The Company's securities are listed with BSE Exchange Limited, Mumbai and it has paid the respective annual listing fees up-to-date and there are no arrears.  There is no share of the Company which remains unclaimed and lying in the escrow account.
DEMAT ISIN	INE572G01025
Listing fee	Annual listing fee for the year 2016 – 2017 has been duly paid to the exchange
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	As on March 31, 2017 the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible instruments,
Reconciliation of Share Capital Audit	In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, reconciliation of Share Capital Audit is conducted every quarter by Mr. Rabi Narayan Pal, Partner, Rabi Narayan & Associates, Company Secretaries reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and the report is forwarded to the Stock Exchanges where the shares of the Company are listed.
Custodial Fees	The Company has paid custodial fees for the year 2016- 17 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them. The custodial fees for the year 2017-18 to NSDL and CDSL will be paid upon demand.
Proceeds from public / rights / preferential issues, etc.,	The Company does not have any unutilized money raised through Public / Rights / Preferential Issues, etc.

# **STOCK PRICE MOVEMENT**

Stock market data for the period of April 01, 2016 to March 31, 2017 and graphical representation of volume of shares traded at BSE for the year 2016 – 2017.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr-16	27.7	31	26	28.25	107879	340	3004202
May-16	29	33.5	25.6	28.6	282039	822	8656263
Jun-16	27.05	30.9	26.4	29.65	272582	696	7746420
Jul-16	28.9	35.85	28.15	30.15	435944	1561	14010410
Aug-16	31	32.9	26.8	27.9	869515	1512	25592965
Sep-16	27.9	28	24.7	25.45	486972	1524	12990855
Oct-16	25.3	31.4	25.3	29.1	484683	1298	13661626
Nov-16	30	32.7	21.8	26.45	495595	1732	13647909
Dec-16	26.5	27.9	22.6	23.05	172540	778	4193595
Jan-17	23.1	30.7	23	26.9	465223	1783	13064133
Feb-17	28	32	26.5	26.6	319754	1036	9011408
Mar-17	27.85	28.95	25	27.6	629399	1363	16545475





# **DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Equity shares of the Company are made available for dematerialisation under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialised upto March 31, 2017 are as under:

S.No.	Particulars	No. of Shares	% of total issued capital
1	Listed Capital	4,05,00,000	100.00
2	Held in Dematerialisation form – NSDL	3,50,77,565	86.61
3	Held in Dematerialisation form – CDSL	52,08,365	12.86
4	Physical shares	2,14,070	0.53
	Total number of shares	4,05,00,000	100.00

Considering the advantage of dealing in shares in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialize their shares at the earliest. For further information clarification/ assistance in this regard, please contact **M/s.Cameo Corporate Services Limited**, the Registrar and Share Transfer Agent or the Company Secretary, Lancor Holdings Limited. As per the directions of SEBI, equity shares of the Company can be traded by all the investors only in dematerilised form. The Company's shares are actively traded on BSE Limited.

# REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Registrar and Share Transfer Agents as detailed bellow: 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

Mr.R.D.Ramasamy, Director

M/s.Cameo Corporate Services Limited, Subramanian Buildings

No.1, Club House Road, Chennai 600 002,

Phone No.044-28460390-94. Fax No.28460129.

Email: investor@cameoindia.com

#### SHARE TRANSFER SYSTEM

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

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

# DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

Share holding	No. of Cases	% of Cases	Total Shares	Amount (In Rupees)	% of Amount
2 - 5000	3144	85.48	1413649	2827298	3.50
5001 - 10000	201	5.46	755088	1510176	1.86
10001 - 20000	139	3.77	1054203	2108406	2.60
20001 - 30000	45	1.22	550952	1101904	1.36
30001 - 40000	37	1.01	674380	1348760	1.66
40001 - 50000	22	0.61	505501	1011002	1.25
50001 - 100000	37	1.01	1352806	2705612	3.34
100001 - And Above	53	1.44	34193421	68386842	84.43
Total	3678	100	40500000	81000000	100

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

# CATEGORIES OF SHAREHOLDINGS AS ON MARCH 31, 2017

SI. No.	Category of Shareholders	No. of Shares held	Percentage of holdings
1.	Promoters	25141664	62.08
2.	Foreign Institutional Investors / Mutual Funds	-	-
3.	Body Corporate	2542334	6.27
4.	Individual shareholders holding nominal share capital upto Rs.2 lakh	6134115	15.15
5.	Individual shareholders holding nominal share capital excess of Rs.2 lakh	5217580	12.88
6.	Clearing Members	64574	0.16
7.	Hindu Undivided Family	678647	1.68
8.	Non Resident Indians	721086	1.78
	Total	4,05,00,000	100.00

# **MAJOR SHAREHOLDERS**

Details of shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2017 are given below:

Name of the Shareholder	No. of Shares	Percentage of Paid up capital	Category
Mr.R.V.Shekar	1,18,23,214	29.19	Promoter
Mrs.Shyamala Shekar	78,11,150	19.29	Promoter
Mrs.Sangeetha Shekar	27,53,700	6.80	Promoter
Mrs.Swetha Shekar	27,53,600	6.80	Promoter
Mr.Rajasekhar Swaminathan Iyer	17,43,382	2.97	Public
Mrs.Rajeswari Sridharan	10,99,918	2.72	Public
Mr.Rajiv Chesetty	4,28,518	1.05	Public
Mr.Girish Gulati H.U.F	4,05,238	1.01	Public

# **Share capital History**

Date of Issue	No of Shares Issued	Issue Price (in Rs.)	Type of Issue (IPO/FPO/Preferential Issue/Scheme/Bonus/Rights, etc.,)	Cumulative Capital (No. of shares)	Whether Listed, if not listed give reasons thereof
04.01.1985	2,00,000	10.00	IPO	2,00,000	Listed
15.05.1995	6,00,000	10.00	Allotment of Bonus Shares in the ratio of 3:1	8,00,000	Listed
25.10.1996	24,00,000	10.00	Allotment of Bonus Shares in the ratio of 3:1	32,00,000	Listed
29.09.2007	8,50,000	10.00	Issue of shares consequent to the Merger of Lancor G:Corp Properties Limited with the Company	40,50,000	Listed
03.12.2007	2,02,50,000	2.00	Split of shares of Rs.10/- each, subdivided into shares of Rs.2/- each	2,02,50,000	Listed
25.06.2015	2,02,50,000	2.00	Allotment of Bonus Shares in the ratio of 1:1	4,05,00,000	Listed

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

Members who have not encashed their dividend warrants yet for the previous years are advised to forward such warrants to the Company for revalidation. Pursuant to the provision of Section 125(2) of the Companies Act 2013, dividend, which remains unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government.

During the financial year 2016 – 17, the Company was required to transfer a sum of Rs.207,998/- (Rupees Two Lakh Seven Thousand Nine Hundred and Ninety Eight only) to the Investor Education and Protection Fund, pertaining to the dividends declared in the Annual General Meeting held on 29.09.2009 for the FY 2008 - 2009 and which was lying unclaimed for a period of seven years from the date they became due for payment. The Company has transferred an amount of Rs.207,998/- (Rupees Two Lakh Seven Thousand Nine Hundred and Ninety Eight only) to the Investor Education and Protection Fund on November 21, 2016, which is within the time limits prescribed under the Companies Act, 1956/2013.

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
2008 – 2009	29.09.2009	03.10.2009	02.10.2016
2009 – 2010	15.01.2010	18.01.2010	17.01.2017
2009 – 2010	23.07.2010	26.07.2010	25.07.2017
2010 – 2011	29.07.2011	03.08.2011	02.08.2018
2011 – 2012	27.07.2012	31.07.2012	30.07.2019
2012 – 2013	11.09.2013	12.09.2013	12.09.2020
2013 – 2014	26.12.2014	27.12.2014	27.12.2021
2014 – 2015	28.09.2015	27.09.2015	27.09.2022
2015 – 2016	29.09.2016	03.09.2016	28.09.2023

As required under section 124(2) of the Companies Act, 2013 a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person has been placed on the website of the Company within a period of ninety days of making transfer to the Unpaid Dividend Account.

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. Members who have so far not encashed the dividend warrant(s) are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an email to compsecy@lancor.in

# **Unclaimed Equity Shares**

Pursuant to Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 there are no any unclaimed equity shares and however the Company has already opened a Separate Account (viz., **Unclaimed Suspense Account**) henceforth any such unclaimed equity share shall be automatically transferred to an "**Unclaimed Suspense Account**" opened by the Company for the purpose and the equity shares lying therein shall be dematerialized with a Depository Participant. The voting rights of such equity shares remain frozen till the rightful owner claims the shares.

# **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**

In the matter of Arbitration between the Menons and the Company, the Sole Arbitrator Justice (Retd.) Mr. K. P. Sivasubramaniam has passed the award on 16.03.2016. The award of the Arbitrator had inter- alia cancelled the Sale deeds registered on 19.12.2008 in favour of the Company, in respect of 50% of undivided share of land.

Pursuant the said order, the Company had challenged the award in the Hon'ble high court of Madras, by filling a Section 34 application under Arbitration and Conciliation Act 1996.

The single bench of the Hon'ble High court of Madras by its judgement delivered on December 23, 2016, set aside the Award of the Arbitrator, with regard to the invalidation of the Sale deeds and hence confirmed the title in favour of the Company. Subsequently, the land owners have gone on an appeal before the division bench in the Hon'ble High Court of Madras which is being contested by the Company. In the meanwhile, the Company has also filed cross objection on certain matters.

# **Address for Communication**

For queries relating to Financial Statements	For any other queries		
Mr. K.Prakash	Dr. V. Rajesh		
Chief Financial Officer	Company Secretary & Compliance Officer		
LANCOR HOLDINGS LIMITED	LANCOR HOLDINGS LIMITED		
VTN Square, 58, G N Chetty Road	VTN Square, 58, G N Chetty Road		
T.Nagar, Chennai – 600 017	T.Nagar, Chennai – 600 017		
Phone: 044-28345880 - 84	Phone: 044-28345880 – 84		
Mobile: +91 9962572908	Mobile: +91 9962009565		
Fax : 044-2834 5885	Fax : 044-2834 5885		
Email: kprakash@lancor.in	Email : compsecy@lancor.in		
Website : www.lancor.in	Website : www.lancor.in		

Investors may please use compsecy@lancor.in as email id for redressal of investor request / complaint.

Annexure - I

#### **CEO AND CFO CERTIFICATION**

The Board of Directors Lancor Holdings Limited Chennai

Dear Members of the Board.

We, Mallika Ravi, Chief Executive Officer and K. Prakash, Chief Financial Officer of Lancor Holdings Limited, to the best of our knowledge and belief, certify that:

- 1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
- 2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- 3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at and for, the periods presented in the report, and are in compliance with the existing accounting standards and /or applicable laws and regulations.
- 4. There are no transactions entered into by the Company during the year that are fraudulent, illegal, or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit Committee of the Board of Directors.
- 5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designated such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes if any, in the Company's internal control financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting.
- 6. We have disclosed, based on our most recent evaluation of the Company's Internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):

**Date :22 August 2017** 

- a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- b. Any significant changes in internal controls during the year covered by this report.
- c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
- d. Any instances of significant fraud of which we are aware, that involve the Management of other employees who have a significant role in the Company's internal control system.
- 7. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of the matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sd/-MALLIKA RAVI CHIEF EXECUTIVE OFFICER Sd/-K. PRAKASH CHIEF FINANCIAL OFFICER

Annexure – J

#### COMPLIANCE CERIFICATE ON CORPORATE GOVERNANCE

## To the Members of Lancor Holding Limited

We have examined the compliance of condition of corporate governance by LANCOR HOLDINGS LIMITED, for the year ended on March 31, 2017 as per the regulation 15(2) of Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) 2015.

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

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

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

For, Rabi Narayan & Associates

Place: Chennai Date: 22 August 2017

> V.S.SOWRIRAJAN Company Secretary FCS 2368/CP6482

Sd/-

#### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF LANCOR HOLDINGS LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Lancor Holdings Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rule of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

# **Emphasis of Matter**

- a) We draw your attention to note no.4.04 (b) to the audited standalone financial statement relating to circumstances which have been considered for determining the period for capitalization of borrowing cost.
- b) We draw attention to note no. 4.12 (a) regarding pending litigation to one of the Commercial Property accounted as property, plant and equipment having carrying value of Rs.35,63,60,987/-

Our report is not qualified in respect of the above matters.

Chennai

#### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to the separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement. Refer note number 4.12 to the financial statement.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and relying on the management's representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note no, 2.17 in the financial statements.

For G. M. Kapadia & Co. Chartered Accountants (Firm Registration No.104767W)

Satya Ranjan Dhall

Partner

Dated: May 29, 2017 (Membership No. 214046)

#### ANNEXURE 'A' TO THE AUDITOR'S RPEORT

#### Referred to in Paragraph 3 of our report of even date

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per the plan and programme of the management fixed assets have been physically verified. The programme of physical verification of fixed assets in our opinion is considered reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification. As regards capital work-in-progress, the same will be verified by the management on completion of assets.
  - (c) The title deeds of the Immovable Properties classified under the head Fixed assets are held in the name of the Company. However in one case, with respect to a commercial property having gross block value Rs.48,41,55,745/- & net block value Rs. 35,63,60,987/- as on March 31, 2017, the dispute with the landowner relating to the land on which the property is situated, the single bench of the Hon'ble High Court of Madras has set aside the invalidation of the sale deed. Subsequently, the landowners have filed an appeal before the division bench of Hon'ble High court of Madras and the matter is pending. We refer to the note no. 4.12 (a) regarding this matter.
- ii. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and adequate in relation to the size of the company and to nature of its business. We have been informed that no material discrepancies were noticed on verification between the physical stocks and the book of accounts.
- iii. The Company has granted unsecured loans to One firm covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a) In our opinion and according to the information and explanation provided to us, the terms and conditions of on which the loan has been granted are not prima facie prejudicial to the interest of the Company.
  - b) In the case of the firm, as per the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of principal and interest amount wherever applicable does not arise.
  - c) As stated in sub clause (b), as no repayment schedule has been specified, the question of total amount over due for more than 90 days and reasonable step taken for recovery in this regard does not arise.
- iv. In our opinion and according to the information and explanation provided to us, in respect to loans, investments, guarantees and securities, provisions of section 185 and 186 of the Companies Act, 2013 has been complied with.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. 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 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. a) Based on the record produced to us, the Company has generally been regular in depositing with the appropriate authorities undisputed dues, including provident fund, employees' state insurance, incometax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, duty of customs, duty of excise, value added tax or cess except for service tax, interest on service tax and penalty as on March 31, 2017.

S.No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs.)
1	Finance Act, 1994	Penalty and Interest on Service Tax	February 2009 to June 2009	Customs, Excise and Service tax Appellate Tribunal	Not Yet Determined
2	Finance Act, 1994	Service Tax	October 2007 to August 2009	Customs, Excise and Service tax Appellate Tribunal	1,56,10,334 (Note -1)

#### Note – 1: The amount is excluding interest and penalty

- viii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not received any loan from Government and also has not issued any debenture. Accordingly reporting relating to default in repayment of dues to Government and debenture holders does not arise.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans obtained have been applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not paid any managerial remuneration. Accordingly the reporting regarding compliance with the provision of section 197 read with schedule V of the Companies Act 2013 does not arise.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanation provided to us and in our opinion, the related party transactions are entered in to by the Company are in compliance with section 177 and section 188 of the Companies Act, 2013 and the same has been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly the paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanation provided to us and based on the examination of the books of account, the Company has not entered in to any non- cash transaction with the director or person connected with him. Accordingly the paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. As per the information and explanation provided to us, the Company is not required to register u/s 45-IA of the Reserve Bank of India Act, 1934.

For G.M.Kapadia & Co. Chartered Accountants (Firm Registration No.104767W)

> Satya Ranjan Dhall Partner (Membership No. 214046)

Chennai Dated: May 29, 2017

#### Annexure 'B' to the Independent Auditor's Report

Referred to paragraph 2(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **Lancor Holdings Limited** (the "Company") as of March 31<sup>st</sup> 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and the Standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on the company's internal financial control over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. M. Kapadia & Co. Chartered Accountants (Firm Registration No.104767W)

> Satya Ranjan Dhall Partner (Membership No. 214046)

Chennai Dated: May 29, 2017

#### Lancor Holdings Limited Balance Sheet as at March 31, 2017

		ι υ	ıres in Indian Currency)	
	Notes_	As at March 31,	As at March 31,	
		2017	2016	
Equity and liabilities				
Shareholders' funds				
Share capital	2.01	81,000,000	81,000,000	
Reserves and surplus	2.02	1,37,79,30,073	1,253,627,223	
		1,45,89,30,073	1,334,627,223	
Non-current liabilities				
Long-term borrowings	2.03	19,02,50,639	817,215,731	
Trade payables	2.04	70,40,081	26,594,356	
Other long-term liabilities	2.04	52,48,200	141,494,643	
Long-term provisions	2.05	58,72,740	71,33,066	
		20,84,11,660	99,24,37,795	
Current liabilities				
Short-term borrowings	2.06	79,82,51,659	64,07,50,137	
Trade payables				
(A)Total outstanding dues of micro enterprises and small enterprises;		21,88,355	43,47,551	
(B)Total outstanding dues of creditors other than micro enterprises and				
small enterprises	2.07	6,13,65,533	8,11,29,315	
Other current liabilities	2.07	60,91,92,416	27,92,14,733	
Short-term provisions	2.05	3,21,64,871	4,92,43,491	
		1,50,31,62,834	1,05,46,85,227	
Total	<u>_</u>	3,17,05,04,567	3,38,17,50,245	
Assets				
Non-current assets				
Fixed assets				
Tangible assets	2.08	42,99,60,325	80,92,80,884	
Intangible assets	2.09	20,200	56,000	
Capital Work-in-Progress	2.12	3,36,60,199	31,91,37,044	
Non-current investments	2.10	2,40,79,313	2,50,79,313	
Deferred tax assets (net)	2.11	13,88,316	4,73,011	
Long-term loans and advances	2.13	38,03,817	31,36,798	
Other Non Current Assets	2.15	30,00,000	3,000,000	
		49,59,12,170	1,16,01,63,049	
Current assets				
Inventories	2.16	2,48,43,54,973	1,64,06,21,393	
Trade receivables	2.14	2,47,87,141	11,83,76,802	
Cash and bank balances	2.17	6,52,16,198	75,36,883	
Short-term loans and advances	2.13	7,90,50,763	43,50,23,517	
Other current assets	2.15	2,11,83,322	2,00,28,602	
		2,67,45,92,397	2,22,15,87,196	
Total		3,17,05,04,567	3,38,17,50,245	
Summary of significant accounting policies	1			

As per our report of even date attached

For G. M. Kapadia & Co.

