



PASSION. INTEGRITY. TRANSPARENCY.

36TH ANNUAL REPORT 2020-2021

LANCOR
INFINYS

LAUNCHING
IN SOUTH OF
NANGANALLUR

**OPENS DOORS TO
FINE LIVING**

RERA NUMBER: TN/01/Building/0210/2021 dated 23-07-2021



BOARD OF DIRECTORS			
Sl. No	DIN	Name of the Directors	Designation
01.	00259129	Mr. R.V. Shekar	Chairman & Managing Director
02.	01773791	Mr. S. Sridharan	Non – Executive & Non – Independent
03.	02025846	Mr. N. Vasudevan	Non – Executive & Non – Independent
04.	08217157	Dr. Gowri Ramachandran	Non – Executive & Independent
05.	08400170	Mr. M. Hariharan	Non – Executive & Independent
06.	08453883	Mr. K. Harishankar	Non – Executive & Independent
07.	08684304	Mrs. N. Nagalakshmi	Non – Executive & Independent

KEY MANAGERIAL PERSONNEL		
Sl. No	Name of the Person	Designation
01.	Mr. K. Prakash	Chief Financial Officer
02.	Mr. B. Sanjeev Anand	Company Secretary and Compliance Officer

	Audit Committee	Stake Holders Relationship Committee	Nomination And Remuneration Committee	Corporate Social Responsibility Committee
Dr.Gowri Ramachandran	Chairperson cum member			
Mr.M.Hariharan	Member			
Mr.K.Harishankar	Member			

STATUTORY AUDITORS	SECRETARIAL AUDITORS	INTERNAL AUDITORS
M/s. Nayan Parikh & Co Office No: 9, 2nd floor, Jain Chambers, 577, S.V. Road, Bandra (West), Mumbai 400050	M/s. Mohan Kumar & Associates Practicing Company Secretaries Flat F 1, Sudarsan Apartments 72, VGP Selva Nagar Second Main road, Velachery Chennai 600 042.	M/s. VGJ & CO Chartered Accountants No.3, 6th Floor, Apex Plaza, Nungambakkam High Road, Nungambakkam, Chennai 600 034

BANKERS AND FINANCIAL INSTITUTIONS		Registered Office
Sl. No	Name of the Bankers	“VTN Square”, 2nd floor, No: 58, G.N. Chetty Road, T. Nagar, Chennai – 600017.
01.	M/s. The Catholic Syrian Bank Limited	
02.	M/s. City Union Bank Limited	
03.	M/s. LIC Housing Finance Limited	Share Transfer Agent (STA) Cameo Corporate Services Limited, “Subramanian Buildings” No: 1, Club House Road, Chennai – 600 002.
04.	M/s. Axis Finance Limited	
05.	M/s. Kotak Mahindra Investments Ltd.	
06.	M/s. IDBI Bank Limited	
07.	M/s. Axis Bank Limited	

