

**38<sup>TH</sup> ANNUAL REPORT 2022-2023**

Temple  Town  
@ SRIPERUMBUDUR



RERA No: TN/01/layout/2534/2023



Ready-to-build



Nestled in a community  
of over 100 residences



Fully operational  
amenities

**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.	01567080	Mr. S. Vasudevan	Non – Executive & Independent
04.	08217157	Dr. Gowri Ramachandran	Non – Executive & Independent
05.	08453883	Mr. K. Harishankar	Non – Executive & Independent
06.	02025846	Mr. N. Vasudevan (Until 5 <sup>th</sup> June, 2023)	Non – Executive & Non- Independent

**KEY MANAGERIAL PERSONNEL**

Sl. No	Name of the Person	Designation
01.	Mr. K. Prakash	Chief Financial Officer
02.	Ms. Kaushani Chatterjee	Company Secretary and Compliance Officer

Name of the Person	Audit Committee	Stake Holders Relationship Committee	Nomination And Remuneration Committee	Corporate Social Responsibility Committee
Dr. Gowri Ramachandran	Chairperson cum member			
Mr. K. Harishankar	Member			
Mr. S. Vasudevan	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, 6 <sup>th</sup> 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. CSB Bank Limited	
02.	M/s. City Union Bank Limited	
03.	M/s. LIC Housing Finance Limited	Share Transfer Agent (STA)
04.	M/s. Axis Finance Limited	<b>Cameo Corporate Services Limited,</b> "Subramanian Buildings" No: 1, Club House Road, Chennai – 600 002.
05.	M/s. IDBI Bank Limited	
06.	M/s. Axis Bank Limited	
07.	M/s. Sundaram Alternate Assets Limited	
08.	M/s. Sundaram Home Finance Limited	