For and on behalf of the Board of Directors

**Chartered Accountants** Firm Reg No.104767 W

Sd/-Sd/-Sd/-Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi Chief Executive Officer

Partner Chairman Director

Membership No. 214046

Sd/-Sd/-

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

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

# Lancor Holdings Limited Statement of Profit & Loss for the year ended March 31, 2017

(Figures in Indian Currency)

		(Figures in	n Indian Currency)
	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations			
Income			
Revenue from operations	3.01	78,53,28,717	82,81,80,353
Share of profit / (loss) from investment in partnership firm	4.07	8,02,481	(20,48,362)
Other income	3.02	95,13,510	1,36,16,613
Total Revenue	<del></del>	79,56,44,708	83,97,48,604
Expenses			
Land and land related expenses		4,78,13,870	1,10,000
Purchase of constructed premises		-	3,45,38,400
Cost of materials and construction expenses	3.03	13,25,35,355	36,20,48,292
Changes in inventories of constructed premies, work-in-progress &	3.04	8,06,70,603	1,408,376
construction material	3.04		
Employee benefits expense	3.05	4,60,90,100	4,82,38,621
Depreciation and amortization expense	3.06	2,10,34,240	2,34,47,823
Finance costs	3.07	20,78,57,636	16,16,20,160
Other expenses	3.08	7,38,48,158	8,86,44,682
Total Expenses	_	60,98,49,962	72,00,56,354
Profit/(loss) before Exceptional, Extraordinary items, prior period items and tax		18,57,94,746	119,692,250
Prior Period item		-	-
Profit/(loss) before Exceptional, Extraordinary items and Tax Exceptional items		18,57,94,746	119,692,250 -
Profit / (loss) before Extraordinary items and Tax		18,57,94,746	119,692,250
Extraordinary items		-	-
Profit / (loss) before tax		18,57,94,746	119,692,250
Tax expenses			
Current tax		3,88,47,208	3,39,79,256
Less: MAT Credit		(3,88,47,208)	-
Deferred tax		14,25,917	33,27,770
(Excess) / Short Provision for Tax of earlier years		(18,51,699)	(1,91,29,569)
Profit / (loss) for the year from continuing operations	_	18,62,20,529	10,15,14,793
Earnings per equity share (Nominal Value of share Rs. 2 each)  Basic & Diluted  Computed on the basis of profit from continuing and total operations	4.02	4.60	2.51
Computed on the basis of profit from continuing and total operations	4.02	4.00	2.51
Significant accounting policies  The accompanying notes are an integral part of the financial statements.	1		

As per our report of even date attached

For G. M. Kapadia & Co. For and on behalf of the Board of Directors

Chartered Accountants Firm Reg No.104767 W

Sd/- Sd/- Sd/- Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi Partner Chairman Director Chief Executive Officer

Partner Chairman Director Membership No. 214046

Sd/- Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh
Place: Chennai Chief Financial Officer Company Secretary

# Lancor Holdings Limited Cash Flow Statement for the year ended March 31, 2017

<u>-</u>	(Figures in Indian Current		
	Year ended	Year ended	
-	<u>March 31,</u> 2017	<u>March 31,</u> 2016	
Cash flow from operating activities	2017		
•	10 57 04 746	11 06 02 250	
Profit Before Tax from Continuing Operations  Profit Before Tax	18,57,94,746 <b>18,57,94,746</b>	11,96,92,250 11,96,92,250	
Profit before tax	10,57,94,740	11,90,92,230	
Non-cash Adjustment to Profit Before Tax:			
Provision for dimunition in value of investment	_	2,22,462	
Depreciation/amortization on continuing operation	2,10,34,240	2,34,47,823	
Sundry balances written (back)/off	(29,79,251)	(27,70,755)	
Provision for Gratuity	18,16,162	(20,29,441)	
Profit on sale of fixed assets	(29,54,74,591)	(142,692)	
Share of (profit)/loss from investment in partnership firm	8,02,481	2,048,362	
Interest expense	9,37,03,969	5,71,90,763	
Interest income	(14,99,935)	(1,06,10,548)	
Dividend income	(39,66,512)	-	
Operating profit before working capital changes	(7,68,690)	18,70,48,224	
Movements in working capital:			
Increase/(decrease) in trade payables	(5,81,81,368)	(1,62,28,708)	
Increase/(decrease) in provisions	(30,76,359)	1,74,09,915	
Increase/(decrease)in other liabilities	(21,35,75,777)	90,16,455	
Decrease/(increase) in trade receivables	9,85,31,367	(11,42,54,456)	
Decrease/(increase) in inventories	19,48,24,271	11,98,61,750	
Decrease/(increase) in loans and advances	2,35,57,640	(18,78,69,446)	
Decrease/(increase) in other current assets	(11,54,721)	(1,41,17,711)	
Cash generated from/(used in) operations	4,01,56,363	8,66,022	
Direct taxes paid (net of refunds)	(1,88,93,353)	(4,65,55,002)	
Net cash flow from/(used in) operating activities (A)	2,12,63,010	(4,56,88,980)	
Cash flow from investing activities			
Purchase of fixed assets, including intangible assets, CWIP	(9,46,980)	(1,79,22,869)	
and capital advances	(0,10,000)	(1,10,22,000)	
Proceeds from sale of fixed assets	79,86,86,185	7,76,500	
Purchase of investments	(57,50,28,400)	-	
Sale of investments	57,50,28,400	-	
Interest received	14,99,935	1,06,10,548	
Dividends received	39,66,512		
Net cash flow from/(used in) investing activities (B)	80,32,05,652	(65,35,821)	

Cash flow from financing activities		
Proceeds from borrowings	1,62,55,31,856	86,46,66,388
Repayment of borrowings	(2,13,84,03,414)	(56,49,59,785)
Interest paid	(21,01,93,646)	(21,39,50,996)
Dividends paid on equity shares	(4,03,67,130)	(4,06,26,965)
Tax on equity dividend paid	(8,244,847)	(82,44,848)
Net cash flow from/(used in) in financing activities (C)	(77,16,77,181)	(3,68,83,793)
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	5,27,91,480	(1,53,41,007)
Cash and cash equivalents at the beginning of the year	75,36,883	2,28,77,890
Lancor Guduvanchery Developments Limited	44,31,686	-
Lancor Sriperumbudur Developments Limited	4,56,148	-
Cash and cash equivalents at the end of the year	6,52,16,198	75,36,883
Components of cash and cash equivalents		
Cash on hand	6,836	91,912
With banks		
on current account	6,44,54,907	68,23,386
unpaid dividend accounts*	7,54,455	6,21,585
Total cash and cash equivalents (Note No.2.17)	6,52,16,198	75,36,883

#### Significant accounting policies

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

As per our report of even date attached

For G. M. Kapadia & Co.

Chartered Accountants Firm Reg No.104767 W

Sd/-

Sd/-Sd/-Sd/-

R.V.Shekar R.Sankaranarayanan Satya Ranjan Dhall Mrs. Mallika Ravi Partner Chief Executive Officer Chairman Director

1

For and on behalf of the Board of Directors

Membership No. 214046

Sd/-Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

# Lancor Holdings Limited 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. It's equity shares are listed in BSE Ltd(Bombay Stock Exchange) in India. The Company is engaged in construction and sale of residential and leasing of commercial properties.

#### 1.02 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with relevant rule of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first provision to section 129(1) of the Companies Act, 2013, the items contained in the enclosed financial statements are in accordance with the Accounting Standards.

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 Schedule III to the Companies Act, 2013. 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.

#### 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 Property, Plant and Equipment

Property, plant and equipment 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 the location and condition necessary for it to be capable of operating in the manner intended by the management and initial estimation of any decommissioning obligation. Any trade discounts and rebates are deducted in arriving at the purchase price.

When parts of the some of the items of property, plant and equipment require replacement, the carrying cost of replaced parts are derecognised and cost of replacing part of such items when incurred are recognised. Similarly, when major inspection is performed, cost is recognised in the carrying amount of the item of the plant and equipment and remaining carrying amount of the previous inspection is derecognised. Day to day repair and maintenance expenditure are charged to statement of profit and loss.

Spares stand by equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or losses arising on de-recognition of an item of property, plant and equipment is included in the statement of profit and loss when the item is derecognised.

Land which was re-valued is stated at the values determined by the valuers.

Capital work in progress incurred up to date of commencement of commercial operation is capitalised.

#### 1.05 Depreciation on Property, Plant and Equipment

Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the property, plant and equipment based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments as mentioned below. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the fixed assets.

	Based on Internal Assessment (Useful Life)	Based on Schedule II of Companies Act, 2013 (Useful Life)
Furniture and fixtures	15 years	10 years
Airconditioners	5-25 years	5 years
Genset	15 years	10 years
Electrical Equipments	10-25 years	5 years
Plant and Machinery	4-20 years	9-15 years

The depreciation in case of buildings is provided on straight line method and the manner as prescribed in part C of Schedule II to the Companies Act, 2013

#### 1.06 Intangible assets

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

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

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

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

No. of Years
Computer Software 5

#### 1.07 Leases

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

#### Where the Company is lessee-Operating Lease

Lease payments under an 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 lessee-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.

Commercial properties subject to operating leases are included in property, plant and equipment. 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 preprare the qualifying asset for its intended use or sale is complete.

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

#### 1.09 Impairment of tangible and intangible assets

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

#### 1.10 Investments

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

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

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

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

#### 1.11 Inventories

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

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

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

#### 1.12 Revenue recognition

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

#### Income from services

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

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

Revenue from construction contract is recognised by 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.

#### Interior Income

Interior income is recognised as and when the services are rendered at the rates agreed upon with customers.

#### **Brokerage Income**

Brokerage from sale and renting of property is recognised upon the completion of work. 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.

#### Interest

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

#### **Dividends**

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

#### 1.13 Foreign currency translation

#### Foreign currency transactions and balances

#### Initial recognition

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

Exchange differences 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 account of the year in which the related service is rendered.

#### d)Leave Encashment

Leave Encashment expenses are recognized as expenses in the statement of profit and loss account at the year end.

#### 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.
- f) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### 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.

2.0

# Lancor Holdings Limited Notes to the Financial Statements

(Figures in Indian Currency)

01	1 Share capital	As at March 31,	As at March 31,	
		2017	2016	
	Authorized shares			
	9,03,00,000 (March 31, 2016: 8,03,00,000) equity shares of Rs.2/- each	18,06,00,000	160,600,000	
		18,06,00,000	160,600,000	
	Issued, subscribed & fully paid up equity shares	<del></del> =		
	4,05,00,000 (March 31, 2016: 4,05,00,000) equity shares of Rs.2/- each (fully paid up)			
		8,10,00,000	8,10,00,000	
	Total issued, subscribed and fully paid-up share capital	8,10,00,000	8,10,00,000	

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

Equity shares	As at March 31,			
	2017	2017	2016	2016
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	4,05,00,000	8,10,00,000	20,250,000	40,500,000
Issued during the period			20,250,000	40,500,000
Outstanding at the end of the period	4,05,00,000	8,10,00,000	40,500,000	81,000,000

#### 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 preferential amounts in proportion to the number of equity shares held by the share holders.

During the year March 31, 2017, the amount of dividend per share recognised as distribution to equity shareholder was Rs.0.20 (March 31, 2016: Rs.1).

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

	As at March 31,			
	2017	2017	2016	2016
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid				_
R.V.Shekar	11,823,214	29.19%	11,823,214	29.19%
Shyamala Shekar	7,811,150	19.29%	7,811,150	19.29%
Sangeetha Shekar	2,753,700	6.80%	2,753,700	6.80%
Shwetha Shekar	2,753,600	6.80%	2,753,600	6.80%

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

#### d. Details of aggregate number of shares issued as bonus for the preceding five years from the end of the reporting period:

The Company has alloted 2,02,50,000 shares during the year ended March 31, 2016 fully paid up equity shares of Rs.2 each, pursuant to the bonus issue approved by the shareholders through a postal ballot.

Reserves and surplus	As at March 31,	res in Indian Currency) As at March 31,	
reserves and surplus	2017	2016	
	2011	2010	
Securities premium account			
Balance as at the beginning of the year	124,540,143	124,540,14	
Balance as at the end of the year	124,540,143	124,540,14	
Revaluation reserve			
Balance as at the beginning of the year	141,747,452	141,747,45	
Less: Reversal on account of sale of land	141,747,452		
Balance as at the end of the year		141,747,45	
General reserve			
Balance as at the beginning of the year	172,013,631	20,23,62,15	
Add: Amount transferred from surplus balance in the statement of profit and loss	_	1,01,51,47	
Less: Amount utilised for issuance of bonus shares	<u>-</u>	4,05,00,00	
Balance at the end of the year	172,013,631	17,20,13,63	
Surplus/(deficit) in the statement of profit and loss			
Balance at the beginning of the year	815,325,997	77,27,07,53	
Profit for the year	186,220,529	10,15,14,79	
Add: Pursuant to the Scheme of Amalgamation (Refer to Note No:4.01)	8,95,78,742	10,10,11,10	
Less:Appropriations	5,65,15,1.2		
Proposed equity dividend	81,00,000	40,500,00	
Tax on proposed equity dividend	16,48,969	8,244,84	
Short Provision of Tax on Equity Dividend	-		
Transfer to general reserve	-	1,01,51,47	
Total appropriations	97,48,969	5,88,96,32	
Net surplus in the statement of profit and loss	1,08,13,76,299	81,53,25,99	
Total reserves and surplus	1,377,930,073	1,253,627,22	

Long-term borrowings	Non-current	portion	Curren	t portion
•	As at March 31,			
	2017	2016	2017	2016
Term loans				
Secured				
From Banks				
Catholic Syrian Bank- Term Ioan I	-	4,92,80,193	-	2,05,97,39
Catholic Syrian Bank- Term Ioan II	-	1,71,78,974	-	4,30,20,69
Catholic Syrian Bank- Term Ioan III	-	18,50,28,390	6,69,81,118	8,33,46,99
City Union Bank Ltd - Term Loan I	-	-	5,02,67,123	
City Union Bank Ltd - Term Loan II	10,29,53,971	10,73,94,841	1,00,87,915	2,41,92,00
Axis Bank -Term Loan	1,02,05,795	-	11,83,83,123	
From Financial Institutions				
HDFC- Term loan I	-	6,66,66,667	5,22,00,000	3,33,33,33
LIC Housing Finance Limited	-	20,00,00,000	18,10,00,010	2,89,00,20
Tata Capital Housing Finance Limited	7,70,90,873	19,16,66,667	3,87,49,742	1,22,68,07
	19,02,50,639	81,72,15,731	51,76,69,031	24,56,58,69
Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)	-	-	51,76,69,031	24,56,58,69
Net amount	19,02,50,639	81,72,15,731	-	

The above amount includes aggregate amount of secured borrowings Rs.19,02,50,639/- (March 31, 2016: Rs. 81,72,15,731/-)

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

#### **Nature of Security**

#### Ι. Term Loan I from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22. Dr Radhakrishnan Salai. Mylapore, Chennai 4 '- 2nd & 8th floors of the building measuring 7,977.5 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th. 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 10.99 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

#### **Terms of Repayment**

The total amount of loan sanctioned to the Company is amounting to Rs. 8,00,00,000. The loan is repayable with current EMI of Rs,22,12,467 (with 6% increase in monthly installments). The repayment schedule is based on monthly rental from BNP Paribas & Sun Edison in respect of Menon Eternity Building at 165, St. Mary's Road, Alwarpet, Chennai. The tenure of the loan is 55 months effective September, 2015. The applicable rate of interest is 11.50%

ii. secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, measuring 7,977.5 sg. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93.051 sq. ft of built up area, 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

The Term loan II from Catholic Syrian Bank Limited is The total amount of loan sanctioned to the Company is amounting to Rs. 10,00,00,000. The loan is repayable in 30 EMI of Rs. 39.70 lakhs each effective from February Mylapore, Chennai 4 '- 2nd & 8th floors of the building 2015. The tenure of the loan is 36 months including moratorium period of 6 months .The applicable interest is 12.50%.

iii Mylapore, Chennai 4 '- 2nd & 8th floors of the building interest is 11.50%. measuring 7,977.5 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

Term Loan III from Catholic Syrian Bank Limited is The total amount of loan sanctioned to the Company is secured by 1) "Westminster" a commercial building, amounting to Rs. 34,50,00,000. The tenure of the loan situated at No. 108/22, Dr Radhakrishnan Salai, is 60 months effective April, 2015. The applicable rate of

iν up area of 6,122 sqft on the IV Floor at "CITI TOWER" is 13.00%. The Loan is repaid during the year. building owned by the company 2) commercial building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

Term loan I from City Union Bank Limited is secured The total amount of loan sanctioned to the Company was by mortagage of 1) commercial property having a built amounting to Rs. 10 crore. The applicable rate of interest

building having a built up area of 5,122 sqft on II Floor 13.00%. at "VTN Square" building owned by the company.

Term loan II from City Union Bank Limited is secured The total amount of loan sanctioned to the Company was by mortagage of 1) commercial property having a built amounting to Rs. 13.50 crore. The loan is repayable in up area of 6,122 sqft on the IV Floor at "CITI TOWER" 120 equal monthly installments at Rs.20,16,675/- from building owned by the company 2) commercial September 2015. The applicable rate of interest is

Kayarambedu Village. Guduyanchery. Charge is loan is 12.75% per annum at monthly rests. created on the total loan amount.

Term loan from Axis Bank Limited is secured by The Loan is repayable by a term of 42 months including Equitable mortgage of residential project "Lumina" moratarium of 12 months from the date of first Block D, G & H2 situated at Nellikuppam Road, disbursement. The rate of interest applicable on the said

vii Sriperumbudur measuring about 26.25 acres of land.

The Term Loan-I from HDFC Limited is secured by There is a moratorium of 18 months from February, 2015 Town & Country, Lakeview Gardens, Ramapuram, to July, 2016. Repayment of Rs. 0.55 crores is required from August, 2016 onwards upto January, 2018. EMI of Rs. 0.55 crores, is based on first tranche of Rs. 10 Crores drawn from HDFC Limited. The applicable interest rate is 13.15%

apartments having a built up area of 35,460 (March 31, 2016: 41,747sq.ft) sq. ft of our project, "Kiruba Cirrus" at Valasaravakkam, Chennai.

The housing loan taken from LIC Housing Finance The total loan sanctioned to the company is amounting to Limited is secured by 15 (March 31, 2016:17) Rs.30,00,00,000. The term of the loan is 36 months including moratorium of 18 months. Repayment of Rs. 1.70 crores is required from August, 2016. The last EMI payable in February, 2018 is Rs. 1.10 crores. The applicable interest rate is 14.20%

ix ft.

The term loan from Tata Capital Housing Finance The total loan sanctioned to the company is amounting to Limited is secured by 27 (March 31, 2016:35) Rs.23,00,00,000/-.The term loan is repayable in 36 apartments, in The Central Park Lake Front Project, months from the date of first disbursement starting from located at Sholinganalur. Chennai admeasuring December, 2016 including moratorium period of 12 saleable area of 45,500 (March 31, 2016: 59,195) sq months. The monthly EMI is Rs.63,88,889/-. The interest rate is 14.25%.