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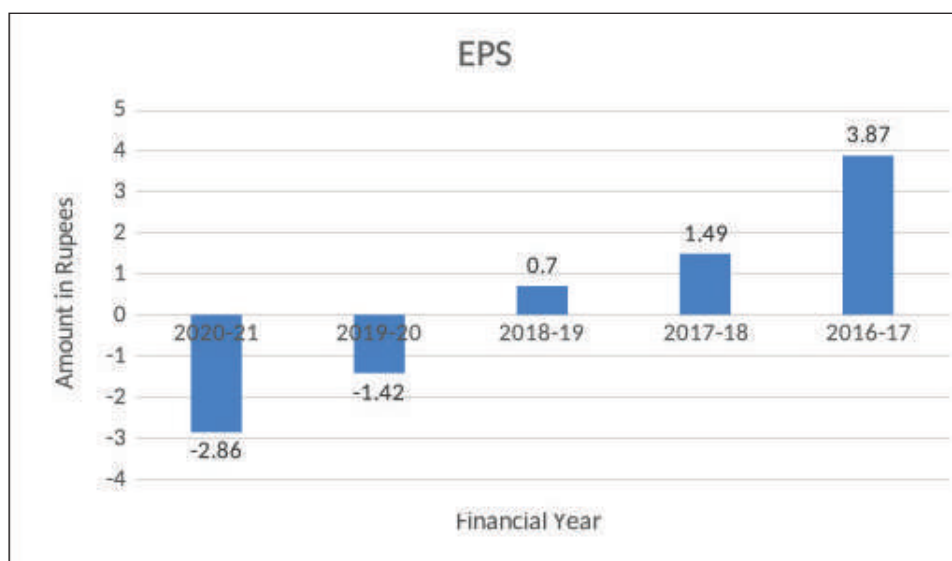
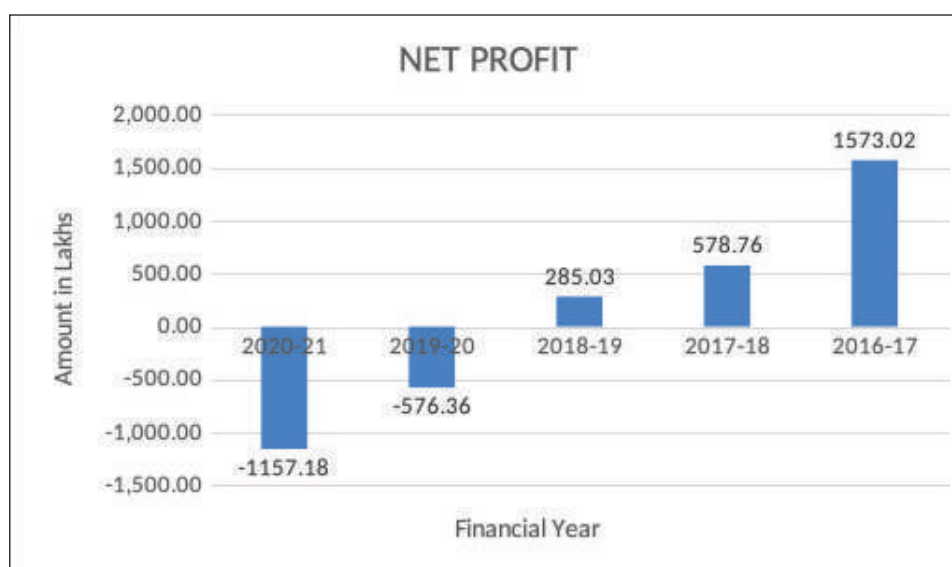
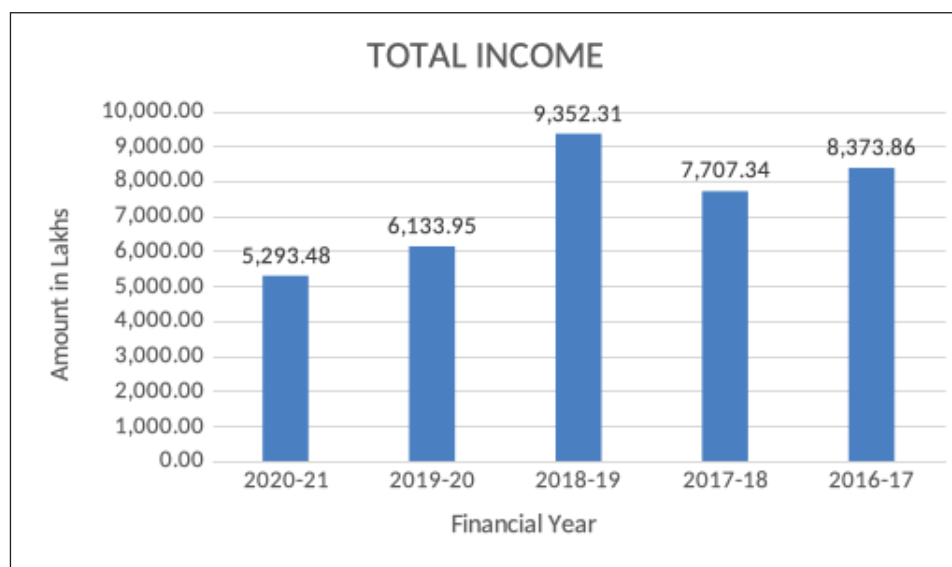
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MISSION STATEMENT

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 SUBSIDIARY AND INTEREST IN JOINT VENTURE – PARTNERSHIP FIRM (on consolidated basis)
FINANCIAL HIGHLIGHTS (On Consolidated basis)**(Amount in lakhs)**

