

**LANCOR HOLDINGS LIMITED**  
(Formerly Known as \*DBS Properties Limited)

**ANNUAL REPORT**  
**2003 - 2004**

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Registered Office: "Sivasakthi" No.61 G.N.Chetty Road, T.Nagar, Chennai 600 017.

<b>BOARD OF DIRECTORS</b>	
1.	Mr. R.V. Shekar, Managing Director
2.	Mr. R.Sankaranarayanan
3.	Mr. V. Chander
4.	Mr. Atul Upadhy
<b>REGISTERED OFFICE</b>	
Sivasakthi, 61 G N Chetty Road T. Nagar Chennai – 600 017	
<b>BANKERS</b>	
Bank of Ceylon The Catholic Syrian Bank Limited	
<b>AUDITORS</b>	
G.M.KAPADIA & CO., CHARTERED ACCOUNTANTS, MUMBAI.	

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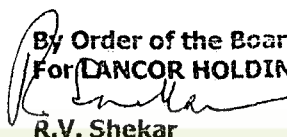
**NOTICE**

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the shareholders of the Company will be held at the Registered office of the Company at "SIVASAKTHI" No. 61 GN Chetty Road, T.Nagar, Chennai 600 017 on Thursday, the 20<sup>th</sup> day of May, 2004 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2004 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, and Auditors thereon.
2. To declare dividend on the equity shares of the Company and also to ratify the Interim Dividend paid by the Company. The Directors have recommended a Final Dividend of 7.5% on the Equity Shares of the Company. Further the Company had already paid an Interim Dividend of 15% on the Equity Shares of the Company.
3. To appoint a Director in place of Mr. Atul Upadhyaya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration. M/S G.M. KAPADIA & CO., Chartered Accountants the retiring Statutory Auditors of the Company are eligible for reappointment and offer themselves for reappointment.

By Order of the Board  
For LANCOR HOLDINGS LIMITED

  
R.V. Shekar  
Managing Director

Chennai  
26<sup>th</sup> April, 2004

Registered Office  
Sivasakthi, 61, G.N. Chetty Road  
T Nagar, Chennai 600 017.

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member.
2. Proxy to be valid must be deposited at the registered office of the Company, not later than 48 hours before the commencement of the meeting.
3. Members are requested to notify change in address, if any, to the Company.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> May, 2004 to 20<sup>th</sup> May, 2004 (Both days Inclusive)
5. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the company keep the information ready.
6. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.

For LANCOR HOLDINGS LIMITED

  
R.V. SHEKAR  
MANAGING DIRECTOR

7. Members are requested to notify change in address, if any, to the Company.
8. Members are requested to inform the company their Income Tax Permanent Account Number (PAN) / General Index Register Number (GIR), if any allotted to them by the Income Tax Department and the particulars of their bank account, in case the same have not been sent earlier.
9. Members are hereby informed that the company has its own-in-house registry and handles share transfers, transmission etc., and therefore the shareholders are requested to send their share certificates for transfer to the Registered Office of the Company.
10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to submit to the registered office of the company the prescribed Form 2B, which is attached for this purpose.

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF  
PROPOSED RE-APPOINTMENT OF DIRECTORS**

Shri. Atul Upadhyay, aged 44 years is presently occupying the position of the Managing Director of M/s GESCO Corporation (South) Limited, at Bangalore. Prior to this he was the General Manager of M/s Great Eastern Shipping Company Limited, Mumbai.

The particulars in respect of Shri. Atul Upadhyay, Directorship and Committee Membership in other Companies are as follows:-

Directorship in other Companies	Committee Membership in other Companies
LANCOR GESCO PROPERTIES LIMITED	Nil
GESCO CORPORATION (SOUTH) LIMITED	Nil

By Order of the Board  
For LANCOR HOLDINGS LIMITED

  
R.V. Shekar  
Managing Director

Registered Office

Sivasakthi, 61, G.N. Chetty Road  
T Nagar, Chennai 600 017.