Other long-term liabilities	As at March 31,	As at March 31,
	2017	2016
Trade payables		
Retention money	70,40,081	2,65,94,356
	70,40,081	2,65,94,356
Others		
Rental deposits	48,48,200	11,19,44,642
Security Deposit	4,00,000	2,95,50,00
	52,48,200	14,14,94,643
	1,22,88,281	16,80,88,999

95 Provisions	Long-te	erm	Short-term	
	As at March 31,			
	2017	2016	2017	2016
Provision for employee benefits				
Provision for gratuity (refer note no. 4.05)	58,72,740	71,33,066	-	-
Provision for bonus			92,816	92,816
	58,72,740	71,33,066	92,816	92,816
Other provisions				
Provision for Taxation	-	-	2,23,23,086	4,05,828
Proposed equity dividend	-	-	81,00,000	40,500,000
Provision for tax on proposed equity dividend			16,48,969	8,244,847
	-	-	3,20,72,055	4,91,50,675
	58,72,740	71,33,066	3,21,64,871	4,92,43,49
6 Short-term borrowings			As at March 31,	As at March 31,

	2017	2016
Loans repayable on demand		
Secured		
From Banks		
Catholic Syrian Bank - Loan I	46,58,86,464	44,54,64,992
Catholic Syrian Bank - Loan II	9,96,66,231	9,73,18,620
City Union Bank I	5,27,22,560	4,06,28,495
City Union Bank II	2,48,29,449	-
City Union Bank III	-	57,79,449
Axis Bank I	7,87,03,352	-
oans and Advance from Related parties		
Unsecured	7,64,43,602	5,15,58,580
	79,82,51,659	64,07,50,137

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

#### **Nature of Borrowing**

#### **Nature of Security**

ı Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited - Loan I

Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity"

ii Working Capital Loan is repayable on demand from Catholic Syrian Bank Limited - Loan II

Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity". Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

iii The Overdraft from City Union Bank Limited I sanctioned to the Company amounting to Rs. 5 crore bears interest at 13.75% per annum.

Secured by mortagage 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 building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

City Union Bank Limited II.

Working Capital Loan is repayable on demand from Working Capital loan from City Union Bank Limited is secured by Equitable mortgage of Land situated at Sriperumbudur

The loan III from City Union Bank Limited is repayable in 2 equal quarterly installments of Rs. 3.75 crores from March, 2016. The applicable rate of interest is 13.75% per annum.

Working capital finance III from the City Union Bank is secured collaterally by 1) "VTN Suare" -Corporate office situated at No.58, GN Chetty road, T. Nagar, Chennai-17 and 2) "CITY TOWER"- Commercial building situated at No.17/7, Nehru nagar, 3rd main road, Adyar, Chennai-20

vi Working Capital Loan is repayable on demand from Working Capital loan from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina"

Working Capital loan from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina" Block D, G & H2 situated at Nellikuppam Road, Kayarambedu Village, Guduvanchery.

vii The loan is to be repayable on demand.

The loan is received from director and the same is unsecured.

Other current liabilities	As at March 31,	As at March 31,
	2017	2016
Trade payables		
Trade payables to Micro Enterprises and Small Enterprises	2,188,355	4,347,551
Trade payables to Otherthan Micro Enterprises and Small Enterprises *	61,365,533	81,129,315
	63,553,888	85,476,866
Other liabilities		
Current maturities of long-term borrowings (refer note no. 2.03)	517,669,031	245,658,692
Advances received from customers	75,857,847	25,465,225
Unclaimed dividend	672,914	540,044
Contractually reimbursable expenses	-	11,397
Rental deposits	12,291,667	4,504,320
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	2,235,715	3,023,815
Others	465,242	11,240
	609,192,416	279,214,733
	672,746,304	364,691,599

<sup>\*</sup>Includes amount Rs.63,26,198 (March 31, 2016: Nil) payable to related parties

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs.517,669,031/-(March 31, 2016: Rs. 245,658,692/-)

To the extent of information received from the suppliers/contractors regarding their status under the Micro, Small and Medium Enterprises Act, 2006(MSMED Act), the details of amounts due to micro and small enterprises under the said Act as at March 31, 2017 are as follows:

The following are details relating to Micro, Small and Medium Enterprises:

(a) The principal amount and the interest due thereon(to be shown separately) remaining unpaid to any supplier at the end of accounting year;	2,188,355
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and	
Medium Enterprises Development Act, 2006, along with the amount of the payment made to	
the supplier beyond the appointed day during accounting year;	-

- (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and
- (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

4,347,551

Z.08 I angible Assets			Gross Block				De	Depreciation			Net E	Net Block
	As at April 1, 2016	Addition	Disposal / Adjustments	Amalgamation	As at Mar. 31, 2017	As at April 1, 2016	Amalgamation *	For the Year	Disposal/ Adjustments	As at Mar. 31, 2017	As at Mar. 31, 2017	As at Mar. 31, As at March 31, 2017 2016
Own Assets:												
Land Building	339,589,184		2,89,832,105		6.307.927	3 918 895		156 245	2 854 796	1 220 344	5 087 583	339,589,184
Plant & Machinery	45,101,744		5.184.251	807.19	40.724.684	27.857,493	627.653	5.959.977	3,430,485	31.014.638	9.710.046	17.244.251
Electrical Installation	1,470,898		9,010		1,461,888	1,084,227		55,534	7,157	1,132,604	329,284	386,671
Air conditioners	•	395,192		,	395,192		•	101681		101,681	293,511	
Furniture & Fixtures	10,150,056	236,298	355,710	•	10,030,644	7,147,885	•	1,127,223	257,447	8,017,661	2,012,983	3,002,171
Computers	1,977,673		1		1,977,673	1,743,750	•	104,333	1	1,848,083	129,590	233,923
Office Equipment	1,038,430	306,490	•	٠	1,344,920	974,933	•	166,194	•	1,141,127	203,793	63,497
Vehicles	6,199,112	1	2,587,214	1,516,184	5,128,082	4,613,097	928,085	348,146	2,390,525	3,498,803	1,629,279	1,586,015
TotalA	437,383,346	937,980	323,516,612	2,323,375	117,128,089	47,340,280	1,555,738	8,019,333	8,940,410	47,974,941	69,153,148	390,043,066
Assets given on Operating Lease:												
Buildings	433,446,294		52,283,865		381,162,429	61,564,943		7,093,233	10,678,918	57,979,258	323,183,171	371,881,351
Plant & Machinery	54,987,922	•	4,318,923		50,668,999	33,624,854		3,000,530	2,791,097	33,834,287	16,834,712	21,363,068
Electrical Installation	43,260,970	•	3,076,324		40,184,646	31,063,267		1,111,416	2,153,685	30,020,998	10,163,648	12,197,703
Air Conditioner	35,957,400	•	4,333,752	•	31,623,648	23,081,652	•	1,480,152	2,934,058	21,627,746	9,995,903	12,875,749
Furniture & Fixtures	4,187,534	•	18,959	•	4,168,575	3,293,626	•	267,912	13,531	3,548,007	620,569	893,909
Equipm	183,484		'		183,484	157,446	•	16,864	•	174,310	9,174	26,038
TotalB	572,023,604		64,031,823		507,991,781	152,785,788		12,970,107	18,571,289	147,184,605	360,807,177	419,237,818
Total A+B	1,009,406,950	937,980	387,548,435	23,23,375	625,119,870	200,126,068	1,555,738	20,989,440	27,511,699	195,159,546	429,960,325	809,280,884
As at March 31, 2016	1,009,383,981	1,843,851	1,820,882	•	1,009,406,951	178,185,275		23,127,867	1,187,074	200,126,067	809,280,884	831,198,706
*(Refer note no. 4.01)												
2.09 Intangible Assets			Gross Block				Am	Amortisation			Net E	Net Block
	As at April 1, 2016	Addition	Disposal	Amalgamation	As at Mar. 31, 2017	As at April 1, 2016	Amalgamation *	For the Year	Disposal/ Adjustments	As at Mar. 31, 2017	As at Mar. 31, 2017	As at Mar. 31, As at March 31, 2017 2016
Computer software	1,622,220	6,000			1,631,220	1,566,220		44,800		1,611,020	20,200	56,000
Total	1,622,220	9,000			1,631,220	1,566,220		44,800		1,611,020	20,200	56,000
As at March 31, 2016	1,552,220	70,000			1,622,220	1,246,264		319,956		1,566,220	56,000	305,956

Non-current investments	As at March 31,	As at March 31,
	2017	2016
Trade investments (valued at cost)		
Unquoted equity instruments		
Investment in subsidiaries		
50,000 Equity shares (March 31, 2016: 50,000) of Rs. 10 each fully paid up in Lancor Guduvanchery Developments Ltd (Refer note no.4.01)		500,00
50,000 Equity shares (March 31, 2016: 50,000) of Rs. 10 each fully paid up in Lancor Egatoor Developments Ltd	-	
	500,000	500,00
50,000 Equity shares (March 31, 2016: 50,000) of Rs. 10 each fully paid up in Lancor Sriperumbudur Developments Ltd (Refer note no.4.01)	_	500,00
Others		,
Investment in Capital of partnership firm Central Park West Venture	20,000,000	20,000,00
	20,500,000	21,500,00
Less: Provision for dimunition in value of investment	(222,462)	(222,462
	20,277,538	21,277,53
Other investments (valued at cost)		
Unquoted Equity Instruments		
Investment in subsidiaries		
2,50,000 Equity shares (March 31, 2016: 2,50,000) of Rs. 10 each fully paid up in		
Lancor Maintenance & Services Limited	100,000	100,00
Others		
37,333 (March 31, 2016: 37,333) equity shares of Catholic Syrian Bank Ltd of Rs.10		
each (Fully Paid)	3,701,775	3,701,77
	3,801,775	3,801,77
Aggregate amount of unquoted investments	24,079,313	25,079,31
Aggregate amount of unquoted investments	24,070,010	20,070,01
Investments in partnership firm (Central Park West Venture)	As at March 31,	As at March 31,
Name of the partner and share in profits(%)	2017	2016
Lancor Holdings Limited	100	10
Lancor Maintenance & Services Limited	-	-
Clasic Farms (Chennai) Limited	-	-
Total capital of the firm	41,000,000	41,000,00

Note: As per the deed of partnership, the Clasic Farms (Chennai) Limited and Lancor Maintenance & Services Limited had guaranteed profits in the projects "The Central Park West" and "The Central Park South". Apart from the said two projects, the partners other than Lancor Holdings Limited (the Company) do not have any interest in the profit/loss of the entity.

Deferred tax assets/ liabilities(net)	As at March 31,	As at March 31,
	2017	2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	10,22,324	22,87,452
Gross deferred tax liability	10,22,324	22,87,452
Deferred tax asset		
Disallowances under the Income Tax Act, 1961	20,64,560	24,14,382
Provision for doubtful debts and advances	346,080	346,080
Gross deferred tax asset	2,410,640	27,60,462
Net deferred tax asset	13,88,316	473,011

Capital Work-in-Progress	As at March 31,	As at March 31,
	2017	2016
Opening Capital Work In Progress	31,91,37,044	25,07,97,190
Less: Pursuant to the Scheme of Amalgamation (Refer Note 4.01)	(554,535)	-
Add: Transferred from WIP	-	1,40,23,977
Add: Other Additions during the Year	-	5,43,15,877
Less: Sale of Property	(28,49,22,310)	-
Closing Capital Work In Progress	336,60,199	31,91,37,044
Material cost	78,28,943	6,897,452
Other construction expenses	2,56,77,297	2,83,21,862
Cost of services	-	16,805,509
Staff welfare expenses	-	390,395
Rates and Taxes	-	257,042
Travelling and conveyance	-	7,492,261
Printing and stationery	-	40,617
Communication expenses	-	150,378
Repairs and maintenance	-	19,620
Miscellaneous expenses	22,150	752,952
Business support services	-	97,28,148
Professional fees	131,809	10,94,38,823
Interest expenses	-	13,87,03,924
Depreciation	-	111,484
Fringe benefit tax		26,577
	3,36,60,199	31,91,37,044

Loans and Advances	_	Non-current	portion	Current	portion
		As at March 31,			
	_	2017	2016	2017	2016
Security deposit					
Unsecured, considered good	_	38,03,817	31,36,798	25,50,000	43,40,000
	(A)	38,03,817	31,36,798	25,50,000	43,40,000
Loan and advances to related parties (refer note no. 4.09) Secured, considered good	` _	· · ·	· · · · ·		
Unsecured, considered good		-		79,76,164	42,19,05,927
	(B)	-		79,76,164	42,19,05,927
Other loans and advances					
(Advances recoverable in cash or kind)					
Unsecured, considered good					
Advance to contractors		-	-	1,03,90,802	
Prepaid expenses		-	-	19,03,878	8,90,137
Other advances		-	-	1,73,33,808	78,38,545
Doubtful	_	-		1,000,000	1,000,000
		-	-	3,06,28,488	97,28,682
Provision for doubtful advances		-	-	1,000,000	1,000,000
	(C)	-		296,28,488	87,28,682
Advance income-tax (net of provision for taxation)		-	-	48,903	48,908
MAT credit entitlement		-	-	3,88,47,208	-
	(D)	-		3,88,96,111	48,908
Total (A+B+C+D)		3,803,817	31,36,798	7,90,50,763	43,50,23,517

2.14	Trade Receivables			Curren	t portion
				As at March 31,	As at March 31,
	Harry and a southern decorate and a set of the set			2017	2016
	Unsecured, considered good unless stated otherwise Unsecured, considered good			247,87,141	118,376,802
	onscoured, considered good			247,87,141	118,376,802
	Outstanding for a sected consection of constitution from the data the				<u> </u>
	Outstanding for a period exceeding six months from the date they are due for payment				
				1,44,57,038	6,99,893
	Other receivables			1,03,30,103 2,47,87,141	11,76,76,909 <b>11,83,76,802</b>
				2,41,01,141	11,03,70,002
2.15	Other Assets:	Non-current	portion	Curren	t portion
		As at March 31,	As at March 31,	As at March 31,	As at March 31,
		2017	2016	2017	2016
	Unsecured, considered good unless stated otherwise				
	-			0.70.070	4.40.005
	Interest accrued but not due on deposits	-	-	6,72,670	4,10,385
	Income Tax refund receivables	-	-	1,92,77,830	1,92,77,830
	Contractually reimbursable expenses	-	-	12,32,822	3,40,387
	Deposits with Original Maturity for more than 12 months	2 000 000	2 000 000		
	(refer note no.2.17)	3,000,000 <b>3,000,000</b>	3,000,000	2,11,83,322	200,28,602
	<del>-</del>	3,000,000	3,000,000	2,11,03,322	200,20,002
2.16	Inventories			As at March 31,	As at March 31,
				2017	2016
	(a) Constructed premises held for sale at cost			00.40.50.040	4 00 54 004
	Opening constructed premises held for sale			32,18,50,910	1,38,51,621
	Add: Transfer from construction work in progress			20,29,22,508	31,82,72,016
	Add: Adjustment on account of amalgamation(refer note no 4.01)			9,16,50,911	-
	Less: Sale of constructed premises			5,42,64,130	1,02,72,727
	Closing stock of unsold constructed premises			56,21,60,199	32,18,50,910
	(b) Construction materials at Cost				
	Opening construction materials			1,47,76,664	3,27,87,707
	Add: Adjustment on account of amalgamation (refer note no 4.01) Add: Purchase of materials			81,30,400 6,32,23,255	12.09.90.910
	Less: Consumption of materials			7,53,14,851	13,08,89,819 14,89,00,862
	Closing construction materials			1,08,15,468	1,47,76,664
					.,,,
	(c )Land held for property development			-	-
	Opening Balance			6,92,99,823	-
	Add: Adjustment on account of amalgamation (refer note no 4.01)			6,92,99,823	
	(d) Closing work in progres at cost (under broad head)				
	Land and land related expenses			53,46,22,719	40,14,25,732
	Material cost			23,68,50,394	19,69,74,076
	Other construction expenses			38,01,70,461	31,45,67,139
	Approval charges			59,81,83,149	31,59,86,373
	Approval charges			2,51,12,297	2,43,77,874
	Professional fee			3,58,11,953	2,44,03,598
	Power & Fuel Rates and taxes			98,72,386 21,56,151	75,41,028 16,37,331
	Other expenses			1,92,99,972	1,70,80,668
				1,84,20,79,483	1,30,39,93,819
				2,484,354,973	1,640,621,393

Construction expenses
Approval charges

Professional charges

Power and Fuel

Rates and taxes

Other expenses

Cash and Bank Balance		Current p	ortion
		As at March 31,	As at March 31
		2017	2016
Cash & Cash Equivalents *			
Balances with banks:			
On current accounts		6,44,54,907	68,23,386
Cash on hand		6,836	91,912
		6,44,61,743	69,15,298
Other Bank Balance			
Deposits with original maturity for more than 12 months (held for guarrantee with bank)		30,00,000	30,00,000
Unpaid dividend account (Earmarked)		7,54,455	621,585
		37,54,455	36,21,585
Less: Amount disclosed under the head 'other non current a (refer note no.2.15)	asset'	3,000,000	3,000,000
Disclosure of Specified Bank Notes		652,16,198	75,36,883
Particulars	Specified Bank Notes(SBNs)	Other denomination and notes & Coins	s Total
Closing cash in hand as on 08.11.2016	7,000	1,10,580	117,580
Add:Amount withdrawan from Bank	-	1,03,100	1,03,100
Add: Permitted receipts	-	15,045	15,045
Less: Permitted payments	-	2,19,863	219,863
Less: Amount deposited in Banks	7,000	<u></u>	7,000
Closing cash in hand as on 30.12.2016	-	8,862	8,862

<sup>\*</sup> For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

3.01 Revenue from operations	Year ended	Year ended
	March 31, 2017	March 31, 2016
Revenue from operations		
Revenue from real estate development	41,21,12,040	66,12,13,777
Rental income	7,29,90,916	15,62,93,088
Project management fee	1,81,820	12,45,687
Employee deputation charges	-	83,41,201
Other Operating Income*	30,00,43,941	10,86,600
	78,53,28,717	82,81,80,353

(\*Other Operating Income includes profit on sale of commercial properties and sale of land to the extent of Rs.29,46,56,446 (March 31, 2016: Nil) for the year ended March 31, 2017.)

