

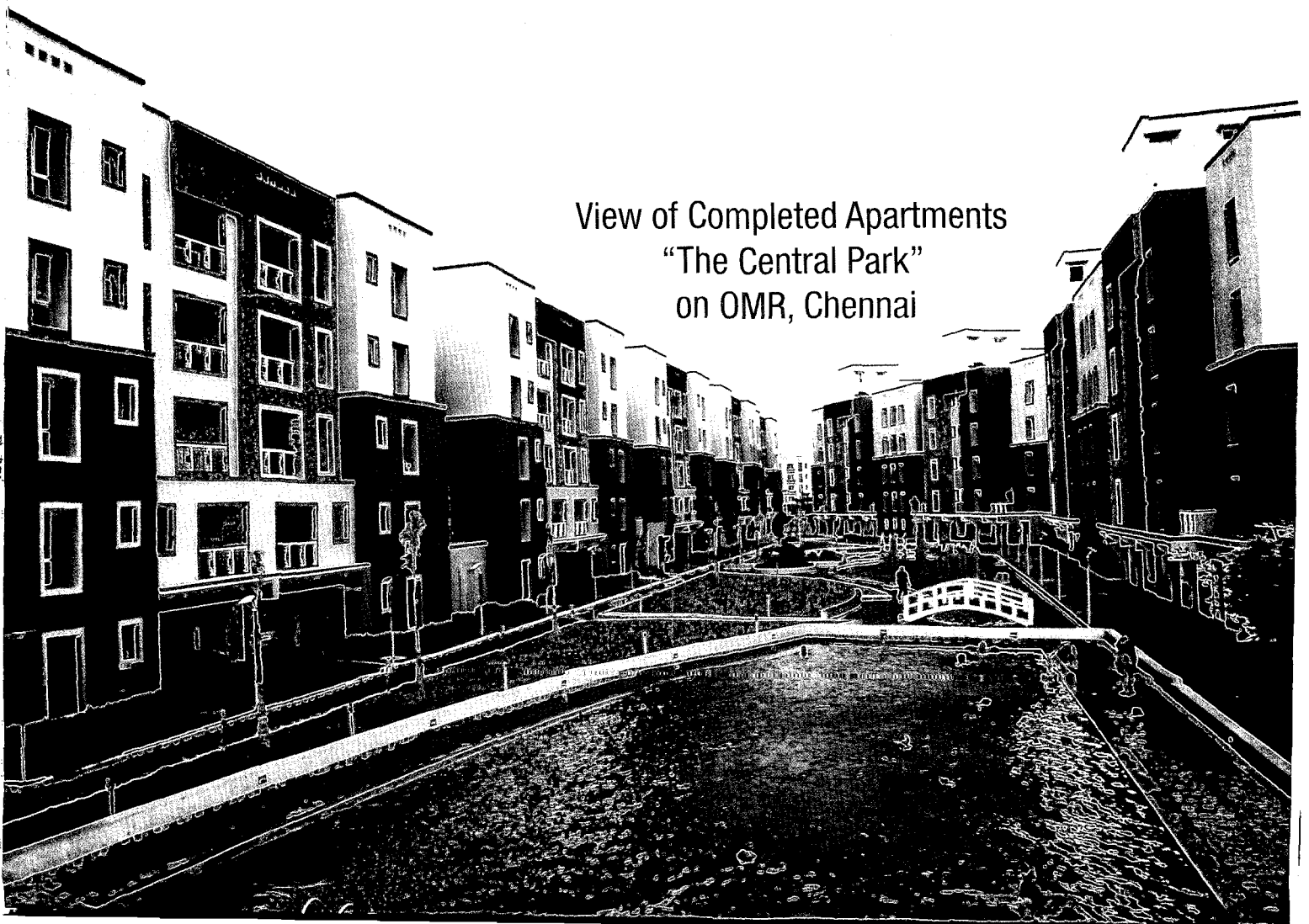


CREATING ENDURING VALUE

LANCOR HOLDINGS LIMITED

24th Annual Report 2008-09

View of Completed Apartments
"The Central Park"
on OMR, Chennai



View of Completed Grade I, IT Building
on St. Mary's Road, Chennai



View of Completed
Commercial Building on
GST Road, Chennai

Lancor Holdings Limited

BOARD OF DIRECTORS	R.V. Shekar V. Chander S. V. Venkatesan R. Sankaranarayanan Jayesh N Thakkar	Managing Director Non Executive Director Non Executive & Independent Non Executive & Independent Non Executive & Independent
COMPANY SECRETARY	H. Viswanath	
AUDITORS	G.M.Kapadia & Co. Chartered Accountants 7A P M Tower 37, Greams Road Chennai 600006	
SOLICITORS	Raman & Associates, Chennai	
BANKERS/FINANCIAL INSTITUTIONS	The Catholic Syrian Bank Limited, IFB, Chennai. HDFC Limited, Chennai	
REGISTERED/CORPORATE OFFICE	"VTN Square", Second Floor, 58, G N Chetty Road, T. Nagar, Chennai – 600 017, INDIA Tel No. +91-44-2834 5880/84 Website : www.lancor.in	
REGISTRAR AND SHARE TRANSFER AGENTS	Cameo Corporate Services Limited "Subramanian Buildings", 1, Club House Road, Chennai 600 002.	

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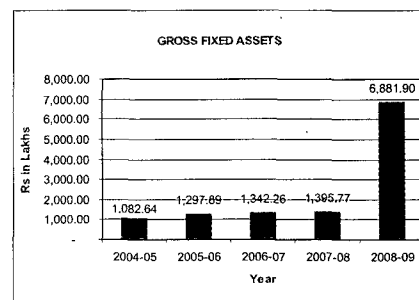