Dated : 26<sup>th</sup> April, 2004

Account No :
No of Shares :

**FORM 2B****NOMINATION FORM****(To be filled in by the Individual(s) applying singly or jointly)**

I/We -----and-----and-----the holders of shares----- bearing number(s) -----of LANCOR HOLDINGS LIMITED wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vests in the event of my or our death.

**Name and Address of Nominee**

<b>Name</b>	
<b>Date of Birth *</b>	

(\* to be furnished in case the nominee is a minor)

**\*\* The Nominee is a minor whose guardian is**

<b>Name</b>	
<b>Address</b>	

(\*\* to be deleted if not applicable)

<b>1. Signature</b>	
<b>Name</b>	
<b>Address</b>	
<b>Date</b>	

<b>2. Signature</b>	
<b>Name</b>	
<b>Address</b>	
<b>Date</b>	

<b>3. Signature</b>	
<b>Name</b>	
<b>Address</b>	
<b>Date</b>	

**P.T.O**

Name, Address and Signature of two Witness	
Name and Address	Signature with date
1	
2.	

**Instruction**

1. The nomination can be made by individuals only applying/ holding shares on their own behalf singly or jointly. Non-individuals including trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a Power of Attorney holder can not nominate. If the shares held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares and witness.
2. A minor can be nominated by a holder of shares and in that event, the name and address of the guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of shares.
5. Transfer OF shares in faour of a nominee shall be valid discharge y the Company against the legal heir.
6. The Nomination Form shall be filed in duplicate with the Registered office of the Company Sivasakthi, 61, G.N. Chetty Road, T.Nagar, Chennai 600017 which will return one copy thereof to the Shareholder.

**FOR OFFICE USE ONLY**

<b>Nomination Registration Number</b>
<b>Date of Registration</b>
<b>Checked by (Name and Signature)</b>

**DIRECTORS' REPORT TO THE MEMBER**

Your Directors have great pleasure in presenting the Nineteenth Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2004 and the Auditors' report thereon.

**1. FINANCIAL RESULTS****(Amount In Rs. Lacs)**

Particulars	2003-2004	2002-2003
Income from operations	1004.87	327.97
Profit before interest, depreciation and taxes	481.74	46.96
Less: Interest	67.26	110.51
Depreciation	18.90	19.65
Profit before Tax	395.58	(83.20)
Less: Provision for		
Current Tax	106.50	-
Deferred Tax	(48.32)	44.60
Profit after Tax	240.76	(38.60)
Less: balance brought forward from previous year	149.52	189.01
Prior year adjustments		(0.89)
Available for appropriation	390.28	149.52
Dividend		
Interim - @ 15%	43.00	-
Final - @ 7.5%	24.00	-
Tax on Dividend	9.23	-
Transfer to General reserve	24.07	-
Balance carried to Balance sheet	284.98	149.52

**2. BUSINESS OUTLOOK**

During the year, the company has completed and sold Lancor Royale to Indian Institute of Planning Management realizing a good profit. The company also successfully marketed all the apartments in its Bangalore development calling to a close where lands were acquired at a high cost in the earlier boom period.

The company had received Rs.5.3 crores from Shriram Capital Trust Pvt Ltd. (SCT) representing the advance made by the Company to the said SCT towards Santhome Project, after a prolonged litigation. Although the said Rs.5.3 crores was lower than the amount that the Company expected to receive, the receipt of the money put an end to a dispute with the said SCT which had been in its books since the year 1995-96. The immediate impact of the receipt of this large sum of money was the Company remained debt free for a few months before the close of the accounts with all the other assets producing outstanding returns.

The company is looking to the future with great optimism as the property market in general has become quite upbeat although the company, as usual will adopt a cautious approach to the acquisition of lands for development.

The Company henceforth will carry all the development activities through its wholly owned subsidiary Lancor Properties Limited, which has now completed the development of two projects in Chennai and is about to embark upon a few more further in the current year.