2 Other Income	Year ended	Year ended
	March 31, 2017	March 31, 2016
Interest income on		
Bank deposits	2,62,285	1,03,09,681
Others	12,37,650	300,867
Dividend income on		
Current investments		
Mutual Funds	39,66,512	-
Trade payables written back	29,79,251	27,70,755
Other non - operating income (net of expenses directly attributable to such income)	10,67,812	2,35,310
	95,13,510	136,16,613
Cost of Materials and Construction Expenses	Year ended	Year ended
	March 31, 2017	March 31, 2016
Purchase of materials	6,32,23,255	13,08,89,819

21,89,01,625

21,26,164

52,88,258

33,72,617

1,26,212

13,43,596

36,20,48,292

5,60,21,322

10,07,877

52,53,192

18,07,549

33,02,666

19,19,494 **13,25,35,355** 

3.04	Changes in Inventories of constructed premies held for sale, work in progress	Year ended	Year ended
	and construction material	March 31, 2017	March 31, 2016
3.05 E S S S S S S S S S S S S S S S S S S	Inventory at the beginning of the year		
	struction materials k in progress s:- Transfer to Capital work in progress structed premises for sale Adjustment on account of amalgamation (refer note no.4.01) entory at the end of the year struction materials k in progress d held for property development structed premises for sale ease / (decrease) in inventories  ployee Benefits Expense  aries, wages and bonus tribution to provident and other fund tuity expense (refer note no. 4.05)	1,47,76,664	3,27,87,707
	Work in progress	1,30,39,93,819	1,60,94,14,418
	Less:- Transfer to Capital work in progress	-	(1,40,23,977)
	Constructed premises for sale	32,18,50,910	1,38,51,62
	Add: Adjustment on account of amalgamation (refer note no.4.01)	92,44,04,183	-
	Inventory at the end of the year		
	Construction materials	1,08,15,468	1,47,76,664
	Work in progress	1,84,20,79,483	1,30,39,93,819
	Land held for property development	6,92,99,823	-
	Constructed premises for sale	56,21,60,199	32,18,50,910
	·	8,06,70,603	14,08,376
		<del></del> =	
3.05	Employee Benefits Expense	Year ended	Year ended
		March 31, 2017	March 31, 2016
	Salaries, wages and bonus	4,00,77,366	4,50,50,702
	Contribution to provident and other fund	27,82,414	33,66,244
	Gratuity expense (refer note no. 4.05)	18,16,162	(20,29,441)
	Staff welfare expenses	14,14,158	18,51,116
		4,60,90,100	4,82,38,621
3.06	Depreciation and amortization expense	Year ended	Year ended
		March 31, 2017	March 31, 2016
	Depreciation of tangible assets	2,09,89,440	231,27,867
	Amortisation of Intangible assets	44,800	319,956
		210,34,240	234,47,823
3.07	Finance Costs	Year ended	Year ended
		March 31, 2017	March 31, 2016
	Interest on borrowings	19,86,88,935	20,53,98,567
	Interest to others	69,77,752	49,57,686
	Loan processing, preclosure & other charges	20,58,888	34,07,717
	Bank charges & commission	132,062	187,026
		20,78,57,636	21,39,50,996
	Less:- Capitalised as part of Capital Work in Progress	20,78,57,636	523,30,836 <b>16,16,20,16</b> 0

	(Figure	s in Indian Currency
Other Expenses	Year ended	Year ended
	March 31, 2017	March 31, 201
Directors' sitting fees	4,37,900	3,67,68
Advertisement and sales promotion	1,63,13,375	5,05,23,58
Printing & stationery	8,49,709	10,35,47
Communication costs	12,98,765	11,96,21
Traveling & conveyance	7,52,031	5,38,22
Vehicle maintenance	24,66,534	39,19,89
Rates & taxes	45,33,728	34,04,09
Legal expenses & professional fees	1,63,35,840	53,88,91
Repairs & maintenance		, ,
- Building	76,93,703	57,40,20
- Plant & Machinery	-	283,28
- Others	58,07,436	23,33,12
Rent	34,28,835	15,11,92
Power and fuel	14,81,304	15,20,28
Insurance	836,339	5,31,99
Payment to auditors (refer details below)	17,97,000	20,83,70
Brokerage	18,91,906	6,00,000
CSR Expenses (refer note no. 4.13)	39,34,963	38,88,69
Loss on sale of fixed assets (net)	-	72,09
Other sundry expenses	39,88,790	34,82,82
Provision for dimunition in the value of investment	-	2,22,46
	7,38,48,158	8,86,44,682
Payment to auditors	Year ended	Year ended
	March 31, 2017	March 31, 2016
As auditor:		
Audit fee	13,48,750	1,200,000
Tax audit fee	2,70,750	185,000
In other Capacity:		
Taxation matters	-	2,20,00
Company law matters	1,77,500	1,28,70
Other services	<del>_</del>	3,50,000
	17,97,000	20,83,700

## Lancor Holdings Limited Notes to the Financial Statements

## 4.01 Notes on Scheme of Amalgamation with Lancor Gudvanchery Developments Limited and Lancor Sriperumbudur Developments Limited

- a) The Scheme of Amalgamation of Lancor Guduvanchery Developments Limited and the Lancor Sriperumbudur Developments Limited (hereinafter collectively referred to as Transferor Companies) with the Company under section 391 394 of the Companies Act, 1956 has received requisite approvals including sanction from the High Court of Judicature of Madras vide its order dated February 13, 2017. The Transferor Companies were engaged in the business of real estate development and were wholly owned subsidiaries of the Company. The Appointed Date for the amalgamation is April 1, 2015, while it became effective on February 28, 2017. Accordingly, all assets and liabilities were transferred to and vested in the Company with effect from April 1, 2015 (the Appointed Date). During the transition period i.e. from the Appointed Date to the Effective Date, the Transferor Companies carried on the aforesaid business activities including all statutory compliances in its own name but for and on behalf of the Company in trust. The Company is in the process of giving effect to the provisions of the Scheme including transfer of agreements, title deeds for the properties, balance in staff benefit schemes etc. The accounting treatment of the Scheme is as under:
- b) The Scheme has been given effect to in the accounts under the "Pooling of Interest Method" as prescribed by the Accounting Standard 14 on Amalgamation. The assets and liabilities of the Transferor Companies as at the Appointed Date have been recorded at their book values. The transactions carried out by the Transferor Companies during the transition period have been incorporated in the books of the Company on sanctioning of the Scheme after elimination of inter-company transactions and consequential adjustments. Since the Transferor Companies are wholly owned subsidiaries of the Company, the equity share capital of the Transferor Companies and investments of the Company in such equity shares have been cancelled and there is no issue of fresh shares by the Company.
- c) The profit or loss of the Transferor Companies from the Appointed Date to March 31, 2016 have been recognised in the opening balance of the Statement of profit and loss of the Company. The operations of the Transferor Companies during the year April 1, 2016 to February 28, 2017 have been accounted for in the current year's Statement of profit and loss of the Company under the respective heads.

# 4.02 Earnings Per Share (EPS) Year ended March 31, March 31, 2017 2016

Basic earning per share amounts is calculated by dividing profit for the year attibutable 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	186,220,529	101,514,793
Weighted average number of equity shares	40,500,000	40,500,000
Par value per share	2	2
Earnings per share from continuing operations - Basic and Diluted	4.60	2.51

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,	Year ended March 31,
		2017	2016
	Contract revenue recognised during the year	-	-
	Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	-	-
	Advances received for contracts in progress	-	-
	Retention money for contracts in progress	-	-
	Gross amount due from customers for contract work (asset)	-	6,904,897
	Gross amount due to customers for contract work (liability)	-	-
4.04	a) Details of Borrowing cost capitalised	Year ended	Year ended March 31.
		<u>March 31,</u> 2017	2016
	Borrowing costs capitalised during the year		

- as part of work in progress for residential property development

- as part of capital work in progress

104,429,397

52,330,836

156,760,233

114,153,667

114,153,667

b) The slow down in the property development activity on plot of land at Sriperumbudur and Guduvancherry especially due to drop in demand is considered as part of operating cycle in the real estate sector. Accordingly, the borrowing cost incurred during such period on entire project is capitalised. The management is of the opinion that having considered various factors relating to development including preparatory work carried out for intended development and market value of property, the net realisable value in case of projects undertaken for development would be higher than its book value. The auditor's have relied upon management's opinion.

#### 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 Graturity Act, 1972 and the same is payable at the time of separation from the Company or retirement which ever is earlier.
- (ii) The present value of the defined benefit obligations and the related current service cost were measured using the projected unit credit method, whith actuarial valuation being carried out at each balance sheet date.
- (iii) The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

#### Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Year ended	Year ended
	March 31,	March 31,
	2017	2016
Current service cost	7,28,564	11,85,090
Interest cost on benefit obligation	5,74,925	7,79,989
Expected return on plan assets	-	-
Net actuarial( gain)/loss recognized in the year	5,12,673	(39,94,520)
Net benefit expense	18,16,162	(20,29,441)
Balance sheet		
Benefit asset/liability recognised in the Balance Sheet		
	Grat	tuity
	Year ended	Year ended
	March 31,	March 31,
	2017	2016
Present value of defined benefit obligation	58,72,740	71,33,066
Fair Value of the Plan Assets		-
Liability/(asset) recognised	58,72,740	71,33,066
Changes in the present value of the defined benefit obligation are as follows:		
	Graf	tuity
	Year ended March 31,	Year ended March 31,
Opening defined benefit obligation	March 31,	March 31,
Opening defined benefit obligation Current service cost	March 31, 2017	March 31, 2016
·	March 31, 2017 71,33,066	March 31, 2016 97,49,865
Current service cost Interest cost	March 31, 2017 71,33,066 7,28,564	March 31, 2016 97,49,865 1,185,090
Current service cost Interest cost Liability Transfer in	March 31, 2017 71,33,066 7,28,564	March 31, 2016 97,49,865 1,185,090
Current service cost	March 31, 2017 71,33,066 7,28,564 5,74,925	March 31, 2016 97,49,865 1,185,090 7,79,989

Gratuity

The principal assumptions used in determining gratuity are shown below:		
	Gr	atuity
	Year ended March 31,	Year ended March 31,
	2017	2016
Discount rate	7.20%	8.06%
Expected rate of return on assets	NA	NA
	For service 4 years and below 8.25% p.a. & therafter 1.00%	For service 4 years and below 8.25% p.a. & therafter 1.00%
Employee turnover	p.a.	p.a.
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

(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.

5%

5%

#### 4.06 Leases

Salary Escalation

#### Operating lease: Company as lessee

a) The Company has entered into commercial leases on office building. The lease has a life of one year 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.14,48,600 (March 31, 2016: Rs.15,11,922)

- b) During the year the company has also entered into non-cancellable lease of residential property having a lease term upto 36 months.
- (I) Rental expenses debited to the Statement of profit & loss amounting to Rs.19,80,235 (March 31, 2016: Nil).

#### (ii) Future minimum rentals payable under non-cancellable operating leases are as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Within one year	59,51,448	-
After one year but not more than five years	99,67,520	-
More than five years		
	1,59,18,968	_

#### Operating lease: Company as lessor

- a) The company has entered into leasing of residential property having a lease term upto 11 months. Rental income credited to statement of profit & loss amounting to Rs.8,02,268 (March 31, 2016: Nil).
- b) The Company has entered into commercial property leases on its constructed premises. These non-cancellable leases range for a period between three to fifteen years. Most of the leases are renewable for a further period on mututally agreeable terms and also include escalation clauses.

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

	Year ended March 31, 2017	Year ended March 31, 2016
Rental income credited to statement of profit and loss	7,21,88,648	15,62,93,088
Within one year After one year but not more than five years	44,42,617	66,95,620
More than five years	44,42,617	66,95,620

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

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

#### 4.07 Interest in a joint venture

In compliance with the Accounting Standard relating to 'Financial Reporting of Interest in Joint Ventures' (AS 27), as prescribed in the accounting standards notified under section 133 of the Companies Act, 2013, read together with relevant rule of the Companies (Accounts) Rules, 2014, 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 was involved in construction and sale of residential properties and at present having earnings from membership from club.

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2017 (March 31, 2016) are as follows: (before inter Company elimination)

	Year ended March 31	Year ended March 31
	2017	2016
Current assets	6,66,908	23,05,130
Non-current assets	9,25,37,435	9,56,80,736
Current liabilities	36,23,708	35,03,708
Non-current liabilities	6,04,92,386	3,49,13,100
Revenue from operation	69,04,250	258,762
Land and land related expenses	-	-
Cost of Materials and Construction expenses	-	-
Changes in inventories of constructed premises, work-in-progress & construction materials	-	-
Depreciation and amortization expense	55,01,324	14,613
Finance cost	688	6,488
Employee benefit expense	-	-
Other expenses	4,94,221	1,05,337
Profit/(loss) before extraordinary items	9,08,017	1,32,324
Extraordinary items	-	9,67,336
Profit/(loss) before tax	9,08,017	(8,35,012)
Income-tax expense	1,05,536	12,13,350
Profit/(loss) after tax	8,02,481	(20,48,362)

a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,283 (March 31, 2016: Rs.10,02,283) and an equal amount of penalty.

#### 4.08 Segment information

As permitted by paragraph 4 of Accounting Standard -17 (AS 17), 'Segment Reporting', as specfied under section 133 of the Companies Act 2013 read with relevant Rule of the Companies (Accounts) Rules 2014 if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need to 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

#### Control

a) R.V. Shekar

#### **Subsidiaries**

- a) Lancor Maintenance & Services Limited
- b) Lancor Guduvanchery Developments Limited (Upto February 28, 2017)
- c) Lancor Egatoor Developments Limited
- d) Lancor Sriperumbudur Developments Limited (Upto February 28, 2017)

#### **Joint Ventures**

a) Central Park West Venture

#### 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:

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

Particulars	Year ended	Control	Subsidiaries	Joint venture	Key management personnel	Total
a. Expenditure					<u> </u>	
Purchase of Property						
Lancor Guduvanchery	3/31/2017	-	-			-
Developments Limited	3/31/2016	-	34,538,400	-	-	34,538,400
Interest paid						
R.V.Shekar	3/31/2017 3/31/2016	6,977,752 4,638,212	-	-	-	6,977,752 4,638,212
Maintenance charges paid						
Lancor Maintenance	3/31/2017	-	3,865,182	-	-	3,865,182
and Services Limited	3/31/2016	-	4,802,446	-	-	4,802,446
Income From Employee Deputation						
Lancor Guduvanchery	3/31/2017	-	-	-	-	
Developments Limited	3/31/2016	-	6,432,098	-	-	6,432,098
Lancor Sriperumbudur	3/31/2017	-	-	-	-	
Developments Limited	3/31/2016	-	1,909,103	-	-	1,909,103
d. Loans/advances given and (receipt) thereof (net)						
Lancor Guduvanchery	3/31/2017	-	-	-	-	
Developments Limited	3/31/2016	-	(3,53,87,617)	-	-	(3,53,87,617
Lancor Sriperumbudur	3/31/2017	_	_	_	_	
Developments Limited	3/31/2016	-	136,169,230	-	-	136,169,230
Central Park	3/31/2017	-	-	(30,480,809)	-	(30,480,809
West Venture	3/31/2016	-	-	928,812	-	928,812
R.V. Shekar	3/31/2017	(24,885,020)	-	-	-	(24,885,020
	3/31/2016	(17,558,580)				(17,558,580

Particulars	Year ended	Control	Subsidiaries	Joint venture	Key management personnel	Total
e. Reimbursements (ne	et)					
Lancor	0/04/0047		0.040			0.040
Egatoor Developments	3/31/2017	-	9,240			9,240
Limited	3/31/2016	-	3,400	-	-	3,400
Lancor	3/31/2017		-	_	-	
Maintenance and Services	3/31/2017	_	2 624 721			2 624 721
Limited	3/3 1/20 10	-	3,624,731	-	-	3,624,731
f. Trade Receivables						
Lancor Sriperumbudur	3/31/2017	_	_	_	_	_
Developments	3/31/2016		1,419,125			1,419,125
Limited	3/3 1/2010	-	1,419,123	-	-	1,419,123
Lancor	3/31/2017	_	_	_	-	-
Guduvanchery Developments	3/31/2016	_	1,724,496	_	_	1,724,496
Limited	0/3/1/2010	_	1,724,400	_	_	1,724,430
g. Closing Balances of loans and advances g						
Lancor						
Sriperumbudur Developments	3/31/2017	-	-	-	-	-
Limited (inclusive of interest receivable)	3/31/2016	-	2,49,159,987	-	-	2,49,159,987
Lancor	3/31/2017	_	_	_	-	-
Guduvanchery Developments	3/31/2016	_	130,603,617	_	_	130,603,617
Limited	0/0 1/2010		100,000,011			100,000,011
Central Park	3/31/2017	-	-	8,012,811	-	8,012,811
West Venture	3/31/2016	-	-	38,493,620	-	38,493,620
Lancor Egatoor	3/31/2017	_	33,212			33,212
Developments	3/31/2016	_	23,972	_	_	23,972
Limited	0/0 1/2010		20,012			20,012
Lancor Maintenance	3/31/2017	_	_			_
and Services	3/31/2016	_	3,624,731	_	_	3,624,731
Limited	0,0 .,20 .0		5,62 .,. 6 .			3,02 .,. 0 .
h.Closing Balances of loans taken						
Loan from	3/31/2017	76,443,602	-	-	-	76,443,602
R.V. Shekar	3/31/2016	51,558,580	-	-	-	51,558,580
I. Closing Balances of trade payable						
Lancor Maintenance &	3/31/2017	-	6,326,197	-	-	6,326,197
Services Limited	3/31/2016	-	-	-	-	-

O Capital and other commitments	Year ended March 31, 2017	Year ended March 31, 2016	
	2017	2010	
Estimated amount of contracts remaining to be executed on capital account and not provided for			
Tangible assets	-	-	
Intangible assets	-	-	
Other commitments (specify nature)			
	-		

#### 4.11 Assets Held for Sale

The board of directors had decided in its meeting held on March 23, 2016 to dispose off certain immovable properties for which, it had obtained necessary approval from the members during the year. The Company has been able to dispose off certain immovable properties at a price greater than the book value. The management is hopeful of disposing other identified immovable properties having book value of Rs.4,35,65,788/- at a price greater than the book value."

#### 4.12 Contingent liabilities

- a)In the matter of the Commercial Property, "Menon Eternity" owned by the Company, the arbitrator had issued an award dated March 16, 2016, invalidating the sales deeds registered in favour of the Company having carrying value of Rs.35,63,60,987/-. The single bench of the Hon'ble High court of Madras by its judgement delivered on December 23, 2016, set aside the Award of the Arbitrator, with regard to the invalidation of the Sale deeds and confirmed the title in favour of the Company. Subsequently, the land owners have gone on appeal before the division bench in the Hon'ble High Court of Madras and also the company has filed cross objections on certain matters and the matter is pending. In view of the management, the appeal filed by the landowners are not sustainable.
- 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. 2,55,78,657/-. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrieved by the order of the single judge, the lessee has filed an appeal before the larger bench and the same was also dismissed. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.
- c) Other claims other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 45,04,320 (excluding interest). The Company has furnished a bank guarantee in this regard.
- d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarrantee and the matter is pending. In view of the management the increased demand is based revision in the gudieline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.
- e)The service tax department has raised a demand of Rs.2,23,27,853 along with interest and penalty for the period February 2009 to June 2010. The Company has paid the demanded amount except for interest and penalty and it has filed an appeal before the CESTAT dated May 10,2012 stating that amount received from the customers are not chargeable to service tax prior to July 1, 2010 under various grounds. The matter is pending before the Appellate Tribunal.
- f) The service tax department has raised a demand of Rs. 15,610,334 and also a penalty of equal amount on Lancor GST Developements Limited (merged with Lancor Holdings Limited with an appointed date, April 1st, 2013) for wrong availment of Cenvat Credit. The erstwhile holding Company of Lancor GST Developements Limited 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 pending before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.