S. No	PARTICULARS	2020-2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 – 2017
1	CONSTRUCTED AREA (SQ.FT)	41,167	1,05,161	1,17,719	1,10,226	45,573
2	CONSTRUCTED AREA LINKED TO SALES (SQ.FT)	1,12,514	1,03,425	1,54,856	1,17,140	95,809
3	INCOME FROM OPERATIONS	5,215.03	5,826.30	9,208.89	7,544.34	8,272.13
4	TOTAL INCOME	5,293.48	6,133.95	9,352.31	7,707.34	8,373.86
5	EBITDA	1,391.58	2,215.96	2,942.66	2,876.88	4,224.51
6	INTEREST	2,768.59	2,720.58	2,240.49	1,969.29	2,079.57
7	DEPRECIATION	145.05	161.65	189.50	206.01	271.85
8	TAX	NIL	NIL	227.64	102.42	300.07
9	NET PROFIT	-1,157.18	-576.36	285.03	578.76	1,573.02
10	EQUITY SHARE CAPITAL	810.00	810.00	810.00	810.00	810.00
11	NETWORTH	14,808.93	15,948.08	16,626.60	16,458.61	15,951.37
12	TOTAL ASSETS	37,408.57	37,846.87	35,317.30	34,470.04	33,212.02
13	BOOK VALUE PER SHARE (Rs.)	36.57	39.38	41.05	40.64	39.39
14	TURNOVER PER SHARE (Rs.)	12.88	14.39	22.74	18.68	20.43
15	EARNINGS PER SHARE (Rs.)	-2.86	-1.42	0.70	1.49	3.87
16	EBITDA/GROSS TURNOVER (%)	26.68%	38.03%	31.95%	38.03	51.07
17	ROCE (%)	4%	8%	10%	4%	10%



DIRECTORS' REPORT TO THE MEMBERS

Dear Member(s), Your Directors have great pleasure in presenting the Thirty Sixth (36th) Annual Report on the business and operations of your company together with Audited Financial Statement including Consolidated Financial Statement for the financial year ended 31st March 2021 and the Auditors' report thereon.

FINANCIAL SUMMARY AND HIGHLIGHTS

(Amount in lakhs)

Particulars	Standalone		Consolidated	
	2020 - 21	2019 - 20	2020 - 21	2019 - 20
Total Revenue	5,226.75	6,161.24	5,293.48	6,133.95
Expenditure	6,759.41	6,814.43	6,815.54	6,800.22
EBITDA	1,352.91	2,196.19	1,391.58	2,215.96
Interest	2,768.59	2,720.57	2,768.59	2,720.57
Depreciation	116.97	128.82	145.05	161.65
EBT or Profit/(Loss) before Tax	-1,532.66	-653.19	1,522.06	-666.26
Tax (Earlier Years)	-17.25	8.60	-16.28	8.60
Current tax	-	-	-	-
Deferred tax	-357.45	-103.17	-348.60	-98.52
EAT or Profit /(Loss) after tax	-1,157.95	-558.63	-1,157.18	-576.35
ADD: Other Comprehensive Income	17.99	-4.37	17.99	-4.37
LESS: Non - Controlling Interest	-	-	-	-0.02
Total Comprehensive Income	-1,139.96	-562.99	-1,139.20	-580.72
ADD: Balance Brought from PY	11,541.39	12,202.19	12,128.70	12,807.22
Available for appropriation	10,401.43	11,639.20	10,989.50	12,226.48
LESS: Dividend	0	81.00	0	81.00
LESS: Tax on Dividend	0	16.81	0	16.81
Balance Carried to Balance sheet	10,401.43	11,541.39	10,989.50	12,128.70

FINANCIAL OVERVIEW STANDALONE & CONSOLIDATED

During the financial year 2020-21, the company on a standalone basis, registered a total revenue of Rs. 5,226.75 lakhs as compared to Rs. 6,161.24 lakhs in the previous year resulting in a drop of 15.17%. On the consolidated level in the current financial year the company made revenue of Rs. 5,293.48 lakhs as against Rs. 6,133.95 lakhs in FY 2019-20, resulting in a drop of 13.70%. The slowdown in the property development business continued in 2020-21 and it impacted our company as well.

BUSINESS OUTLOOK FOR LANCOR HOLDINGS LIMITED, ITS SUBSIDIARY AND ASSOCIATE BUSINESS OVERVIEW

There was no change in the nature of the business of the Company since the last Annual General Meeting. The Company continues to be engaged in the development of residential and commercial properties. The Company is now seriously engaged in identifying more lands for joint development primarily through joint development route.

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

The second corona virus pandemic wave hit the country and the state of Tamilnadu quite hard resulting in near total closure of operations for the months of April, May & June. Some construction activities were continued to be carried out albeit slowly keeping in mind the welfare of the staff, engineers and construction labours.

Post the lifting of the lock down sales did not pick up in the month of June and July like it happened on the lifting of the lock down last year. Financial stress on the company increased considerably while there was no moratorium of any kind given for either payment of interest or repayment of principal by the Government.

The interest cost incurred along with salary and other expenses have been debited to the P&L account without matching income, which has led to an unfortunate stress on the cash flow.