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**MISSION STATEMENT**

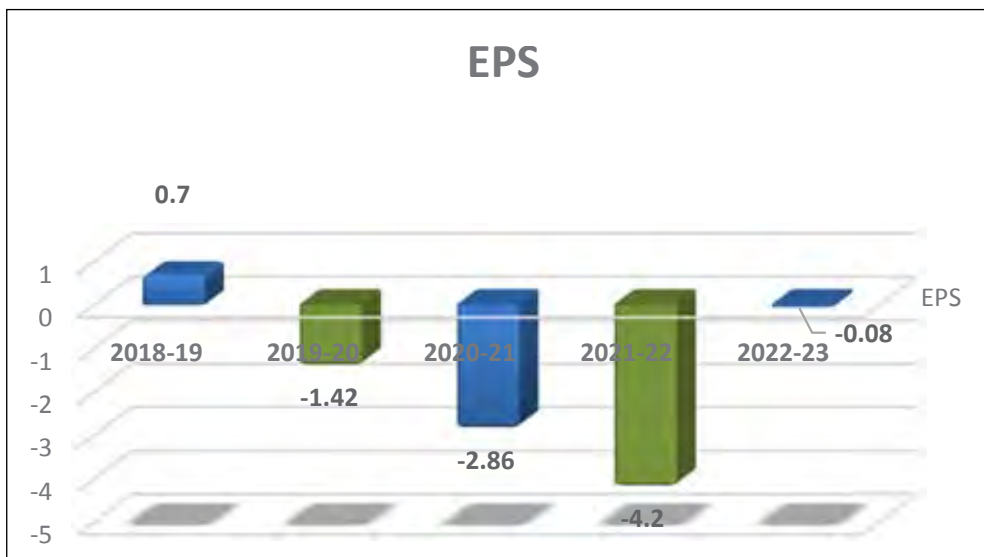
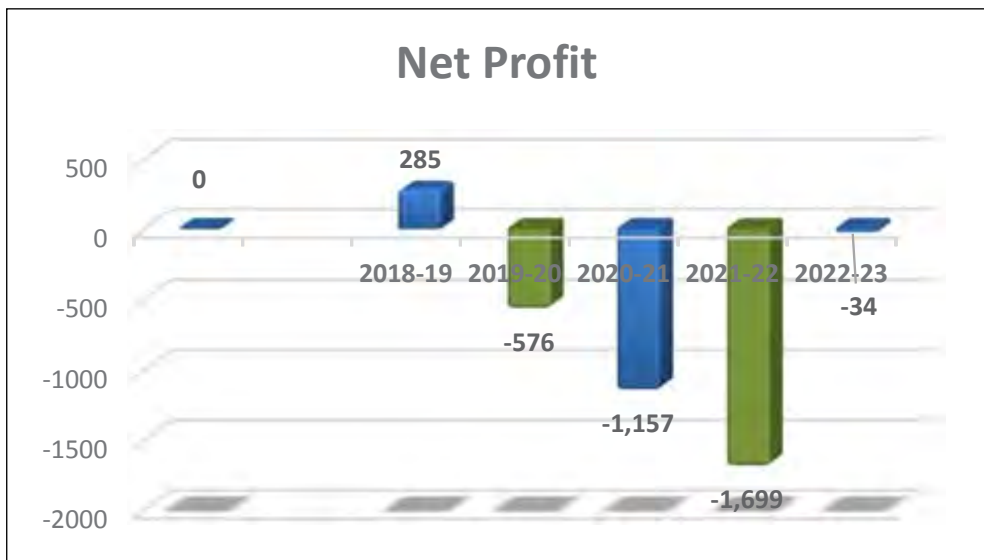
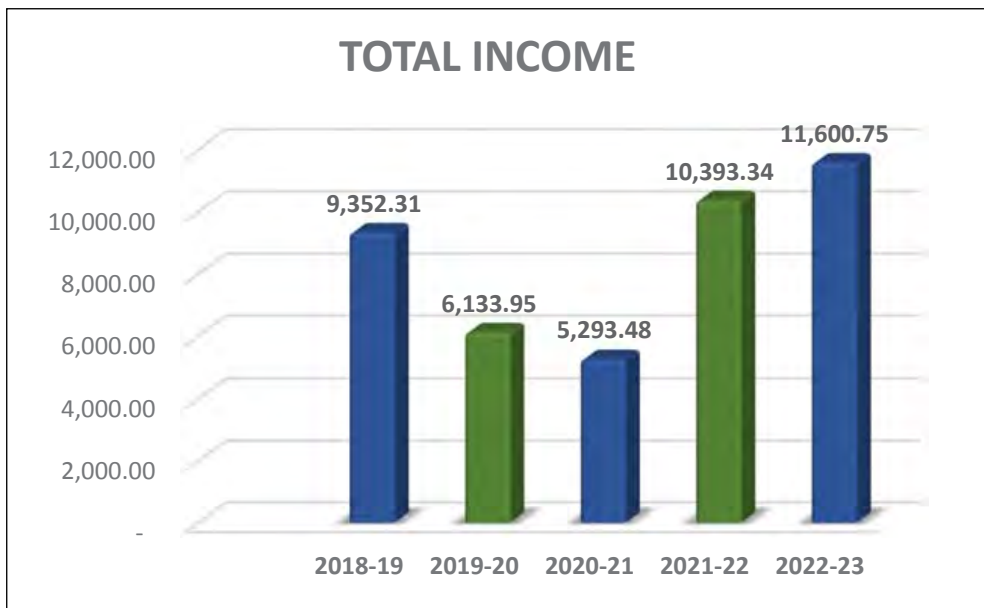
To create profitable developments with enduring value with distinguishing characteristics leading to high customer satisfaction, with full compliance to building standards, rules and regulations.