**4.13** As per section 135 of the Companies Act, 2013, to carry out CSR Activities as specified under Schedule VII of the act, the Company formed a trust in the name of Lancor Foundation. The Company has spent Rs.Nil (March 31, 2016: 45,600) on its own and has contributed Rs. 39,34,963/-(March 31, 2016: Rs. 38,43,095) to the trust established by it to carry out the activities as prescribed in the Schedule VII of the Act 2013.

.14 Value of imports calculated on CIF basis	Year ended March 31,	Year ended March 31,
	2017	2016
Construction Materials  15 Expenditure in foreign currency	-	14,099,931
		14,099,931
	Year ended March 31,	Year ended March 31,
	2017	2016
Travelling and conveyance	-	78,898
The foreign currency exposure of the Company		78,898
	Nil	Nil

				(Figures in Indian Currency)	
Disclosure as per Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015		Closing balance as at March 31,	Maximum balance during the year	Closing balance as at March 31,	Maximum balance during the year
Name of the Party	Relationship	2017		2016	
Lancor Maintenance & Services Limited	Subsidiary	-	3,624,731	3,624,731	5,713,080
Lancor Guduvanchery Developments Limited (Refer note no.4.01)	Subsidiary	-	-	130,603,617	202,739,510
Lancor Egatoor Developments Limited	Subsidiary	33,212	33,212	23,972	23,792
Lancor Sriperumbudur Developments Limited (Refer note no.4.01)	Subsidiary	-	-	249,159,987	249,159,987
		33,212	3,657,943	383,412,307	457,636,549

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.

#### 4.17 Previous year figures

Previous year figures have been regrouped, reclassified and recasted whereever 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. For and on behalf of the Board of Directors

Chartered Accountants Firm Reg No.104767 W

Sd/- Sd/- Sd/- Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi
Partner Chairman Director Chief Executive Officer

Partner Chairman Director Membership No. 214046

Sd/- Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

#### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF LANCOR HOLDINGS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Lancor Holdings Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to 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 Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rule of the Companies (Accounts) Rules, 2014. The respective Governing Bodies of the entities included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, and jointly controlled entity as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

- a) We draw your attention to note no.4.04 (b) of notes to the audited consolidated financial statement relating to circumstances which have been considered for determining the period for capitalization of borrowing cost.
- b) We draw attention to note no.4.12 (a) regarding pending litigation to one of the Commercial Property accounted as property, plant and equipment having a carrying value of Rs.35,63,60,987.
  - Our report is not qualified in respect of the above matters

#### Other Matters

We did not audit the financial statements of Lancor Maintenance & Services Limited (subsidiary), whose financial statement reflect total assets of Rs.983.92 lakhs, as at 31st March, 2017, total revenues of Rs. 395.60 Lakhs and net cash flows amounting to Rs.56.88 lakhs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to adequacy of internal financial controls over financial reporting of the group and operating effectiveness of such controls, refer to the separate report in "Annexure A"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity Refer Note Number 4.12 to the consolidated financial statements.
    - ii. The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
    - iv. The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and relying on the management's representation in relation to the holding company and the reports of the statutory auditors of its subsidiary companies, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note no 2.18 in the financial statements.

For G. M. Kapadia & Co. Chartered Accountants (Firm Registration No.104767W)

> Satya Ranjan Dhall Partner (Membership No. 214046)

Chennai Dated : May 29, 2017

#### Annexure "A" to the Independent Auditor's Report

Referred to paragraph 2(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Lancor Holdings Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31,2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For G. M. Kapadia & Co. Chartered Accountants (Firm Registration No.104767W)

> Satya Ranjan Dhall Partner (Membership No. 214046)

Chennai Dated: May 29, 2017

# Lancor Holdings Limited Consolidated Balance Sheet as on 31st March, 2017

		(Fi	gures in Indian Currency)
	Notes	As at March 31,	As at March 31,
		2017	2016
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	81,000,000	81,000,000
Reserves and surplus	2.02	1,453,776,544	1,354,568,024
		1,534,776,544	1,435,568,024
Minority Interest		521,800	507,051
Non-current liabilities		,	ŕ
Long-term borrowings	2.03	190,250,639	894,615,730
Trade payables	2.04	7,040,081	30,797,305
Other long-term liabilities	2.04	64,421,950	175,194,643
Long-term provisions	2.05	6,386,835	7,817,996
		268,099,505	1,108,425,674
Current liabilities			
Short-term borrowings	2.06	798,327,097	757,222,002
Trade payables			
(A)Total outstanding dues of micro enterprises and small			
enterprises;		2,188,355	4,347,551
(B)Total outstanding dues of creditors other than micro enterprises and small enterprises	0.07	CE 400 COE	440 044 700
·	2.07	65,109,605	116,014,783
Other current liabilities	2.07 2.05	568,368,285	490,100,107
Short-term provisions	2.05	33,239,316	54,306,442
Total		1,467,232,658 3,270,630,506	1,421,990,885 3,966,491,634
Total		3,270,030,300	3,900,491,034
Assets Non-current assets			
Fixed assets			
Tangible assets	2.08	529,797,812	913,644,112
Intangible assets	2.09	179,070	192,494
Capital work-in-progress	2.10	33,660,199	319,137,044
Non-current investments	2.11	3,701,775	3,701,775
Deferred tax assets (net)	2.12	735,435	2,387,056
Long-term loans and advances	2.13	4,161,248	4,554,229
Other non-current assets	2.15	3,000,000	3,000,000
		575,235,539	1,246,616,709
Current assets			
Current investments	2.16	10,819,098	8,804,474
Inventories	2.17	2,484,354,972	2,506,340,516
Trade receivables	2.14	37,230,076	137,408,741
Cash and bank balances	2.18	68,401,960	21,081,606
Short-term loans and advances	2.13	73,405,840	26,210,986
Other current assets	2.15	21,183,023	20,028,602
		2,695,394,967	2,719,874,925
Total		3,270,630,506	3,966,491,634

Summary of significant accounting policies

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

As per our report of even date attached

For G. M. Kapadia & Co. For and on behalf of the Board of Directors

Chartered Accountants Firm Reg No.104767 W

Sd/- Sd/- Sd/- Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi
Partner Chairman Director Chief Executive Officer

Membership No. 214046

Sd/- Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

# **Lancor Holdings Limited** Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

		(Figures i	n Indian Currency
	Notes	Year ended March 31,	Year ended March 31,
		2017	2016
Continuing operations			
Income			
Revenue from operations	3.01	827,123,162	948,158,746
Other income	3.02	10,150,238	14,586,749
Total Revenue		837,273,400	962,745,495
Expenses			
Land and land related expenses		47,813,870	34,648,400
Cost of materials and construction expenses	3.03	132,535,355	413,544,270
Changes in inventories of constructed premies, work-in-progress &	3.04	00.070.505	(40.057.507)
construction material		80,670,505	(46,657,507)
Maintenance expenditure	0.05	31,840,487	38,890,871
Employee benefits expense	3.05	49,209,091	53,293,302
Depreciation and amortisation expense	3.06	27,185,491	24,970,179
Finance costs Other expanses	3.07	207,858,460	212,534,411
Other expenses	3.08	71,309,113	93,668,402
Total Expenses		648,422,371	824,892,328
Profit/(loss) before Exceptional, Extraordinary items and Tax and Prior period Iter	ns	188,851,028	137,853,168
Prior Period Items		<u> </u>	-
Profit/(loss) before Exceptional, Extraordinary items and Tax		188,851,028	137,853,168
Exceptional items		· · · -	, , , <u>-</u>
Profit / (loss) before Extraordinary items and Tax		188,851,028	137,853,168
Extraordinary items	4.14	<del>-</del>	967,336
Profit / (loss) before tax		188,851,028	136,885,832
Tax expenses		,	.00,000,002
Current tax		39,729,840	43,336,936
Less: MAT Credit		(38,847,208)	-
Deferred tax		1,651,416	2,465,305
(Excess) / Short Provision for Tax of earlier years		(1,851,699)	(18,742,852)
(Excess) / Short provision for wealth tax of earlier years		· · · · · · · · · · · · · · · · · · ·	-
Profit / (loss) for the year from continuing operations(Before		100 160 600	100 926 442
adjusting Minority Interest)		188,168,680	109,826,443
Share of profit transferred to Minority Interest		14,749	40,149
		<del></del>	
Profit/Loss for the period		188,153,930	109,786,294
Earnings per equity share (Nominal Value of share Rs. 2 each)			
Basic & Diluted			
Computed on the basis of profit from continuing operations and total operations	4.02	4.65	2.7
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

For G. M. Kapadia & Co. For and on behalf of the Board of Directors

Chartered Accountants Firm Reg No.104767 W

Sd/-Sd/-Sd/-Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi Chief Executive Officer

Partner Chairman Director Membership No. 214046

Sd/-Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

# Lancor Holdings Limited Consolidated Cash Flow Statement for the year ended March 31, 2016

(Figures in Indian Currency)

	Year ended March 31,	Year ended March 31,	
	2017	2016	
Cash flow from operating activities			
Profit Before Tax from continuing operations	188,851,028	13,68,85,832	
Profit Before Tax	188,851,028	13,68,85,832	
Non-cash adjustment to Profit Before Tax:			
Depreciation/amortization on continuing operations	27,185,491	2,49,70,179	
Loss/(profit) on sale of assets	(295,474,591)	6,07,308	
Provision for Employee Benefits	20,02,900	(24,60,968	
Sundry balances written (back)/Off	(29,79,251)	30,54,138	
Interest expense	9,37,04,793	7,18,66,223	
Interest income	(14,99,935)	(1,08,86,964	
Dividend income	(43,93,240)	(3,98,914	
Operating profit before working capital changes  Movements in working capital:	73,97,195	22,36,36,833	
Increase/(decrease) in trade payables	(7,38,42,347)	(5,13,88,466)	
Increase/(decrease) in provisions	(36,65,300)	• • • • •	
Increase/(decrease)in other current liabilities	(17,43,11,715)	6,87,63,840	
Decrease/(increase) in trade receivables	10,01,78,665	(12,25,34,934	
Decrease/(increase) in inventories	19,48,24,173	10,80,34,656	
Decrease/(increase) in loans and advances	(89,54,120)	4,26,63,775	
Decrease/(increase) in other current assets	(11,54,421)	(1,77,67,675	
Cash generated from/(used in) operations	4,04,72,131	26,57,19,974	
Direct taxes paid (net of refunds)	(207,51,270)	(525,75,562)	
Net cash flow from/(used in) operating activities (A)	197,20,861	21,31,44,411	
. , ,			
Cash flow from investing activities Purchase of fixed assets, including intangible assets and capital advances	(33,62,503)	(159,88,987)	
Proceeds from sale of fixed assets	79,86,86,185	7,76,500	
Purchase of current investments	(58,53,43,009)	(83,98,914)	
Proceeds from sale/maturity of current investments	58,34,03,650	(00,00,014)	
Interest received	14,99,935	1,08,86,964	
Dividends received	43,93,240	3,98,914	
Net cash flow from/(used in) investing activities (B)	79,92,77,498	(1,23,25,522)	
, , ,	79,92,77,498	(1,23,23,322)	
Cash flow from financing activities	4 00 55 04 050	70.00.05.474	
Proceeds from borrowings	1,62,55,31,856	76,90,65,474	
Repayment of borrowings	(213,84,03,414)	, , , , , ,	
Interest paid	(21,01,94,470)		
Dividends paid on equity shares	(403,67,130)	(40,626,965)	
Tax on equity dividend paid	(8,244,847)	(82,44,847)	
Net cash flow from/(used in) in financing activities (C)	(77,16,78,005)	(22,16,84,308)	
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	4,73,20,354	(2,08,65,420)	
Cash and cash equivalents at the beginning of the year	2,10,81,606	4,19,47,026	
Cash and cash equivalents at the end of the year	6,84,01,960	2,10,81,606	
Components of cash and cash equivalents			
Cash on hand	11,894	3,77,134	
Cheques / drafts on hand	-		
With banks			
on current account	6,76,32,611	2,00,79,887	
on deposit account	3,000	3,000	
unpaid dividend accounts*  Total cash and cash equivalents (Note No. 2.18)	7,54,455	621,585 <b>2,10,81,606</b>	
Note: Figures in bracket represents outflows	6,84,01,960	2,10,81,606	

# Significant accounting policies

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

As per our report of even date attached

For G. M. Kapadia & Co.

# For and on behalf of the Board of Directors

Chartered Accountants Firm Reg No.104767 W

Sd/- Sd/- Sd/- Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi Partner Chairman Director Chief Executive Officer

Membership No. 214046

Sd/- Sd/-

Date: May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

# Lancor Holdings Limited Notes to Consolidated Financial Statements for the year ended March 31, 2017

# 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 in one of the stock exchanges in India. The Company is engaged in construction and sale of residential properties, construction and leasing of commercial properties.

# 1.02 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with relevant rule of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to section 129(1) of the Companies Act, 2013, the items contained in the enclosed financial statements are in accordance with the Accounting Standards.

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current – non current classification of assets and liabilities.

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

# Summary of significant accounting policies

### 1.03 Use of estimates

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

# 1.04 Property, Plant and Equipment

Property, plant and equipment 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 the location and condition necessary for it to be capable of operating in the manner intended by the management and initial estimation of any decommissioning obligation. Any trade discounts and rebates are deducted in arriving at the purchase price.

When parts of the some of the items of property, plant and equipment require replacement, the carrying cost of replaced parts are derecognised and cost of replacing part of such items when incurred are recognised. Similarly, when major inspection is performed, cost is recognised in the carrying amount of the item of the plant and equipment and remaining carrying amount of the previous inspection is derecognised. Day to day repair and maintenance expenditure are charged to statement of profit and loss.

Spares stand by equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or losses arising on de-recognition of an item of property, plant and equipment is included in the statement of profit and loss when the item is derecognised.

Land which was re-valued is stated at the values determined by the valuers.

Capital work in progress incurred up to date of commencement of commercial operation is capitalised.

# 1.05 Depreciation on Property, Plant and Equipment

Pursuant to the enactment of the Companies Act, 2013, the Company has depreciated the property, plant and equipment based on the rates and manner prescribed in Schedule II to the Companies Act, 2013 except for certain assets where it has identified the useful life based on the internal assessments as mentioned below. Accordingly the unamortised carrying value is depreciated over the remaining useful life of the property, plant and equipment.

	Based on Internal Assessment (Useful Life)	Based On Companies Act (Useful Life)
Furniture and fixtures	15 years	10 years
Airconditioners	5-25 years	5 years
Genset	15 years	10 years
Electrical Equipments	5-25 years	5-10 years
Plant and Machinery	4-20 years	9-15 years

The depreciation in case of buildings is provided on straight line method and the manner as prescribed in part C of Schedule II to the Companies Act, 2013

# 1.06 Intangible assets

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

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

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

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

No. of Years Computer Software 5

# 1.07 Leases

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

### Where the Company is lessee-Operating Lease

Lease payments under an 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.

Commercial properties subject to operating leases are included in property, plant and equipment. 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 preprare the qualifying asset for its intended use or sale is complete.

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

# 1.09 Impairment of tangible and intangible assets

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

### 1.10 Investments

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

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

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

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

# 1.11 Inventories

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

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

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

# 1.12 Revenue recognition

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

# Income from services

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

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

Revenue from construction contract is recognised by 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.

Revenue from maintenance service is accounted on accrual basis in terms of respective contract.

### Interior Income

Interior income is recognised as and when the services are rendered at the rates agreed upon with customers.

# **Brokerage Income**

Brokerage from sale and renting of property is recognised upon the completion of work. 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.

# Restaurant Income

Revenue from foods and beverages are recorded net of sales tax / value added tax.

### <u>Interest</u>

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

### Dividends

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

# 1.13 Foreign currency translation

### Foreign currency transactions and balances

### Initial recognition

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

# Exchange differences

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

# 1.14 Employee benefits

# a) Defined Contribution Plan

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

# b) Defined Benefit Plan

# **Lancor Holdings Limited**

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

### c) Short Term Employee Benefit

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

### 1.15 Income taxes

- a) Provision for current tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the provisions of Income Tax Act, 1961
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods
- c)Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the statement of profit & loss in the period of enactment of the change.
- d) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.
- e) Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets & deferred taxes liabilities relate to the same taxable entity and the same taxation authority.
- f) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

# 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.

2.0

# Lancor Holdings Limited

1 Share capital	As at March, 31	As at March, 31
	2017	2016
Authorized shares		
9,03,00,000 (March 31, 2016: 8,03,00,000) equity shares of Rs.2/- each	180,600,000	160,600,000
	180,600,000	160,600,000
Issued, subscribed & fully paid up equity shares		
4,05,00,000 (March 31, 2016: 4,05,00,000) equity shares of Rs.2/- each (fully paid up)	81,000,000	81,000,000
Total issued, subscribed and fully paid-up share capital	81,000,000	81,000,000

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

Equity shares	As at Ma	rch 31,	As at March 31,	
	2017		2010	3
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	40,500,000	81,000,000	20,250,000	40,500,000
Issued during the period	<u> </u>	<u> </u>	20,250,000	40,500,000
Outstanding at the end of the period	40,500,000	81,000,000	40,500,000	81,000,000

# $\ \ \, \text{b. Rights, preference and restrictions attached to shares:} \\$

# **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, 2017, the amount of dividend per share recognised as distribution to equity shareholder was Rs 0.20(March 31, 2016: Rs.1).

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

	As at Mar	ch, 31	As at Marc	h, 31
	2017		2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 2 each fully paid				
R.V.Shekar	11,823,214	29.19%	11,823,214	29.19%
Shyamala Shekar	7,811,150	19.29%	7,811,150	19.29%
Sangeetha Shekar	2,753,700	6.80%	2,753,700	6.80%
Swetha Shekhar	2,753,600	6.80%	2,753,600	6.80%

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

# d. Details of aggregate number of shares issued as bonus for the preceding five years from the end of the reporting period.

The Company has alloted 2,02,50,000 shares during the year ended March 31, 2016 fully paid up equity shares of Rs.2 each, pursuant to the bonus issue approved by the shareholders through a postal ballot.