However in the month of August 2021, the Company had received the RERA approval for its marquee project "Infinys" at Keelkatalai in Chennai and as on date of writing this report nearly thirty apartments have been sold and advance payments collected, which has brought cheer to one and all. Similarly the 'C' block of "TCP Altura" in Sholinganallur is nearly complete and the completion certificate will be received any time from the authorities and this would leave only one more block 'D' to be constructed and hand over by next year end.

DIVIDEND AND RESERVES

In view of the losses incurred by the Company, the Board of Directors of the Company has not recommended any dividend for the financial year under review.

As the Company has incurred losses during the year, no amount has been transferred to Reserves.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

There is no change in the ground situation in the matter of CSR since no operations could be carried on due to Covid-19.

As per the provisions applicable to CSR under Companies Act, 2013 an amount of Rs.3.72 lakhs has to be spent before 31.03.2021. Due to Covid 19 there was delay in construction and hence couldn't spent the amount within the stipulated time hence company has taken steps to transfer the unspent amount to Unspent CSR account. Slowly the company will start spending from the unspent CSR account in the furtherance of the primary objective of CSR fund, which is the training centre.

SHARE CAPITAL

As on 31st March, 2021, the authorized share capital of the company was Rs.18,06,00,000/- (Rupees Eighteen Crores and Six Lakhs only) and the paid up capital stands at Rs.8,10,00,000/- (Rupees Eight Crores and Ten Lakhs only) consisting of 4,05,00,000 equity shares of Rs.2/- (Rupees Two) each.

There was no change in share capital of the company during the financial year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the year, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However in the ongoing dispute in the matter of "Menon Eternity" the Company had approached the Hon'ble Supreme Court of India through a Special Leave Petition (SLP) against the order of the Division Bench of the Hon'ble High Court of Madras. The court ordered the parties to settle the dispute out of court. The out of court exercise had been failed, which was also reported to the Supreme Court. Thereafter it has not been listed for arguments.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

The Board of Directors of the Company comprises of Executive Chairman who is a promoter of the Company along with six other Non-Executive Directors, including four Independent Directors. The Company has two Women Directors who are also 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.

B. Meetings

The Board of Directors duly met Seven (07) 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 12th September, 2020.

C. Re-appointment of Director Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. S.Sridharan (DIN: 01773791) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors based on the recommendation of Nomination and Remuneration Committee, has recommended the re-appointment of Mr. S.Sridharan (DIN: 01773791) retiring by rotation.

Brief resume of the Director proposed to be re-appointed has been provided in the Notice convening the Annual General Meeting. Specific information about the nature of his expertise in specific functional areas and the names of the companies in which he holds 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

Your company has duly constituted the committees as required under the Companies Act, 2013 read with applicable Rules made there under and the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015;

At present, following are the committees of the Board;

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Banking, Finance & Operations Committee

The details of composition of each committee, terms of the reference and number of meetings held during the year under review are given in the Corporate Governance Report annexed to this 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 Obligations) 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.

F. Directors' Responsibility Statement

Pursuant to 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 i.e. at 31st March, 2021 and of the loss 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; and
- 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.
- 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

During the year under review there were few changes in Directors and Key Managerial Personnel. With effect from 02nd March, 2021 Mrs.Mallika Ravi, Managing Director of the Company had step down from her position citing personal reason. The Board places on record its gratitude for the services rendered by Mr. Mrs.Mallika Ravi during her long association with the Company. At the EGM held on 31st March, 2021 Mr. R.V. Shekar who had attained more than 70 years of age was appointed as Chairman and Managing Director of the company. In the 35th Annual General Meeting held on 10th December, 2020 Mrs.N.Nagalakshmi was appointed as Non-Executive & Independent Director.

Ms. Swathi Shekar, was appointed as Compliance Officer and Company Secretary of the Company with effect from 1st July 2020 consequent to the resignation of Mr. B.Vignesh Ram as Compliance Officer and Company Secretary with effect from 15th June 2020. Subsequently Ms. Swathi Shekar, Compliance Officer and Company Secretary resigned from the company with effect from 14th July 2020 and Mr. B. Sanjeev Anand was appointed as Compliance Officer and Company Secretary of the company with effect from 16th September 2020. Also Mr.K. Prakash was once again appointed as Chief Financial Officer (CFO) of the company with effect from 12th September 2020 consequent to the resignation of Mr.K.Suryanarayanan as Chief Financial Officer (CFO) of the company with effect from 26th May 2020.

H. Declaration by Independent Directors

The Company had 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

I. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

The Board of Directors have evaluated the Independent Directors during the year 2020-21 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.