**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	2022 – 2023	2021 – 2022	2020 – 2021	2019 – 2020	2018 – 2019
1	CONSTRUCTED AREA (SQ.FT)	2,30,313	94,340	41,167	1,05,161	1,17,719
2	CONSTRUCTED AREA LINKED TO SALES (SQ.FT)	2,12,108	2,33,822	1,12,514	1,03,425	1,54,856
3	INCOME FROM OPERATIONS	11,494.33	10,345.00	5,215.03	5,826.30	9,208.89
4	TOTAL INCOME	11,600.75	10393.34	5,293.48	6,133.95	9,352.31
5	EBITDA	2,297.63	634.73	1,391.58	2,215.96	2,942.66
6	INTEREST	1,992.25	2539.27	2,768.59	2,720.58	2,240.49
7	DEPRECIATION	211.08	166.66	145.05	161.65	189.50
8	TAX	NIL	NIL	NIL	NIL	227.64
9	NET PROFIT	-33.92	-1699.15	-1,157.18	-576.36	285.03
10	EQUITY SHARE CAPITAL	810.00	810.00	810.00	810.00	810.00
11	NETWORTH	13,066.51	13094.97	14,808.93	15,948.08	16,626.60
12	TOTAL ASSETS	30,532.59	33216.21	37,408.57	37,846.87	35,317.30
13	BOOK VALUE PER SHARE (Rs.)	32.26	32.33	36.57	39.38	41.05
14	TURNOVER PER SHARE (Rs.)	28.38	25.54	12.88	14.39	22.74
15	EARNINGS PER SHARE (Rs.)	-0.08	-4.20	-2.86	-1.42	0.70
16	EBITDA/GROSS TURNOVER (%)	19.92%	6.31%	26.68%	38.03%	31.95%
17	ROCE (%)	7.5%	2%	4%	8%	10%





## DIRECTORS' REPORT TO THE MEMBERS

**Dear Member(s),** Your Directors have great pleasure in presenting the Thirty Eighth (38th) Annual Report on the business and operations of your company together with Audited Financial Statement including Consolidated Financial Statement for the financial year ended 31<sup>st</sup> March 2023 and the Auditors' report thereon.

### FINANCIAL SUMMARY AND HIGHLIGHTS

(Amount in lakhs)

Particulars	Standalone		Consolidated	
	2022 - 23	2021 - 22	2022 - 23	2021 - 22
<b>Total Revenue</b>	<b>11,551.73</b>	<b>10,595.94</b>	<b>11,600.75</b>	<b>10,393.34</b>
Expenditure	11,461.18	12,018.32	11,506.46	12,464.54
<b>EBITDA</b>	<b>2264.71</b>	<b>1,272.91</b>	<b>2,297.63</b>	<b>634.73</b>
Interest	1,992.25	2,557.43	1,992.25	2,539.27
Depreciation	181.91	137.85	211.08	166.66
<b>EBT or Profit/(Loss) before Tax</b>	<b>90.55</b>	<b>(1,422.37)</b>	<b>94.30</b>	<b>(2,071.20)</b>
Current Tax (Earlier Years)	-	-	(00.97)	3.04
Deferred tax	123.19	(382.52)	129.19	(375.09)
<b>EAT or Profit /(Loss) after tax</b>	<b>(32.64)</b>	<b>(1,039.85)</b>	<b>(33.92)</b>	<b>(1,699.15)</b>
ADD: Other Comprehensive Income	5.46	(14.82)	5.46	(14.82)
LESS: Non - Controlling Interest	-	-	-	-
<b>Total Comprehensive Income</b>	<b>(27.18)</b>	<b>(1,054.67)</b>	<b>(28.46)</b>	<b>(1,713.97)</b>
ADD: Balance Brought from PY	9,346.75	10,401.43	9,275.54	10,989.50
<b>Available for appropriation</b>	<b>9,319.57</b>	<b>9,346.76</b>	<b>9,247.08</b>	<b>9,275.53</b>
LESS: Dividend	-	-	-	-
LESS: Tax on Dividend	-	-	-	-
Balance Carried to Balance sheet	<b>9,319.57</b>	<b>9,346.76</b>	<b>9,247.08</b>	<b>9,275.53</b>

### FINANCIAL OVERVIEW STANDALONE & CONSOLIDATED

During the financial year 2022-23, the company on a standalone basis, registered a total revenue of Rs.11,552 lakhs as compared to Rs. 10,596 lakhs in the previous year resulting in an increase of 9.02%. On the consolidated level in the current financial year the company made revenue of Rs.11,601 lakhs as against Rs. 10,393 lakhs in FY 2021-22, resulting in a rise of 11.62 %.

### 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 AGM. The Company continues to be engaged in the development of residential and commercial properties. The Company's search for new projects in the city areas have now yielded dividends. In furtherance of such objectives the company has started to advertise for Joint development opportunities to all willing land owners.

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

Unfortunately, the company has not been successful in obtaining a final permit for the construction of its marque project Lancer 'Infinys' which has resulted in deferment of sales, higher costs more particularly interest cost till the date of this report.