Reserves and surplus	As at March, 31	As at March, 31
·	2017	2016
Capital Reserve on Consolidation	3,825,969	3,825,969
Securities premium account		
Balance as at the beginning of the year	124,540,143	124,540,143
Balance as at the end of the year	124,540,143	124,540,143
Revaluation reserve		
Balance as at the beginning of the year	14,17,47,452	14,17,47,452
Less: Reversal on account of sale of land	(14,17,47,452)	-
Balance as at the end of the year		14,17,47,452
General reserve		
Balance as at the beginning of the year	172,571,904	20,29,20,42
Less: Amount utilised for issue of Bonus Shares	, , , <u>-</u>	4,05,00,00
Add: Amount transferred from surplus balance in the statement of profit and loss	_	1,01,51,47
Balance at the end of the year	172,571,904	172,571,90
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	91,18,82,556	86,09,92,58
Profit for the year	18,81,53,930	10,97,86,29
Add: Pursuant to amalgamation	6,25,51,010	
Less: Appropriations		
Proposed final equity dividend	81,00,000	40,500,00
Tax on proposed equity dividend	16,48,969	8,244,84
Transfer to general reserve	-	1,01,51,47
Short Provision of Tax on Equity Dividend	<u> </u>	
Total appropriations	97,48,969	5,88,96,32
Net surplus in the statement of profit and loss	1,15,28,38,528	91,18,82,55
Fotal reserves and surplus	1,45,37,76,544	1,35,45,68,02

2.03 L	ong-term borrowings	Non-curr	Non-current portion		oortion
		As at March, 31	As at March, 31	As at March, 31	As at March, 31
		2017	2016	2017	2016
	Term loans				
	Secured				
	From Banks				
	Catholic Syrian Bank- Term Ioan I	-	492,80,193	-	2,05,97,398
	Catholic Syrian Bank- Term Loan II	-	1,71,78,974	-	4,30,20,693
	Catholic Syrian Bank- Term Loan III	-	18,50,28,390	6,69,81,118	8,33,46,995
	Axis Bank-Term Loan	1,02,05,795	7,73,99,998	11,83,83,123	12,80,00,000
	City Union Bank Ltd - I	-	-	5,02,67,123	-
	City Union Bank Ltd - II	10,29,53,971	10,73,94,841	1,00,87,915	241,92,000
	City Union Bank Ltd - III	-	_	-	-

From Financial Institutions				
HDFC- Term loan I	-	66,666,667	52,200,000	33,333,333
LIC Housing Finance Limited	-	200,000,000	181,000,010	28,900,201
Tata Capital Housing Finance Limited	77,090,873	191,666,667	38,749,742	12,268,071
- -	190,250,639	894,615,730	517,669,031	373,658,691
The above amount includes				
Amount disclosed under the head 'other current liabilities' (refer note no. 2.07)	-	-	517,669,031	373,658,691
Net Amount	190,250,639	894,615,730	-	-

The above amount includes aggregate amount of secured borrowings Rs. 19,02,50,639 (March 31, 2016: Rs. 89,46,15,730/-)

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

# **Nature of Security**

# I. Term Loan I from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4'- 2nd & 8th floors of the building measuring 7,977.5 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 10.99 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

# **Terms of Repayment**

The total amount of loan sanctioned to the company is amounting to Rs. 8,00,00,000. The loan is repayable with current EMI of Rs,22,12,467(with 6% increase in monthly installments). The repayment schedule is based on monthly rental from BNP Paribas & Sun Edison in respect of Menon Eternity Building at 165, St. Mary's Road, Alwarpet, Chennai. The tenure of the loan is 55 months effective September, 2015. The applicable rate of interest is 11.50%

ii The Term Ioan II from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4'- 2nd & 8th floors of the building measuring 7,977.5 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

The total amount of loan sanctioned to the company is amounting to Rs. 10,00,00,000. The loan is repayable in 30 EMI of Rs. 39.70 lakhs each effective from February 2015. The tenure of the loan is 36 months including moratorium period of 6 months .The applicable interest is 12.50%.

iii Term Loan III from Catholic Syrian Bank Limited is secured by 1) "Westminster" a commercial building, situated at No. 108/22, Dr Radhakrishnan Salai, Mylapore, Chennai 4'- 2nd & 8th floors of the building measuring 7,977.5 sq. ft of builtup area. 2) "Menon Eternity" a commercial building, situated at No. 165, St Mary's Road, RA Puram, Chennai 28 - 2nd, 3rd, 4th, 5th floors and a part of 10th floor measuring 93,051 sq. ft of built up area. 3) Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

The total amount of loan sanctioned to the company is amounting to Rs. 34,50,00,000. The tenure of the loan is 60 months effective April, 2015. The applicable rate of interest is 11.50%.

# **Lancor Holdings Limited**

iv Term loan I from City Union Bank Limited is secured by mortagage 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 building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company. The total amount of loan sanctioned to the Company was amounting to Rs. 10 crore. The applicable rate of interest is 13.00%. The Loan is repaid during the year.

V Term loan II from City Union Bank Limited is secured by mortagage 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 building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

The total amount of loan sanctioned to the Company was amounting to Rs. 13.50 crore. The loan is repayable in 120 equal monthly installments at Rs.20,16,675/- from September 2015. The applicable rate of interest is 13.00%.

Vi Term loan from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina" Block D, G & H2 situated at Nellikuppam Road, Kayarambedu Village, Guduvanchery. Charge is created on the total loan amount.

The Loan is repayable by a term of 42 months including moratarium of 12 months from the date of first disbursement. The rate of interest applicable on the said loan is 12.75% per annum at monthly rests.

vii The Term Loan-I from HDFC Limited is secured by Town & Country, Lakeview Gardens, Ramapuram, Sriperumbudur measuring about 26.25 acres of land.

There is a moratorium of 18 months from February, 2015 to July, 2016. Repayment of Rs. 0.55 crores is required from August, 2016 onwards upto January, 2018. EMI of Rs. 0.55 crores, is based on first tranche of Rs. 10 Crores drawn from HDFC Limited. The applicable interest rate is 13.15%

viii The housing loan taken from LIC Housing Finance Limited is secured by 15 (March 31, 2016:17) apartments having a built up area of 35,460 (March 31, 2016: 41,747sq.ft) sq. ft of our project, "Kiruba Cirrus" at Valasaravakkam, Chennai.

The total loan sanctioned to the company is amounting to Rs.30,00,00,000. The term of the loan is 36 months including moratorium of 18 months. Repayment of Rs. 1.70 crores is required from August, 2016. The last EMI payable in February, 2018 is Rs. 1.10 crores. The applicable interest rate is 14.20%

viii The term loan from Tata Capital Housing Finance Limited is secured by 27 (March 31, 2016:35) apartments, in The Central Park Lake Front Project located at Sholinganalur, Chennai admeasuring saleable area of 45,500 (March 31, 2016:59,195) sq ft.

The total loan sanctioned to the company is amounting to Rs.23,00,00,000/. The term loan is repayable in 36 months from the date of first disbursement starting from December, 2016 including moratorium period of 12 months. The monthly EMI is Rs.63,88,889/-. The interest rate is 14.25%.

2.04	Other long-term liabilities	As at March, 31	As at March, 31
		2017	2016
•	Trade payables	-	-
	Retention Money	70,40,081	30,797,035
		70,40,081	30,797,035
	Others		
	Security Deposit	59,573,750	63,250,001
	Rental Deposits	4,848,200	111,944,642
		64,421,950	175,194,643
		71,462,031	205,991,948

5 Provisions	Lon	g-term	Short-	term
	As at March,	As at March, 31	As at March, 31	As at March, 31
	2017 2016	2016	2017	2016
Provision for employee benefits				
Provision for gratuity (refer note no. 4.05)	6,386,835	7,817,996	-	
Provision for bonus			558,570	789,809
	6,386,835	7,817,996	558,570	789,809
Other provisions				
Proposed equity dividend	-	-	81,00,000	40,500,000
Provision for tax on proposed equity dividend	-	-	16,48,969	8,244,847
Provision for Income tax (Net of advance tax)	-	-	229,31,777	47,71,786
	-		3,26,80,746	5,35,16,633
	6,386,835	7,817,996	3,32,39,316	5,43,06,442
Short-term borrowings			As at March, 31	As at March, 31

Short-term borrowings	As at March, 31	As at March, 31
	2017	2016
Loans repayable on demand		
Secured		
Catholic Syrian Bank	46,58,86,464	44,54,64,992
Catholic Syrian Bank - II	9,96,66,231	9,73,18,620
City Union Bank I	5,27,22,560	4,06,28,495
City Union Bank II	2,48,29,449	3,82,48,920
City Union Bank III	-	57,79,449
Axis Bank - I	7,87,03,352	7,17,69,407
Loans and Advance from Related parties		
Unsecured	7,65,19,040	5,80,12,119
	79,83,27,097	75,72,22,002

# (a) Nature of Security for secured borrowings:

# **Nature of Borrowing**

# **Nature of Security**

- Catholic Syrian Bank Limited Loan I
- Catholic Syrian Bank Limited Loan II
- The Overdraft from City Union Bank Limited I sanctioned to the Company amounting to Rs. 5 crore bears interest at 13.75% per annum.
- Working Capital Loan is repayable on demand from City Union Bank Limited II.
- The loan III from City Union Bank Limited is repayable in 2 equal quarterly installments of Rs. 3.75 crores from March, 2016. The applicable rate of interest is 13.75% per annum.

Working Capital Loan is repayable on demand from Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity"

Working Capital Loan is repayable on demand from Secured by equitable mortgage of premises owned by the Company in the building "Westminster" & "Menon Eternity". Land measuring 5.98 acres at Sriperumbudur owned by Lancor Sriperumbudur Developments Limited.

> Secured by mortagage 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 building having a built up area of 5,122 sqft on II Floor at "VTN Square" building owned by the company.

> Working Capital loan from City Union Bank Limited is secured by Equitable mortgage of Land situated at Sriperumbudur

> Working capital finance III from the City Union Bank is secured collaterally by 1) "VTN Suare" -Corporate office situated at No.58, GN Chetty road, T. Nagar, Chennai-17 and 2) "CITY TOWER"- Commercial building situated at No.17/7, Nehru nagar, 3rd main road, Adyar, Chennai-20

vi Working Capital Loan is repayable on demand from Axis Bank Limited

Working Capital loan from Axis Bank Limited is secured by Equitable mortgage of residential project "Lumina" Block D, G & H2 situated at Nellikuppam Road, Kayarambedu Village, Guduvanchery.

vii The loan is to be repayable on demand.

The loan is received from director and the same is unsecured.

Other current liabilities	As at March, 31	As at March, 31
	2017	2016
Trade payables		
Trade Payables to Micro Enterprises and Small Enterprises	21,88,355	43,47,551
Trade Payables other than Micro Enterprises and Small Enterprises	6,39,33,233	11,60,14,783
Retention Money	11,76,372	-
	6,72,97,960	12,03,62,334
Current maturities of long-term borrowings (refer note no. 2.03)	51,76,69,031	37,36,58,691
Advances received from customers	3,32,65,185	10,19,19,569
Unclaimed dividend	672,914	5,40,044
Contractually reimbursable expenses	11,76,048	12,11,635
Rental deposits	1,27,49,909	48,42,562
Other payables		
Statutory payable (TDS, Service Tax, Sales tax)	23,36,744	38,56,415
Interest accrued and due on borrowings	-	23,36,010
Others	4,98,454	17,35,181
	56,83,68,285	49,01,00,107
	63,56,66,245	61,04,62,441

The current maturities of long term borrowings includes aggregate amount of secured borrowings amounting to Rs.517,669,031/- (March 31, 2016: 373,658,691/-)

To the extent of information received from the suppliers/contractors regarding their status under the Micro, Small and Medium Enterprises Act, 2006(MSMED Act), the details of amounts due to micro and small enterprises under the said Act as at March 31, 2016 are as follows:

The following are details relating to Micro, Small and Medium Enterprises:

(a) The principal amount and the interest due thereon(to be shown separately) remaining unpaid to any supplier at the end of accounting year;	2,188,355	4,347,551
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

•		Gross Block	Slock			Depreciation			5	Net Block
	As at April 1, 2016	Addition	Disposal / Adjustments	As at Mar. 31, 2017	As at April 1, 2016	For the Year	Disposal/ Adjustments	As at Mar. 31, 2017	As at Mar. 31, 2017	As at Mar. 31, As at March 31, 2017 2016
Own Assets:										
Land	36,19,99,847		2,89,832,105	7,21,67,742				•	7,21,67,742	36,19,99,847
Building	9,29,06,212	10,37,361	25,548,322	6,83,95,251	44,80,041	12,68,229		28,93,474	6,55,01,777	8,84,26,171
Plant & Machinery	6,05,86,506	6,49,588	5,184,251	5,60,51,843	3,15,99,123	81,90,897	3,430,485	3,63,59,535	1,96,92,308	2,89,87,383
Electrical Installation	37,49,319	5,67,816	9,010	43,08,125	1,092,214	3,54,556	7,157	14,39,613	28,68,512	26,57,105
Air conditioners	31,59,658	3,95,192		35,54,850	3,889	15,23,355	•	15,27,244	20,27,606	31,55,769
Furniture & Fixtures	1,36,32,254	3,39,556	355,710	1,36,16,100	71,82,091	20,44,217	257,447	89,68,861	46,47,239	64,50,163
Computers	25,22,116	٠		25,22,116	22,45,949	1,44,353	•	23,90,302	1,31,814	2,76,167
Office Equipment	13,08,091	306,490		16,14,581	12,18,053	1,80,449	•	13,98,502	2,16,079	90,038
Vehicles	86,90,442		2,587,214	61,03,228	63,26,787	4,29,403	2,390,525	43,65,665	17,37,563	23,63,655
TotalA	54,85,54,445	32,96,003	323,516,612	22,83,33,836	5,41,48,147	1,41,35,458	8,940,410	5,93,43,195	16,89,90,641	49,44,06,298
Assets given on										
Buildings	433,446,294		52,283,865	381,162,429	61,564,943	7,093,233	10,678,918	57,979,260	323,183,169	371,881,349
Plant & Machinery	54,987,922		4,318,923	50,668,999	33,624,856	3,000,530	2,791,097	33,834,289	16,834,710	21,363,066
Electrical Installation	43,260,970	,	3,076,324	40,184,646	31,063,267	1,111,416	2,153,685	30,020,998	10,163,648	12,197,703
Air Conditioner	35,961,295		4,333,752	31,627,543	23,085,546	1,480,152	2,934,058	21,631,640	9,995,903	12,875,749
Furniture & Fixtures	4,187,534		18,959	4,168,575	3,293,627	267,912	13,531	3,548,008	620,567	893,907
Office Equipment	183,484			183,484	157,449	16,866	'	174,315	9,174	26,040
TotalB	572,027,499		64,031,823	507,995,676	152,789,690	12,970,109	18,571,289	147,188,510	360,807,171	419,237,814
	200	0000		000	100		17.	1000	100	
l otal A+B	1,120,581,944	32,96,003	387,548,435	736,329,512	206,937,837	77,105,567	27,511,699	206,531,705	529,797,812	913,644,112
As at March 31, 2016	1,025,621,350	97,531,476	2,570,882	1,120,581,944	183,509,808	24,615,103	1,187,074	206,937,837	913,644,112	842,111,541
*(Refer note no. 4.01)										
2.09 Intangible Assets		Gross Block	<u>~</u>			Amortisation			Net	Net Block
	As at April 1, 2016	Addition	Disposal	As at Mar. 31, 2017	As at April 1, 2016	For the Year	Disposal/ Adjustments	As at Mar. 31, 2017	As at Mar. 31, 2017	As at Mar. 31, As at March 31, 2017 2016
Computer software	2,211,501	99,200		2,278,001	2,019,007	79,924		2,098,931	179,070	192,494
Total	2,211,501	66,500		2,278,001	2,019,007	79,924		2,098,931	179,070	192,494
As at March 31, 2016	1,985,883	225,618		2,211,501	1,663,927	355,080	,	2,019,007	192,494	321,956

2.10	Capital Work in Progress			As at March, 31	As at March, 31
				2017	2016
	Opening Capital Work in Progress			31,91,37,044	34,77,77,040
	Less: Pursuant to the Scheme of Amalgamation			(5,54,535)	- 4 40 00 077
	Transferred from WIP			-	1,40,23,977
	Other Additions during the year	Ola '		-	5,43,15,877
	Less: - Estimated Cost of damage due to flood at (	Snennai		(28,49,22,310)	(30,50,568)
	Less: Sale of property  Less:- Amount transferred from CWIP to Fixed As:	aata		(20,49,22,310)	(0.20.20.202)
	Closing Capital Work in Progress	5612		3,36,60,199	(9,39,29,282) 31,91,37,044
	• •			3,30,00,199	31,91,37,044
	Land Cost			-	-
	Purchase of material & Construction expenses			78,28,943	3,52,19,314
	Cost of services			2,56,77,297	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			-	13,87,03,924
	Depreciation			-	111,484
	Fringe benefit tax			-	26,577
	Professional charges			1,31,809	10,94,38,823
	Power and fuel			-	-
	Rates and taxes			-	2,57,042
	Other expenses			22,150	7,52,952
	Closing Capital Work in Progress			3,36,60,199	31,91,37,044
2.11	Non-current investments			As at March, 31	As at March, 31
				2017	2016
	Others				
	Unquoted equity instruments	Cathadia Comian			
	37,333 (March 31, 2016: 37,333) equity shares of	Catholic Syrian		3,701,775	3,701,775
		Catholic Syrian		3,701,775 3,701,775	3,701,775 3,701,775
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)	Catholic Syrian		3,701,775	3,701,775
	37,333 (March 31, 2016: 37,333) equity shares of	Catholic Syrian			
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)	Catholic Syrian		3,701,775	3,701,775
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments	Catholic Syrian		3,701,775 3,701,775	3,701,775 3,701,775
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)	,		3,701,775 3,701,775 As at March, 31 2016	3,701,775 3,701,775 As at March, 31
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)	,	arge for the financial	3,701,775 3,701,775 As at March, 31 2016	3,701,775 3,701,775 As at March, 31
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)	,	arge for the financial	3,701,775 3,701,775 As at March, 31 2016	3,701,775 3,701,775 As at March, 31 2015
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation	,	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960	3,701,775  3,701,775  As at March, 31  2015  3,500,552
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability	n & amortisation ch		3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960	3,701,775  3,701,775  As at March, 31 2015  3,500,552
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset	n & amortisation ch	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation	n & amortisation ch	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960 reporting 7,89,996	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the Interval of the Interv	n & amortisation ch	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960 reporting 7,89,996 19,40,319	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548 2,227,633
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the Intervision for doubtful debts and advances	n & amortisation ch	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080
2.12	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the Interviolence of the Provision for doubtful debts and advances Others	n & amortisation ch	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960 reporting 7,89,996 19,40,319	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080  269,347
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset  Net deferred tax asset	n & amortisation ch n & amortisation ch ncome Tax Act, 19	arge for the financial 61	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 - 30,76,395 7,35,435	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080  269,347  5,887,608  2,387,056
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset	n & amortisation ch n & amortisation ch ncome Tax Act, 19 Non-curr	arge for the financial	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 30,76,395	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080  269,347  5,887,608  2,387,056
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset  Net deferred tax asset	n & amortisation che amortisation che amortisation che ncome Tax Act, 19  Non-currence As at March,	arge for the financial 61	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 - 30,76,395 7,35,435	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080  269,347  5,887,608  2,387,056
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset  Net deferred tax asset	n & amortisation ch n & amortisation ch ncome Tax Act, 19 Non-curr	ent portion	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 - 30,76,395 7,35,435  Current p	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548  2,227,633  346,080  269,347  5,887,608  2,387,056
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset  Net deferred tax asset	Non-curr As at March, 31	ent portion  As at March, 31	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 30,76,395 7,35,435  Current p	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548 2,227,633 346,080 269,347 5,887,608 2,387,056  portion  As at March, 31
	37,333 (March 31, 2016: 37,333) equity shares of Bank Ltd of Rs.10 each (Fully Paid)  Aggregate amount of unquoted investments  Deferred tax assets/ liabilities(net)  Deferred tax liability  FA: Impact of difference between tax, depreciation Gross deferred tax liability  Deferred tax asset  FA: Impact of difference between tax, depreciation Disallowances under Section 40(a)(i), 43B of the In Provision for doubtful debts and advances  Others  Gross deferred tax asset  Net deferred tax asset  Loans and Advances	Non-curr As at March, 31	ent portion  As at March, 31	3,701,775  3,701,775  As at March, 31  2016  reporting 23,40,960 23,40,960  reporting 7,89,996 19,40,319 346,080 30,76,395 7,35,435  Current p	3,701,775  3,701,775  As at March, 31  2015  3,500,552  3,500,552  3,044,548 2,227,633 346,080 269,347 5,887,608 2,387,056  portion  As at March, 31