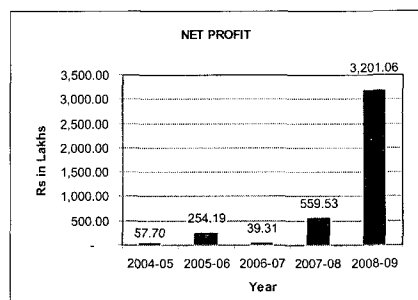
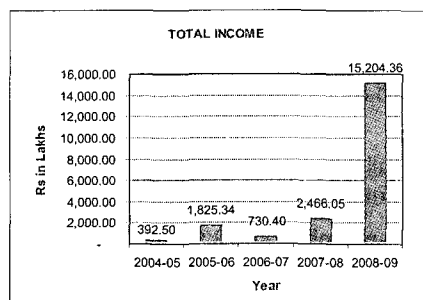
MISSION STATEMENT

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

Sl. No	PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
Rupees In Lakhs						
1	CONSTRUCTED AREA (sq. ft)	836,973	31,336	13,431	100,649	906
2	INCOME FROM OPERATIONS	14,407.91	1,965.82	282.40	1,511.56	18.22
3	TOTAL INCOME	15,204.36	2,466.05	730.40	1,825.34	392.50
4	EBIDTA	3,957.01	934.42	192.87	470.62	190.85
5	INTEREST	255.29	34.11	123.69	61.08	72.10
6	DEPRECIATION	142.12	57.30	51.79	42.37	33.26
7	TAX	358.55	283.48	(21.91)	112.98	84.49
8	NET PROFIT	3,201.06	559.53	39.31	254.19	57.70
9	EQUITY SHARE CAPITAL	405.00	405.00	405.00	320.00	320.00
10	NETWORTH	5,012.07	2,048.14	1,719.52	1,110.26	892.72
11	GROSS FIXED ASSETS	6,881.90	1,395.77	1,342.26	1,297.89	1,082.64
12	NET FIXED ASSETS	6,462.50	1,108.89	1,112.62	1,120.05	918.39
13	TOTAL ASSETS	12,121.69	9,419.34	8,573.12	2,965.65	1,430.94
14	BOOK VALUE PER SHARE*	24.75	10.11	8.49	6.94	5.58
15	TURNOVER PER SHARE	375.42	60.89	18.03	57.04	12.27
16	EARNINGS PER SHARE*	15.81	5.98	0.97	7.94	1.80
17	EBIDTA/GROSS TURNOVER (%)	26.03	37.89	26.41	25.78	48.62
18	ROCE (%)	63.87	27.32	2.29	22.89	6.46