### 3. FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

### 4. DIVIDEND

In view of the Financial results, your have recommended a Final Dividend of 7.5% on the Equity Shares of the Company. With this the total dividend declared (including the Interim Dividend declared @ 15%) by the Company is 22.5% and as required under the provisions of the Companies Act, 1956 the same requires ratification by the shareholders of the Company.

### 5. SUBSIDIARY COMPANIES

#### > LANCOR PROPERTIES LIMITED

**LANCOR PROPERTIES LIMITED** continues to be a wholly owned subsidiary of your Company. The accounts for the period ended 31<sup>st</sup> March, 2004 has been attached to the accounts of your company. Statement as required under section 212 of the Companies Act, 1956 has been attached hereto.

#### > LANCOR MAINTAINANCE & SERVICES LIMITED

**LANCOR MAINTAINANCE & SERVICES LIMITED** continues to be a subsidiary of your Company. The accounts for the year ended 31<sup>st</sup> March, 2004 has been attached to the accounts of your company for the year ended March, 31, 2004. Statement as required under section 212 of the Companies Act, 1956 has been attached hereto.

#### > LANCOR REALTY LIMITED

During the year under review **LANCOR REALTY LIMITED** became a wholly owned subsidiary of your Company, consequent upon the acquisition of entire paid up capital of the Company ie., 50,000 Equity Shares of Rs.10/- each totaling Rs.5,00,000/=. The accounts for the period ended 31<sup>st</sup> March, 2004 has been attached to the accounts of your company. Statement as required under section 212 of the Companies Act, 1956 has been attached hereto.

#### > LANCOR GESCO PROPERTIES LIMITED

During the year under review, the Company had along with M/s GESCO CORPORATION (SOUTH) LIMITED, had incorporated a Company named "**M/s LANCOR GESCO PROPERTIES LIMITED**" for taking projects for development with Gesco Corporation (South) Limited and the Board is very happy to note that the said company had taken a project in Peters Road, named "MERIDIAN HEIGHTS".

As per the requirement of AS-21/27 issued by the ICAI, your company is pleased to present here with the consolidated balance sheet, profit and loss account and cash flow statement of the Company and its subsidiaries.

### 6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, particulars regarding foreign exchange earnings and expenditure appear as items 7 to 10 in the notes on



Accounts. The Company has no activity relating to conservation of energy or technology absorption.

## **7. INTERNAL CONTROLS AND THEIR ADEQUACY:**

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

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors confirm that they had:

1. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
2. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
4. prepared the Accounts on a going Concern basis.

## **9. STATEMENT PURSUANT TO LISTING AGREEMENT**

The company's securities are listed with Madras and Mumbai Stock Exchanges and it has paid the respective annual listing fees up-to-date and there is no arrear.

## **10. CODE OF CORPORATE GOVERNANCE**

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

## **11. DIRECTORATE**

In compliance with the provisions of the Companies Act, 1956 in accordance with the Article 100 of the Company's Articles of Association, Mr. Atul Upadhyaya, retires at this Annual General Meeting and being eligible, offers himself for reelection.

## **12. AUDITORS**

The retiring auditors, M/s. G.M.KAPADIA & CO., Chartered Accountants have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Board of Directors recommend to the members to appoint them as auditors and fix their remuneration.

### 13. AUDITORS REPORT

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

### 14. EMPLOYEES

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year. During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

### 15. DEMATERIALISATION OF SHARES

Your Directors would like to state that the Company at its Extra Ordinary General Meeting held on 16<sup>th</sup> day of February, 2004 for amending its Article of Association of the Company to enable the Company for demating its shares and the Company is making all necessary arrangements to demat the shares and the said process shall be over within two or three months.

### 16. ACKNOWLEDGEMENT

Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all level for the growth of the company

FOR AND ON BEHALF OF THE BOARD  
For LANCOR HOLDINGS LIMITED

  
R.V. SHEKAR  
CHAIRMAN

Place : Chennai  
Date : 26-04-2004