Other loans and advances

(Advances recoverable in cash or kind)

	(Advances recoverable in cash or kind)				
	Unsecured, considered good				
	Advance to suppliers	-	-	-	7,765,384
	Advance to contractors	-	-	1,04,15,802	25,000
	Prepaid expenses	-	-	20,39,173	104,067
	Reimbursement expenses	-	-	18,20,073	2,535,060
	Other advances	_	-	1,76,84,131	11,392,567
	Doubtful	_	_	1,000,000	1,000,000
				3,29,59,179	22,822,078
	Provision for doubtful advances	_	_	1,000,000	1,000,000
	(B)			3,19,59,179	21,822,078
	` '.	7,724	1 007 724		
	Advance income-tax (net of provision for taxation)	1,124	1,007,724	49,453	48,908
	MAT credit entitlement			3,88,47,208	- 40.000
	(C)	7,724	1,007,724	3,88,96,661	48,908
	Total (A+B+C)	4,161,248	4,554,259	7,34,05,850	262,10,986
2.14	Trade Receivables		-	Current p	
			-	As at March, 31 2017	As at March, 31 2016
	Unsecured, considered good unless stated otl	nerwise		2017	2010
	Unsecured, considered good unless stated on	ICI WISC		37,230,076	137,408,741
	Onsecured, considered good		-	37,230,076	137,408,741
			-	37,230,070	137,400,741
	Outstanding for a period exceeding six months				
	from the date they are due for payment			20,142,408	10,982,912
	Other receivables			1,70,87,668	126,425,829
			_	372,30,076	137,408,741
			-		
				Current portion	
2.15	Other Assets:	Non-curre	ent portion	Current p	ortion
2.15	Other Assets:	Non-curre As at March,	ent portion As at March, 31	Current p As at March, 31	oortion As at March, 31
2.15	Other Assets:			•	
2.15	Other Assets:  Unsecured, considered good unless stated otherw	As at March, 2017	As at March, 31	As at March, 31	As at March, 31
2.15		As at March, 2017	As at March, 31	As at March, 31	As at March, 31
2.15	Unsecured, considered good unless stated otherw	As at March, 2017	As at March, 31	As at March, 31 2017	As at March, 31 2016
2.15	Unsecured, considered good unless stated otherwant linerest accrued but not due on deposits	As at March, 2017	As at March, 31	As at March, 31 2017 672,670	As at March, 31 2016 410,385
2.15	Unsecured, considered good unless stated otherwall interest accrued but not due on deposits income tax refund receivables. Contractually reimbursable expenses	As at March, 2017	As at March, 31	As at March, 31 2017 672,670 19,277,830	As at March, 31 2016 410,385 192,77,830
2.15	Unsecured, considered good unless stated otherwanterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than	As at March, 2017 vise	As at March, 31 2016 - - -	As at March, 31 2017 672,670 19,277,830	As at March, 31 2016 410,385 192,77,830
2.15	Unsecured, considered good unless stated otherwall interest accrued but not due on deposits income tax refund receivables. Contractually reimbursable expenses	As at March, 2017 vise 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523	As at March, 31 2016 410,385 192,77,830 3,40,387
2.15	Unsecured, considered good unless stated otherwanterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than	As at March, 2017 vise	As at March, 31 2016 - - -	As at March, 31 2017 672,670 19,277,830	As at March, 31 2016 410,385 192,77,830
	Unsecured, considered good unless stated otherwanterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than	As at March, 2017 vise 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602
	Unsecured, considered good unless stated otherv Interest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)	As at March, 2017 vise 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523	As at March, 31 2016 410,385 192,77,830 3,40,387
	Unsecured, considered good unless stated otherv Interest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)	As at March, 2017 vise  3,000,000 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023 As at March, 31	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602  As at March, 31
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments	As at March, 2017 vise  3,000,000 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023 As at March, 31	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602  As at March, 31
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and factors)	As at March, 2017 vise  3,000,000 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023 As at March, 31	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602  As at March, 31
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise)	As at March, 2017 vise  3,000,000 3,000,000	As at March, 31 2016 - - - - 3,000,000	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023 As at March, 31	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602  As at March, 31
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds	As at March, 2017 vise  3,000,000 3,000,000	As at March, 31 2016  3,000,000 3,000,000	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 100	As at March, 2017 vise 3,000,000 3,000,000 air value,  stDaily Div Reinvo	As at March, 31 2016	As at March, 31 2017 672,670 19,277,830 12,32,523 - 2,11,83,023 As at March, 31	As at March, 31 2016 410,385 192,77,830 3,40,387 - 2,00,28,602  As at March, 31
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value)	As at March, 2017 vise 3,000,000 3,000,000 air value,  stDaily Div Reinvo	As at March, 31 2016	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mof Rs.100 each)}	As at March, 31 2016	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund (March 31, 2017: NIL)(March 31, 2016: 966.5	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mof Rs.100 each)}	As at March, 31 2016	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016  4,29,224  10,28,109
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund (March 31, 2017: NIL) (March 31, 2016: 966.5 Investment in Franklin Templeton Investment	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mor Rs.100 each)}	As at March, 31 2016  3,000,000 3,000,000  estment arch 31, 2016:	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016  4,29,224  10,28,109
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund (March 31, 2017: NIL)(March 31, 2016: 966.5	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mor Rs.100 each)}	As at March, 31 2016  3,000,000 3,000,000  estment arch 31, 2016:	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017  1,08,19,098	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016  4,29,224  10,28,109 7,347,141
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund (March 31, 2017: NIL) (March 31, 2016: 966.5 Investment in Franklin Templeton Investment	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mor Rs.100 each)}	As at March, 31 2016  3,000,000 3,000,000  estment arch 31, 2016:	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016  4,29,224  10,28,109
	Unsecured, considered good unless stated otherwinterest accrued but not due on deposits Income tax refund receivables Contractually reimbursable expenses Deposits with Original Maturity for more than 12 months (2.18)  Current investments  Current investments(valued at lower of cost and faunless stated otherwise) Unquoted Mutual Funds Investments in Birla Sun Life Savings Fund - In {(March 31, 2017: 107870.604 units @ Rs. 104279.534 units @ Rs. 100.2970) (Face value of Investment in HDFC Cash Management Fund (March 31, 2017: NIL) (March 31, 2016: 966.5 Investment in Franklin Templeton Investment	As at March, 2017 vise  3,000,000 3,000,000  air value,  stDaily Div Reinvo 0.2970 Per unit) (Mor Rs.100 each)}	As at March, 31 2016  3,000,000 3,000,000  estment arch 31, 2016:	As at March, 31 2017  672,670 19,277,830 12,32,523  - 2,11,83,023  As at March, 31 2017  1,08,19,098	As at March, 31 2016  410,385 192,77,830 3,40,387  - 2,00,28,602  As at March, 31 2016  4,29,224  10,28,109 7,347,141

Inventories	Current p	oortion
	As at March, 31	As at March, 31
	2017	2016
(a) Constructed premises/ properties held for sale at cost		
Opening constructed premises held for sale	413,607,765	13,851,62
Add: Transfer from construction work in progress	202,922,508	410,028,87
Add: Adjustment on account of amalgamation	105,944	
Less: Sale of constructed premises	54,264,130	10,272,72
Closing stock of unsold constructed premises	562,160,199	413,607,76
(b) Construction materials at Cost		
Opening construction materials	22,907,064	37,926,56
Add: Purchase of materials	63,223,255	149,641,110
Less: Consumption of materials	75,314,851	164,660,61
Closing construction materials	10,815,468	22,907,06
(C) Land held for property development		
Land and land related expenses	69,299,823	69,299,82
	69,299,823	69,299,82
(d) Closing work in progress at cost (under broad head)		
Land and land related expenses	534,622,719	538,628,02
Material cost	236,850,394	304,749,31
Other construction expenses	380,170,461	556,983,639
Borrowing cost	598,183,149	481,699,19
Approval charges	25,112,297	45,100,830
Professional fee	35,811,953	24,403,59
Power & Fuel	9,872,386	10,711,247
Rates and taxes	2,156,151	1,658,71
Other expenses	19,299,972	36,591,29
	1,842,079,482	2,000,525,86
Total (a+b+c)	2,484,354,972	2,506,340,51

Cash and Bank Balance	Current p	oortion
	As at March, 31	As at March, 31
	2017	2016
Cash & Cash Equivalents		
Balances with banks:		
On current accounts	67,632,611	20,079,887
Cash on hand	11,894	377,134
	67,644,505	20,457,021
Other Bank Balance		
Deposits with original maturity for more than 12 months	3,000,000	3,000,000
(held for guarrantee with bank)		
Deposits with original maturity for more than 3	3,000	3,000
months but less than 12 months (held for		
guarantee with bank & VAT Authority)		
Unpaid dividend account (Earmarked)	754,455	621,585
	3,757,455	3,624,585
Less: Amount disclosed under the head 'other non current asset' (refer note no.2.15)	3,000,000	3,000,000
	68,401,960	21,081,606

# **Disclosure of Specified Bank Notes**

Particulars	Specified Bank Notes(SBNs)	Other denomination and notes & Coins	Total
Closing cash in hand as on 08.11.2016	82,500	1,24,720	207,220
Add:Amount withdrawan from Bank	<del>-</del>	1,31,700	1,31,700
Add: Permitted receipts	-	15,045	15,045
Less: Permitted payments	-	2,29,106	229,106
Less: Amount deposited in Banks	82,500	3,633_	86,133
Closing cash in hand as on 30.12.2016		38,726	38,726

<sup>\*</sup> For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

71 Revenue from operations	As at March, 31	As at March, 31
	2017	2016
Revenue from operations		
Revenue from real estate development	412,112,040	740,280,906
Rental income	72,990,916	156,399,898
Project management fee	181,820	1,245,687
Maintenance income	34,084,018	46,933,767
Brokerage income	-	1,086,600
Other operating revenues	307,754,368	2,211,888
	827,123,162	948,158,746

<sup>\*(</sup>Other operating revenue includes profit on sale of commercial properties and sale of land to the extent of Rs.29,46,56,446 (March 31, 2016: Nil) for the year ended March 31, 2017)

Other Income	As at March, 31	As at March, 31
	2017	2016
Interest Income on		
Bank Deposits	262,285	10,586,097
Others	1,237,650	300,867
Dividend Income On		
Current investments		
Mutual Funds	4,393,240	398,914
Trade payables written back	2,979,251	3,049,027
Other non - operating income	1,277,812	251,844
(net of expenses directly attributable to such income)		
	10,150,238	14,586,749

3.03	Cost of materials and construction expenses	As at March, 31	As at March, 31
	·	2017	2016
	Cost of Materials and Construction Expenses		
	Purchase of material	63,223,255	115,102,71
	Construction expenses	56,021,322	277,138,737
	Approval charges	1,007,877	2,271,508
		5,253,192	5,288,258
	Professional charges		
	Power and Fuel	1,807,549	5,411,524
	Rates and taxes	3,302,666	(32,000)
	Other expenses	1,919,494 <b>132,535,355</b>	8,363,532 <b>413,544,27</b> 0
3.04	Changes in inventories of constructed premies, work-in-progress & construction material	As at March, 31 2017	As at March, 31 2016
	Changes in inventories of constructed premises held for sale, work in progress		
	and construction materials		
	Inventory at the beginning of the year		
	Construction materials	22,907,064	37,926,565
	Work in progress	2,000,525,864	2,421,928,799
	Less:- Transfer to Capital Work in Progress	-	(14,023,977)
	Land held for Property Development	69,299,823	
	Constructed premises/ properties for sale	413,607,765	13,851,622
	Add: Adjustment on account of amalgamtion	58,684,962	
	Inventory at the end of the year	, ,	
	Construction material	10 915 469	22 007 06/
		10,815,468	22,907,064
	Work in progress	1,842,079,483	2,000,525,864
	Land held for Property Development	69,299,823	69,299,823
	Constructed premises/ properties for sale	562,160,199	413,607,765
	Increase or decrease in inventories	80,670,505	(46,657,507)
05	Employee Benefit Expense	As at March, 31	As at March, 31
	Employee Bellett Expense	2017	2016
	Salaries, wages and bonus	42,605,794	50,017,591
	Contribution to provident and other fund	2,992,337	3,736,252
	Gratuity expense (refer note no. 4.05)	2,002,900	(2,460,968)
	,	·	
	Staff welfare expenses	1,608,606 <b>49.209.091</b>	2,000,427
		49,209,091	53,293,302
.06	Depreciation and amortization expense	As at March, 31	As at March, 31
		2017	2016
	Depreciation of tangible assets	27,105,567	24,615,099
	Amortization of Intangible assets	79,924	355,080
		27,185,491	24,970,179
07	Finance Costs	As at March, 31	As at March, 31
.01	Tilidilice Costs	2017	2016
	Interest on harrowings		
	Interest on borrowings	198,688,935	255,653,599
	Interest on Others	6,977,752	5,013,534
	Loan Processing, preclosure & other Charges	2,058,888	3,946,702
	Bank Charges & Commission	132,885	251,413
		207,858,460	264,865,248
	Less:- Capitalised as part of Capital Work in Progress		52,330,837

Other Expenses	As at March, 31	As at March, 31
	2017	2016
Directors' sitting fees	437,900	435,925
Advertisement and sales promotion	16,313,375	54,694,095
Printing & stationery	910,959	1,293,717
Communication costs	1,533,756	1,522,440
Traveling & conveyance	828,375	681,708
Vehicle maintenance	2,498,102	3,981,592
Rates & taxes	4,776,964	3,856,022
Legal expenses & professional fee	16,376,090	5,662,831
Repairs & maintenance		
- Building	4,147,449	1,465,163
- Plant & Machinery	-	283,286
- Others	5,807,436	2,333,12
Rent	3,428,835	1,643,922
Power and fuel	1,482,204	1,564,74
Insurance	877,820	649,637
Payment to auditors (Refer details below)	2,016,700	2,880,597
Brokerage	1,891,906	627,778
CSR Expenses	3,934,963	4,578,133
Loss on sale of fixed assets (net)	-	822,098
Other sundry expenses	4,046,279	4,691,596
•	71,309,113	93,668,402
Payment to Auditors	As at March, 31	As at March, 31
	2017	2016
As auditor:		
Audit fee	1,494,250	1,682,472
Tax Audit Fee	290,750	325,000
In other Capacity:		
Taxation matters	54,200	237,500
Company law matters	177,500	268,12
Other Matters	· -	367,500
	2,016,700	2,880,597

(Figures in Indian Currency)

### 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 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,	
		2017	2016
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Egatoor Developments Limited	India	100%	100%
Lancor Guduvanchery Developments Limited (Amalgamated)	India	0%	100%
Lancor SriperumbudurDevelopments Limited (Amalgamated)	India	0%	100%

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

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

Name of the partnership firm	Profit sharing percentage	Country of incorporation	Contingent Liabilities as at March 31, 2016	Capital commitments as at March 31, 2016
Central Park West Venture	100%	India	1,002,283	Nil

The office of Commissioner of service tax has passed an order demanding service tax amounting to Rs. 10,02,283 and an equal amount of penalty on vide order dated July 31, 2014. The entity has filed an appeal before the CESTAT as on November 14, 2014 contesting the demand and the matter is pending.

4.02 Earnings Per Share (EPS)	Year ended March 31,	Year ended March 31,
	2017	2016

Basic earning per share amounts is calculated by dividing profit for the year attibutable 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	188,153,930	109,786,294
Weighted average number of equity shares	40,500,000	40,500,000
Par value per share	2	2
Earnings per share from continuing operations - Basic and Diluted	4.65	2.71

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,	Year ended March 31,
		2017	2016
	Contract revenue recognised during the year	-	-
	Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	-	-
	Advances received for contracts in progress	-	-
	Retention money for contracts in progress	-	-
	Gross amount due from customers for contract work (asset)	-	6,904,897
	Gross amount due to customers for contract work (liability)	-	-

4.04 a) Details of Borrowing cost capitalised	Year ended March 31,	Year ended March 31,
	2017	2016
Borrowing costs capitalised during the year		
- as part of work in progress for property development	114,153,667	141,465,463
- as part of capital work in progress	-	52,330,836
	114,153,667	193,796,299

b) The slow down in the property development activity on plot of land at Sriperumbudur and Guduvancherry, especially due to drop in demand is considered as part of operating cycle in the real estate sector. Accordingly, the borrowing cost incurred during such period on entire project is capitalised. The management is of the opinion that having considered various factors relating to development including preparatory work carried out for intended development and market value of property, the net realisable value in case of projects undertaken for development would be higher than its book value. The auditor's have relied upon management's opinion.

### 4.05 Gratuity benefit plans

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

### Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity			
	Year ended March 31,	Year ended March 31,		
	2017	2016		
Current service cost	825,331	1,409,894		
Interest cost on benefit obligation	626,706	882,488		
Expected return on plan assets	-	-		
Net actuarial (gain)/loss recognized in the year	550,863	(4,753,350		
Net benefit expense	2,002,900	(2,460,968		
Balance sheet				
Benefit asset/liability recognised in the Balance Sheet	Grat	Gratuity		
	Year ended March	Year ended March		
	31,	31,		
	2017	2016		
Present value of defined benefit obligation	6,386,835	7,817,996		
Fair Value of the Plan Assets				
Liability/(asset) recognised	6,386,835	7,817,996		
Changes in the present value of the defined benefit obligation are as follows:				
	Grat	uity		
	Year ended March 31,	Year ended March 31,		
	2017	2016		
Opening defined benefit obligation	7,817,996	11,039,164		
Current service cost	825,331	1,409,894		
Interest cost	626,706	882,488		
Liability Transfer in	-	-		
Benefits paid	(3,434,061)	(760,200)		
Actuarial (gains)/losses on obligation	550,863	(4,753,350)		
Closing defined benefit Obligation	6,386,835	7,817,996		

The principal assumptions used in determining gratuity are shown below:

	Gra	tuity
	Year ended March 31,	Year ended March 31,
	2016	2015
Discount rate	7.12% - 7.20%	7.56% - 8.06%
Expected rate of return on assets	NA	NA
Employee turnover	For service 4years and below 8.25% - 23% p.a & thereafter 1.00%	For service 4years and below 8.25% - 23% p.a & thereafter 1.00%
	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality		
Salary Escalation	5%	5%

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

a)The Company has entered into commercial leases on office building. The lease has a life of one year 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. 14,48,600 (March 31, 2016; Rs.15,11,922)

b) During the year the company has also entered into non-cancellable lease of residential property having a lease term upto 36 months. Rental expenses debited to the Statement of profit & loss amounting to Rs.19,80,235 (March 31, 2016: Nil).