It is expected barring unforeseen circumstances that by end of August 2023 the company would have received all the permits including registration under RERA thereby the company will be able to sell the apartments albeit at

a higher price than the originally forecasted, which to some extent will absorb the extra costs incurred due to the delay in obtaining the sanctions. This project has been funded by M/s.Sundaram Alternates Fund.

The profit on the development of this project 'Infinys' will greatly contribute to the overall performance of the company so much so in the years 2023-24 and 2024-25 the company expects to earn handsome profits before tax and firmly return to the path of profitability.

In the matter of Company's development under brands 'Town & Country' and 'Harmonia', the stay against the development of the property by the Arbitrator continues and the company is adducing required evidences for amounts spent in respect of its obligations under Joint Development before the Arbitrator. The Arbitrator is expected to pass the final order by May 2024. The company has complied with the terms of the Joint Development Agreement(JDA) and hopes for a favourable order from the Arbitrator.

No provision has been made in the books of accounts of the company with regard to any impairment that may arise as a result of the order of the Arbitrator.

In the case of Company's property named as 'Menon Eternity', the matter is pending before the Honourable Supreme Court of India, hopefully for a final hearing on 26<sup>th</sup> September 2023. No provision is made for any impairment on account of this litigation.

The Company's project "TCP Altura" at Sholinganallur as of the date of writing this report is more or less fully sold and is nearing completion and the company will meet all its obligations to the customers and to the LIC Housing Finance Ltd.

## **DIVIDEND AND RESERVES**

The Board of Directors of the company do not recommend declaration of dividend for the financial year due to meagre profit.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Rule 3(2) of Companies (Corporate Social Responsibility Policy) Rules, 2014 read with sec 135 of Companies Act, 2013, the provision of CSR shall not be applicable if the company has not fulfilled the criteria of applicability of CSR u/s 135(1) of Companies Act, 2013. Your company has not complied the criteria for CSR applicability. Hence the provision of CSR shall not be applicable to the Company and it is not liable to spend any amount towards CSR for F.Y. 2022-23.

The unspent amount pertaining to CSR obligation for F. Y. 2020-21 i.e. Rs. 3.72 Lakhs was already spent during this financial year as per the Provision of Companies Act, 2013. Your Company has made voluntary contribution of Rs. 10,00,000/- (Rupees Ten Lakhs only) towards CSR activities through Lancor Foundation for financial year 2023-24 to "Amar Seva Sangam"- an organization for empowering the Person with Disabilities by enabling them through rehabilitation services, promoting their rights and by advocating for policies for an inclusive eco system.

## **SHARE CAPITAL**

As on 31<sup>st</sup> March, 2023, 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 operation in future.

In July 2022 the Honourable High Court of Chennai has passed an order to stay the cancellation of Joint Development Agreement (JDAs) and Powers of Attorney (POAs) in respect of the development of "Town & Country" and



'Harmonia' projects at Sriperumbudur and the Court has also ordered stay of the construction until the Arbitration proceedings are completed by May 2024.

The Arbitrator has commenced the proceedings wherein, the claim statement, counter claim and rejoinder have been filed by the Company and the landowners. Framing of issues were also completed. The examination of both side witnesses will commence soon.

The Honourable Supreme Court of India was pleased to hear the company's petition in the case of its commercial property known as "Menon Eternity" and have fixed 26<sup>th</sup> September 2023 as the date for final hearing. The Company is fully prepared in all respects to present its case before the Honourable Supreme Court to obtain a favourable verdict resulting in restoring the title of the company.

There have been orders by Sales and Service Tax Tribunal, which do not have material impact on the financial position of the company.

## **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 Five other Non-Executive Directors which includes three Independent Directors. The Company has one Women Directors who is also Non Executive and Independent.

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 Five (05) 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 21<sup>st</sup> December, 2022.

### **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 31<sup>st</sup> March, 2023 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, Mrs. N Nagalakshmi (DIN 08684304), Independent Director of the Company was ceased to be a director due to vacation of office under Section 167(1) (b) of Companies Act, 2013 with effect from 31<sup>st</sup> July, 2022.

## **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.