Note : * Figures have been adjusted for equity share of Rs. 2/- per share .



NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the shareholders of the Company will be held at Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017 on Tuesday, the 29th day of September 2009 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2009 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.
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., Chartered Accountants, the retiring 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

Place : Chennai
Date : 4th day of September, 2009

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.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 25th September, 2009 to 29th day of September 2009 (Both days Inclusive)
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 25th day of September 2009 and
 - (ii) as Beneficial Owners as at the end of the business on or before 25th day of September 2009 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 corresponded 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.

Lancor Holdings Limited

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 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.
7. 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 for the prescribed form. Nomination form may be downloaded from Company's Website www.lancor.in
8. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of directors

01 Name Mr. V.Chander

Age 74 Years.
 Qualifications He is a Commerce graduate from Madras University.
 Expertise He has been associated with large companies like Parry & Co., Glaxo and Parle in the field of Sales & 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.

Other Directorships He is also a Director on the Board of Lancor Maintenance and Services Limited,
 Name of the Company Lancor Realty Limited and Lancor Projects Limited.

Committee Memberships, He is a member of the Remuneration Committee of the Company.
 if any, with position

02 Name Mr. R.Sankaranarayanan

Age 65 Years.
 Qualifications He is a Graduate and fellow member of the Institute of Chartered Accountants of India and also member of the Institute of Company Secretaries of India.
 Expertise He has over 32 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.

Other Directorships He is also a Director on the Board of Lancor Maintenance and Services Limited.
 Name of the Company

Committee Memberships, He is the Chairman of the Audit Committee,
 if any, with position Remuneration Committee and Shareholders/Investors Grievance Committee of the Company.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Fourth Annual Report on the business and operations of your company together with Audited Accounts of the Company for the year ended 31st March 2009 and the Auditors' report thereon.

Financial Results

The stand-alone financial results of Lancor Holdings Limited for the year ended March 31, 2009 are presented below:-

(Amount In Rs. Lacs)

Particulars	2008-2009	2007-2008
Income from operations	13,513.82	2,181.15
Profit before interest, depreciation and taxes	3,841.54	675.13
Less: Interest	255.18	34.03
Depreciation	130.66	47.30
Profit/(Loss) before Tax	3,455.70	593.80
Less: Provision for		
Current Tax	320.00	167.06
Deferred Tax	(10.76)	29.12
Fringe Benefit Tax	2.31	1.86
Profit/(Loss) after Tax	3,144.16	395.77
Add: Balance brought forward from previous year	621.11	499.78
Less: Prior year adjustments -	5.42	2.86
Adjusted for Transitional Provision under AS-15	-	4.63
Available for appropriation	3,759.85	897.32
Dividend	202.50	202.50
Tax on Dividend	34.42	34.42
Transfer to General reserve	313.87	39.29
Balance carried to Balance sheet	3,209.06	621.11

Business Outlook for Lancor Holdings Limited, its subsidiaries and associate:

PROPERTY DEVELOPMENT BUSINESS:-

RESIDENTIAL SEGMENT:

The long term outlook for your Company in the residential development continues to be bright even though extremely adverse conditions exists in the market in the context of unemployment, rising cost of funds for construction and development, the stringent eligibility criteria applied by the banks and financial institutions in granting loans to customers.