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

	Year ended March 31,	Year ended March 31,
	2017	2016
Within one year	59,51,448	-
After one year but not more than five years	99,67,520	-
More than five years	<u>-</u>	
	1,59,18,968	-

# Operating lease: Company as lessor

a) The company has entered into leasing of residential property having a lease term upto 11 months. Rental income credited to statement of profit & loss amounting to Rs.8,02,268 (March 31, 2016: Nil).

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

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

	Year ended March 31,	Year ended March 31,
	2017	2016
Rental income credited to statement of profit and loss Within one year	7,28,63,578 44,42,617	15,71,02,392 66,95,620
After one year but not more than five years	-	=
More than five years		
	44,42,617	66,95,620

The future minimum lease rental has been considered above based on the lock in period as per lease agreement entered between the Company and lessee. Note: Details of debits/credits in the nature of reimbursements are not included in the above

# 4.07 Interest in a joint venture

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

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

The Company's share of the assets, liabilities, revenues and expenses of the jointly controlled entity for the year ended March 31, 2017(PY: March 31, 2016) are as follows: (before inter Company elimination)

	Year ended March 31, 2017	Year ended March 31, 2016
Current assets	6,66,908	23,05,130
Non-current assets	9,25,37,435	9,56,80,736
Current liabilities	3,623,708	35,03,708
Non-current liabilities	6,04,92,386	3,49,13,100
Revenue from operation	69,04,250	2,58,762
Changes in inventories of constructed premises for sale, work-in-progress & construction materials	-	-
Depreciation and amortization expense	55,01,324	14,613
Finance cost	6,88	6,488
Other expenses	4,94,221	1,05,337
Profit/(Loss) before tax	9,08,017	1,32,324
Extraordinary items	-	9,67,336
Profit/(loss) before tax	9,08,017	(8,35,012)
Income-tax expense	1,05,536	12,13,350
Profit/(loss) after tax	8,02,481	(20,48,362)

a) The share of contingent liability of the Company for which it is contingently liable in relation to its interest in the partnership firm is Rs. 10,02,283(March 31,2016 Rs. 10,02,283) and an equal amount of penalty.

### 4.08 Segment information

The group's operation is predominantly in the development of residential, commercial and allied activities like property rental, maintenance of property and brokerage on account of sale and leasing of properties, which as per the Accounting Standard - 17 on "Segment Reporting" as specified under section 133 of the Companies Act 2013 read with relevant rule of the Companies (Accounts) Rules 2014 is considered to be the only reportable business segment.

Accordingly, there are no primary reportable segments as per Accounting Standard 17.as the group primarily operates in India, it is considered as single geographical segment.

# 4.09 Related party disclosures

# Names of related parties and related party relationship

### Control

a) R.V. Shekar

# Joint Ventures

a) Central park West Venture

# Related party transactions

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

	Year / Period ended	Control	Key management Personnel	Total
a. Expenditure				
Interest paid				
R.V. Shekar	31/03/2017	69,77,752	-	69,77,752
	31/03/2016	46,38,212	-	46,38,212
b. Loans / advances given an	d (receipt) thereof (net)			
Loan from R.V. Shekar	31/03/2017	(2,48,85,020)	-	(2,48,85,020)
	31/03/2016	(1,75,58,580)	-	(1,75,58,580)
c.Closing Balances of loans taken				
Loan from R.V. Shekar	31/03/2017	7,64,43,600	-	7,64,43,600
	31/03/2016	5,15,58,580	-	5,15,58,580

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

4.10	Capital and other commitments	Year ended March 31,	Year ended March 31,
		2017	2016
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets Intangible assets	-	-
		-	

### 4.11 Assets Held for Sale

The board of directors had decided in its meeting held on March 23, 2016 to dispose off certain immovable properties for which, it had obtained necessary approval from the members during the year. The Company has been able to dispose off certain immovable properties at a price greater than the book value. The management is hopeful of disposing other identified immovable properties having book value of Rs.4,35,65,788/- at a price greater than the book value."

# 4.12 Contingent liabilities

a)In the matter of the Commercial Property, "Menon Eternity" owned by the Company, the arbitrator had issued an award dated March 16, 2016, invalidating the sales deeds registered in favour of the Company having carrying value of Rs.35,63,60,987/-. The single bench of the Hon'ble High court of Madras by its judgement delivered on December 23, 2016, set aside the Award of the Arbitrator, with regard to the invalidation of the Sale deeds and confirmed the title in favour of the Company. Subsequently, the land owners have gone on appeal before the division bench in the Hon'ble High Court of Madras and also the company has filed cross objections on certain matters and the matter is pending. In view of the management, the appeal filed by the landowners are not sustainable.

- 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. 2,55,78,657. The Hon'ble High court of Madras has not granted interim injunction in respect to interim application filed by the lessee. Aggrieved by the order of the single judge, the lessee has filed an appeal before the larger bench and the same was also dismissed. Further the main suit is also pending. In view of the management, the claim of lessee is not sustainable and accordingly, claims are not acknowledged as debt.
- c) Other claims other than the details as mentioned above for a leasees not acknowledged as debt is Rs. 45,04,320 (excluding interest). The Company has furnished a bank guarantee in this regard.
- d) In pursuance to the increased demand on premium FSI and OSR charges by the Chennai Metropolitan Development Authority (CMDA) over and above the normal FSI charges paid by the Company as per the guideline value prevailing at the time of filing the application with respect to one of the project, the Company has filed a writ petition before the Hon'ble High Court of Madras. As per the interim direction of the Hon'ble court the differential amount of Rs. 74,84,000 has been furnished by way of a bank guarrantee and the matter is pending. In view of the management the increased demand is based revision in the gudieline value which was not prevailing at the time of initial approval, accordingly the claims are not acknowledged as debt.
- e)The service tax department has raised a demand of Rs.2,23,27,853 along with interest and penalty for the period Feb'09 to Jun'10. The Company has paid the demanded amount except for interest and penalty and it has filed an appeal before the CESTAT dated May 10,2012 stating that amount received from the customers are not chargeable to service tax prior to July 1, 2010 under various grounds. The matter is pending before the Appellate Tribunal.
- f) The service tax department has raised a demand of Rs. 15,610,334 and also a penalty of equal amount on Lancor GST Developements Limited (merged with Lancor Holdings Limited with an appointed date, April 1st, 2013) for wrong availment of Cenvat Credit. The erstwhile holding Company of Lancor GST Developements Limited 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 pending before the Appellate Tribunal. The Company has been advised that these proceedings are not likely to result into any liability as the Company had reversed it without utilising the same.
- g)The office of Commissioner of service tax has passed an order demanding service tax amounting to Rs. 10,02,283 and an equal amount of penalty vide order dated July 31, 2014. The entity has filed an appeal before the Customs, Excise & Service Tax Appellate Tribunal on Nov 14, 2014 contesting the demand and the matter is pending.
- h) Claims against the entity in respect of the Service Tax matter not acknowledged as debt amounting to Rs.1,27,547/- (March 31, 2016: 1,27,547/-), against which an amount of Rs.60,000/- has been remitted as predeposit as per the direction of CESTAT.

# **Lancor Holdings Limited**

As per section 135 of the Companies Act, 2013, to carry out CSR Activities as specified under Schedule VII of the act, the Company has formed a trust in the name of Lancor Foundation. The Company has spent Rs. Nil (March 31, 2016: 45,600) on its own and has contributed Rs. 39,34,963/-(March 31, 2016: Rs. 38,43,095) to the trust established by it to carry out the activities as prescribed in the Schedule VII of the Act 2013.

# 4.15 Additional Information for Consolidated Balance Sheet

# Statement of Equity

	Net Assets, i.e minus total		Share in profit or loss				
Name of the entity	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount			
1	2	3	4	5			
Parent Subsidiaries Indian:							
1 Lancor Maintenance and Services Limited	4.99	7,66,02,314	0.72	13,55,766			
2 Lancor Egatoor Developments Limited	0.01	1,43,798	(0.03)	(57,635)			
Foreign:  1. Not Applicable							
Minority Interest in all subsidiaries	0.03	5,21,800	0.01	14,749			
Joint Ventures (as per proportionate consolidation / investment as per the equity method) Indian:  1 Central Park West Venture	1.89	2,90,88,249	0.43	8,02,481			
Foreign: 1. Not Applicable							

# 4.16 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

For and on behalf of the Board of Directors

Firm Reg No.104767 W

Sd/- Sd/- Sd/- Sd/-

Satya Ranjan Dhall R.V.Shekar R.Sankaranarayanan Mrs. Mallika Ravi Partner Chairman Director Chief Executive Officer

Membership No. 214046

Sd/- Sd/-

Date : May 29, 2017 K. Prakash Dr. V Rajesh Place: Chennai Chief Financial Officer Company Secretary

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

### NOTICE OF THE 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting (AGM) of the members of Lancor Holdings Limited will be held on the 22nd September, 2017 at 2.30 pm at Quality Inn Sabari, No: 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017 to transact the following business:

# **Ordinary business**

- 1.To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2017 the reports of the Board of Directors and Auditors thereon;
- 2. To declare a dividend on Equity Shares.
- 3.To appoint a Director in place of Mrs. Sangeetha Shekar (DIN:03344252), who retires by rotation and being eligible, offers herself for re-appointment.
- 4.To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. Nayan Parikh & Co., (ICAI Firm Registration No.:107023W) Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s.G.M.Kapadia & Co, Chartered Accountants, the retiring Auditors) for a term of one (1) year commencing from the conclusion of the 32nd Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting on such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors:

**RESOLVED FURTHER THAT** R.V.Shekar (DIN:00259129), Chairman and / or Dr.V.Rajesh, Company Secretary of the Company be and are hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.

Date: 22 August 2017

Place: Chennai

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

Dr. V. Rajesh Company Secretary & Compliance Officer

### NOTES:

- 1.A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
- 2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- 3 The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
- 4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 5. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 6. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
- 7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share capital and Debentures) Rules 2014, are requested to write to the Company's Registrar in the prescribed form. Nomination form (SH.13) may be downloaded from Company's Website <a href="https://www.lancor.in">www.lancor.in</a>
- 8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM
- 9. Members who are holding shares under more than one folio under physical form may approach the Company's Share Transfer Agent for consolidation with respective details
- 10. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 11. The Register of Members and Share Transfer Books will remain closed on 16th September, 2017 to 22nd September, 2017 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2017 and the AGM.
- 12. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as 15th on September, 2017. The final dividend is Re.0.20/- per equity share.
- 13. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- 14. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, having their Registered Office at "Subramanian Building", No.1, Club House Road, Chennai, 600002.
- 15. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Dr. V. RAJESH, Company Secretary, at the Company's registered office.

# **Lancor Holdings Limited**

- 16. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund.
- 17. With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communications electronically.
- 18. The Annual Report 2016-17 is being sent through electronic mode only to the members whose email ad-dresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
- 19. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and regulation 44 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote evoting shall be able to exercise their right at the AGM through ballot paper.
- 20. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
- 21. The Notice of the 32nd AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
- 22. Members may also note that the Notice of the 32nd AGM and the Lancor Annual Report 2016-17 will be available on the Company's website, <a href="www.lancor.in">www.lancor.in</a> the physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at:compsecy@lancor.in.
- 23. Additional information, in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.
- 24. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
- 25. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
- 26. Attendance registration: Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
- 27. The Company has appointed Mr. Rabi Narayan Pal, Partner, Rabi Narayan & Associates, Practicing Company Secretary, Chennai to act as the Scrutinizer, for conducting the scrutiny of the votes cast in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

16. Under Regulation 36(3) of the SEBI (LODR) Regulations 2015, the additional information on reappointment of Director are as follows:

Particulars	Description
Name of the Director	Mrs. Sangeetha Shekar
Date of Birth	20.06.1977
DIN	03344252
Date of Appointment	02/12/2010
Expertise in specific areas	Ten years of experience in Information Technology
Qualifications	She holds B.Tech in Chemical Engineering from BITS Pillani, She also holds a Master Degree in Chemical Engineering and a Master Degree in Computer Science, both from University of Florida, USA
Directorship held in other companies	NIL
Membership / Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	NIL
Shareholdings in the Company	2753700

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

Dr. V. Rajesh Company Secretary & Compliance Officer

# PROCEDURE FOR E-VOTING

# The instructions for shareholders voting electronically are as under:

(I) The voting period begins at 9.00 a.m. on Tuesday 19.09.2017 and ends at 5.00 p.m. on Thursday 21.09.2017.

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to <a href="www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in
Bank Details	your demat account or in the company records in order to login.
OR Date of	If both the details are not recorded with the depository or company please enter
Birth (DOB)	the member id / folio number in the Dividend Bank details field as mentioned in
	instruction (iv).

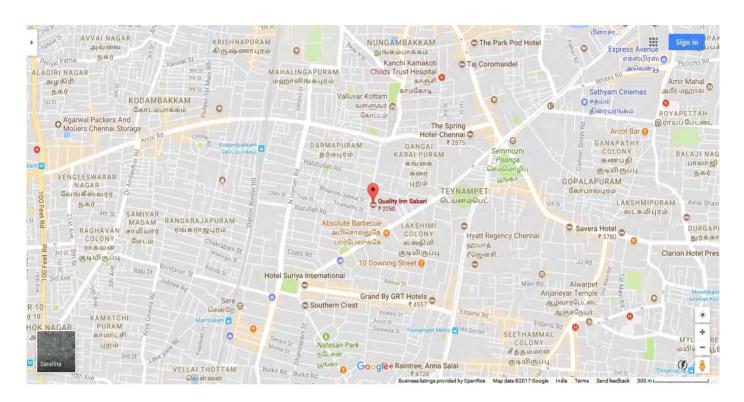
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN No: 170822019 for the Lancor Holdings Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

# (xx) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <a href="www.evotingindia.com">www.evotingindia.com</a>, under help section or write an email to <a href="helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.
- (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut – off date (record date) of 15.09.2017. Mr. Rabi Narayan Pal, Partner, Rabi Narayan & Associates, Company Secretary in Practice, Chennai has been appointed as the scrutinizer to scrutinize the evoting process in a fair and transparent manner.
- (xxiii) The scrutinizer shall immediately after the conclusion of the Annual General meeting first count the votes cast at the meeting and thereafter unblock the vote cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith the Chairman of the Company.
- (xxiv) The results shall be declared within 3 days of the conclusion of the Annual General meeting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.lancor.in and on the website of CDSL within three days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the equity of the Company is listed.

# Route map to the venue of the AGM



# Quality Inn Sabari, 29, Thirumalai Pillai Road, T.Nagar, Chennai 600 017

The 32nd Annual General Meeting (AGM) of the members of Lancor Holdings Limited is scheduled on Friday, the 22nd September, 2017 at 2:30 pm

# **PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-11]

# LANCOR HOLDINGS LIMITED

CIN L65921TN1985PLC049092

Registered Office: VTN square, 2<sup>nd</sup> Floor, No.58, (Old No.104) G.N. Chetty Road, T. Nagar, Chennai – 600 017, Email ID: <a href="mailto:compsecy@lancor.in">compsecy@lancor.in</a>, website: <a href="mailto:www.lancor.in">www.lancor.in</a>, Telephone: +91-44-28345880/83, Tele Fax: +91-44-28345884

		32	2 <sup>110</sup> A	nnu	ıal G	enei	ral M	leeti	ng o	n 22	" Se	epte	mbe	r, <b>20</b>	17				
Name of	the member(s)																		
Registe	ered address																		
Email																			
						1													
Folio no	o. / Client ID																		
DP ID																			
me:	he member(s) o																-	-	
dress::																			
me :							O	r failin	g him	/ her				J					
me :								or fai	<i>iling hi</i> Ema	<i>m / he</i> il:	r 								
as my/our prox	y to attend and vote (o ality Inn Sabari, 29, Th	n a poll)	for me	us and	l on my/	our beh	nalf at th	ie 32 <sup>nd</sup>	Annual	General	Meetin	g of the	Compa	iny, to b	Signa be held o	iture on Frida	ay, 22nd	Septem	ber, 201
Resolution No.						soluti				-				т —		see Note	2) (Please i	mention no	
NO.						Ore	dinary	busin	ess						101		Agamst	^	DStai
1.	Adoption of Financi of Directors and Au	al State ditors fo	ments ( or the Fi	includi nancia	ng cons I Year e	solidatio ended M	on) of th March 3	e Com <sub>l</sub> 1, 2017	pany alo	ong with	the rep	ort of t	ne Boai	rd					
2.	To declare a divid	dend or	n equit	y shai	res														
3.		Appointment of a director in place of Mrs. Sangeetha Shekar (DIN: 033320782) who retires by rotation and being eligible, offers herself for re-appointment.																	
4.	Appointment of Auditors of the C			Parikh	& Co (	ICAI F	irm Re	egistrat	tion No	.: 1070	23W)	as the							
J				,															Affix revenue stamp of not less
	re of the member								older(										han Re.

Notes: 1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hrs before the AGM.

2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

# **Attendance Slip**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11

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	3	32"" A	nnu	al Ge	nera	I Mee	eting	on 2	22" 8	Septe	embe	r ,20	17				
Folio no. / Client ID																	
No. of Shares held										-							
I certify that I am a men	nber /	/ prox	y / aı	uthori	zed r	epre	senta	ative 1	for th	e me	mber	of th	ie Co	mpar	ıy.		
I hereby record my pres Thirumalai Pillai Road, T									-			•			lity I	nn Sa	abari, 29
Name of the member / proxy									9	 Signa	ture	of the	 men	 nber	/ prox	 'Y	

Note:

Fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

Rered Folio no. / DP ID no. / Client ID no. :	Number of shares held :
Refea Folio 110. / DF 1D 110. / Ciletta 1D 110	Number of Shares field.

Dear member,

(in BLOCK letters)

# Subject: Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 32<sup>nd</sup> Annual General Meeting to be held on 22<sup>nd</sup> September, 2017, at 2.30 p.m. IST. The Company has engaged the services of the Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company's website, <a href="https://www.lancor.in">www.lancor.in</a>.

The e-voting facility is available at the link, https:// www.evotingindia.com

- E-voting particulars

EVEN (e-voting event number)	User ID	Password
170822019	Please enter your DP ID / C: ID or Folio No.	Use your existing password or enter your PAN with Bank A/c. No. / Date of Birth

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
19 <sup>th</sup> September, 2017 at 9:00 a.m. IST	21 <sup>st</sup> September2017, at 5:00 p.m. IST

Please read the instructions printed below before exercising your vote :

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 22<sup>nd</sup> September, 2017.

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



# **LANCOR HOLDINGS LIMITED**

No. 58, VTN Square, Second Floor, G.N.Chetty Road, T.Nagar, Chennai - 600 017, Tamil Nadu, India

Ph: 044-3020 5473

www.lancor.in

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