

**Lancor Holdings Limited**

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

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## **NOTICE**

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

### **ORDINARY BUSINESS**

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

By Order of the Board

**For LANCOR HOLDINGS LIMITED**

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

Chennai,  
May 30, 2012

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

### **NOTES**

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

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

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th day the July, 2012 to Friday, 27th day of July, 2012 (Both days Inclusive) for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing Twenty Seventh Annual General Meeting.
3. The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose name appear:-
  - (i) as member in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before July 24, 2012 and
  - (ii) as Beneficial Owners as at the end of the business hours on 23rd July, 2012 as per the list to be furnished by National Securities Depository Limited and / or Central Depository Service (India) Limited in respect of the shares held in electronics form.
4. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters and / or change in address to the Company's Registrar and Share Transfer Agent.
5. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar in the prescribed form. Nomination form may be downloaded from Company's Website [www.lancor.in](http://www.lancor.in)
7. Annual Report is available at the website of the Company at [www.lancor.in](http://www.lancor.in)
8. Members who have not yet encashed their dividend warrants for previous years are advised to forward such warrants to the company for revalidation. Pursuant to the provision of section 205A of the Companies Act, 1956 dividend, which remains unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government.
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents.

## Lancor Holdings Limited

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

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

**Lancor Holdings Limited**

02	Name	R.Sankaranarayanan
	Date of Birth	11.04.1944
	Nationality	Indian
	Date of Appointment on the Board	20.12.1990
	Qualifications	He is a graduate and Fellow Member of The Institute of Chartered Accountants of India and also the Member of the Institute of Company Secretaries of India
	Expertise in functional area	He has Over 35 years of experience in Finance Accounts and Taxation. Has been in the advisory and consultancy for three decades. He is a non-executive and Independent Director of the Company.
	No of Shares held	500
	List of Directorships held in other Companies	Lancor Maintenance & Services Limited
	Chairman/ Member of the Committees of the Board of other Companies in which he is Director as on 31.03.2012	He is the Chairman of the Audit Committee, Remuneration committee and Share holder's / investor's grievance committee of the Company.

By Order of the Board

**For LANCOR HOLDINGS LIMITED**

R.V.Shekar  
Managing Director

Chennai,  
May 30, 2012

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

## DIRECTORS' REPORT TO THE MEMBERS

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

### FINANCIAL RESULTS

(Amount in Rs. Lacs)

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

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

#### PROPERTY DEVELOPMENT BUSINESS:

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

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

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

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

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

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

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

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

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

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

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



**SUBSIDIARY COMPANIES:**

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

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

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

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

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

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

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

**CREDIT RATING**

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

**DIVIDEND:**

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

**TRANSFER TO RESERVE**

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

**FIXED DEPOSITS**

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

**SUBSIDIARY COMPANIES / ASSOCIATE AND CONSOLIDATED FINANCIAL STATEMENTS**

The Company continue to have subsidiaries viz, Lancor Maintenance & Services Limited, Lancor Realty Limited, Lancor Projects Limited, Lancor Guduvanchery Developments Limited, Lancor Sriperumbudur Developments Limited and Lancor Egatoor Developments Limited. There has been no material change in the nature of the business of the subsidiaries. A Statement containing brief financial details of the subsidiaries is included in the Annual Report.

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

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiaries with the balance sheet of the Company. A Statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

As required under Companies Act, 1956, the statement pursuant to section 212 containing the details required in respect of our subsidiaries namely, Lancor Maintenance & Services Limited, Lancor Realty Limited, Lancor Projects Limited, Lancor Guduvanchery Developments Limited, Lancor Sripermbudur Developments Limited as on 31st March, 2012 and Lancor Egatoor Developments Limited as on 31st December, 2011, attached herewith.

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

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