ABODE VALLEY – AFFORDABLE SEGMENT:

As mentioned in our last Directors' Report, customers' diffidence about their employment and uncertainties in the market with reference to the present condition in general and more particularly in the property development business where defaults and delays have become the order of the day continues to weigh in negatively.

Lancor Holdings Limited

In the case of your Company, the project, known as "Abode Valley" in the affordable homes segment, had witnessed 77 customer cancellations resulting in refund of their monies. The last quarter of last financial year literally experienced negative sales due to cancellations but during the first and second quarter of this financial year that sentiment has reversed, leading to new bookings but at an anemic pace. The strength of the project can be judged by the fact that the retained customers have paid 50% of the amounts due to completion in the context that 2/3rds of the first phase of the project have been sold.

PREMIUM SEGMENT:

"THE CENTRAL PARK" AND "THE CENTRAL PARK WEST"

During the year, two Central Park projects were completed leading to supply of 363 apartments to the market which had all been sold. As on the date of writing this report, more than 100 families have occupied the apartments and have a good word to say about the project.

Both the Central Park projects are covered under the benefits of Section 80IB of the Income-tax Act.

This year, the company is going to launch the third phase of the Central Park projects known as "The Central Park South" which has another 172 apartments. The project has been fully approved for construction and 12 buyers have been identified so far, pre-launch. It is expected to be well received although the general economic conditions are still challenging. The Company needs to sell about 70 apartments to reach the comfort zone with reference to meeting the cost of the construction. It appears that this target will be reached before the end of this year. The Company is also taking steps to have a line of credit established so that regardless of the progress of sales, which may be backward or forward by a few months, construction activity will progress aggressively without any halt. This project is expected to be profitable to the Company and this is also covered under Section 80IB of the Income-tax Act.

LUXURY SEGMENT:

In the year to come, in the luxury residential segment, the Company has to deliver 36 luxury apartments, each having a ticket price varying between Rs. 1.25 crores and Rs. 4.00 crores. It is gratifying to note that the Company had already sold 28 of the 36 apartments and has constructed in most cases, the civil structure. The Company will be handing over all the apartments to the purchasers between December 2009 and January 2010. The Company has followed percentage completion accounting method and substantial portion of the profit will be booked in the financial year ending March 2010.

The sale of the remainder of the apartments will improve the Company's cash flow immensely while ensuring the booking of profits for the year ended 31st March 2010 for which purpose the Company is taking all the necessary steps.

NON-RESIDENTIAL SEGMENT:

The Company, having completed the IT building known as "Menon Eternity" on St. Mary's Road and "Roma" on the G.S.T. Road, has rented out the 2/3rd portion of its share in the IT building and plans are under way to find tenants for the remainder. The premium pricing of rental has been the main obstacle the Company is facing in finding tenants but the Company decided to wait for the demand to mature into occupancy.

The commercial building "Roma" has been rented out to a quality and standards certification agency named "Det Norske Veritas AS" (DNV) on good commercial terms.

The other commercial buildings owned by the Company are all under tenancy and as and when vacancies occur, they are being replaced by new tenants.

Further, development of commercial property for retention or for sale is purely market determined. It is not advantageous now to invest further funds to create commercial buildings in view of excess supply in the market, which condition is likely to last for at least 2 further years.

Lancor Holdings Limited

DIVIDEND:

Your Directors recommend a final equity dividend of 50% of the paid up capital of the Company ie., Re. 1/- per equity share of Rs. 2/- each, aggregating to Rs. 2,02,50,000/- to be declared and paid to the shareholders. Your Directors are convinced that the steps that they have taken to maintain the dividend in an extremely difficult conditions in the market is prudent in the context of tight liquidity and great uncertainty. As the conditions change favourably, your Directors will have no hesitation to further reward the shareholders in an handsome manner.

SOCIAL RESPONSIBILITIES OF YOUR COMPANY IN THE FIELDS OF EDUCATION AND CULTURE:

EDUCATION:

The high point of your Company's activity this year was constructing 33 class rooms in two locations under the "Freedom Through Education" Scheme, as part of "Sarva Shiksha Abhiyan Programme" sponsored by the Ministry of Education, Government of India.

The Company plays a dual role of contributing money for construction on the one side and supervising and managing the projects execution on the other. The finance contribution of the Company would fall between 0% and 20% depending on each project and based on the volume of work undertaken. The Round Table India is actively associated with the Company in the meeting of this social responsibility.

His Excellency Dr. A.P.J. Abdul Kalam, Former President of India, had inaugurated 55 class rooms at a function held in Chennai and some of the pictures of the function are carried hereunder.



The picture shows the photograph of Mr. R V Shekar, Managing Director, Lancor Holdings Limited lighting the kuthuvilaku in the presence of His Excellency Dr. A.P.J. Abdul Kalam, former President of India and Mr. Neville J Billimoria, Chairman, MCRT 94.



The picture shows the inauguration of 55 Class Rooms built under Sarva Shiksha Abhiyan Scheme, by His Excellency Dr. A.P.J. Abdul Kalam, former President of India on 22nd June, 2009.

“SANJEEVINI”:

The Company proposes to work in conjunction with Ford India Limited in the construction of the extension block of the Emergency and Accident Clinic in the vicinity of its affordable homes project “Abode Valley” involving an investment of approximately Rs. 20.00 lakhs over the next one year, having a constructed area of approximately 1,500 sq. ft.

CULTURE:

Your Company's participation on the cultural side through T.N. Krishnan Foundation for Performing Arts continues in various forms. This provides soft publicity amongst the desired groups.

Fixed Deposits, Loans & Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

Subsidiary Companies and Associate:

The Subsidiary companies are doing well more particularly, Lancor Realty, where the staff and management have learnt to understand the transactional importance and value linked to market opportunities. The umbilical chord between Lancor Holdings Limited and Lancor Realty Limited must continue to remain strong so that the business flows from the parent to the subsidiary.

As required under Section 212 of the Companies Act, 1956 the statement pursuant to section 212 of the Companies Act, 1956 along with the Audited Balance Sheet and Profit and Loss Account along with the respective reports of the Board of Directors and the Auditors Report thereon of the Subsidiary companies viz, LANCOR MAINTENANCE & SERVICES LIMITED, LANCOR REALTY LIMITED and LANCOR PROJECTS LIMITED for the year ended March 31, 2009 are attached.

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 interest in Joint venture entity, Partnership firm.

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.

Foreign Exchange Earnings: Rs. 8,886,746-

Foreign Exchange Outgo: Rs. 123,745-

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the name and other particulars of employee are set out below :-

Name	Mr.R.V.Shekar
Designation and Nature of Duties	Managing Director
Remuneration (In Rs.)	24,87,037-
Qualification	He is a Commerce Graduate and a member of the Institute of Chartered Accountants of India and also a member of the Institute of Company Secretaries of India.
Date of Commencement of Employment	1-1-1991
Experience (Years)	39 years.
Age (Years)	60 years.
Last Employment held	Vice President in Sanmar Properties & Investments Ltd.
Remarks	Nil

Directors' Responsibility Statement

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement your Directors to the best of their knowledge and belief confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure;

Lancor Holdings Limited

- (ii) they have 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;
- (iii) they have 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
- (iv) they have prepared the annual accounts on a going concern basis.

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.

Statement Pursuant to Listing Agreement

The company's securities are listed with Bombay Stock Exchange Limited, Mumbai and it has paid the respective annual listing fees up-to-date and there is no arrears.

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.

Directorate

In compliance with the provisions of the Companies Act, 1956 in accordance with the Article 86 of the Company's Articles of Association, Mr. V. Chander and Mr.R.Sankaranarayanan, retire at this Annual General Meeting and being eligible, offers themselves for re-appointment.

Brief resume of the Directors, seeking re-appointment including the re-appointments of Managing Director, nature of their expertise as stipulated under clause 49 of the listing agreement with the Bombay Stock Exchange Limited, is appended to the notice convening the Annual General Meeting.

Disclosures of Particulars of Constituting "Group" pursuant to Regulation 3(1)(e) of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

1) Mr. R.V.Shekar, 2) Mrs. Shyamala Shekar, 3) Ms. Swetha Shekar and 4) Ms. Sangeetha Shekar.

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 Audit committee and the Board of Directors recommend the re-appointment of M/s.G.M.Kapadia & Co., Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

Auditors Report

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

Acknowledgement

The Directors take this opportunity to thank our shareholders. the Catholic Syrian Bank, HDFC Limited, State Government, other statutory bodies for their unstinted and consistent support to the Company. Your Directors place on the record their appreciation of the dedicated service of the employees of the Company at all levels for the growth of the company

For and on behalf of the Board of Directors of
Lancor Holdings Limited

Place:Chennai
Date: 4th day of September, 2009

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

Lancor Holdings Limited

ANNEXURE – 'A'

TO THE TWENTY FOURTH ANNUAL REPORT OF THE BOARD OF DIRECTORS REPORT ON CORPORATE GOVERNANCE

Lancor Holdings Limited is complying with the mandatory requirements of the code of Corporate Governance introduced by the SEBI and incorporated in Clause 49 of the Listing Agreement in all material respect.

Lancor Holdings Limited 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 – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory frame work through transparency in dealings.

Board of Directors

The Board of Directors of the Company comprises of a one Managing Director and four Non executive Directors including three independent Directors. The Board members posses requisite skills, experience and expertise required that are required to take decisions, which are in the best interest of the Company.

Mr.R.V.Shekar is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board

The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meting and number of other Directorship/ Committee memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year during respective tenure Directors		Attendance Of Last AGM	Number of directorships held in the India Companies (including Lancor Holdings Limited)	Number of Board Committee memberships Held in other Companies.
		Held	Attended			
R.V.Shekar (Managing Director)	Managing Director Executive Director	07	07	Yes	05	NIL
V.Chander	Director Non Executive	07	07	Yes	04	NIL
S.V. Venkatesan	Director Non Executive & Independent	07	07	Yes	12	NIL
R.Sankaranarayanan	Director Non Executive & Independent	07	05	No	02	NIL
Jayesh V Thakkar	Director Non Executive & Independent	07	07	Yes	04	NIL

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as directors of this company or any other public company under Section 274(1)(g) and other applicable provisions of the Companies Act, 1956.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

Lancor Holdings Limited

The Board of Directors met seven (07) times on 29-04-2008, 28-07-2008, 06-08-2008, 30-10-2008, 19-11-2008, 19-12-2008 and 31-01-2009 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2008 was held on 10-09-2008 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

None of the Directors are related to each other. Equity Shares held by the Director.

Name of the Directors	No. of Equity Shares as on 31st March 2009
R.V. Shekar	49,14,595
R. Sankaranarayanan	500

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 Clause 49 of the listing agreement with the Stock Exchanges is forming part of the notice Of the Twenty Fourth Annual General Meeting to the shareholders of the Company.

Audit Committee

Section 292A of the Companies Act, 1956 is not applicable to the company.

Terms of reference

Your Company has an independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee included the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information.
- Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- Reviewing with management the quarterly, half yearly and annual financial statement with primary focus on accounting policies and practices, compliance with accounting standards, any related party transaction and stock exchange and legal requirements concerning financial statements.
- Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the company's financial and risk management policies.
- Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information.

Composition and Attendance

The Company has an Audit Committee of the Board consisting of three "Non-Executive & Independent Directors" as members as detailed below and all members have adequate financial and accounting knowledge, who met five (05) times during the year 29/04/2008, 28/07/2008, 06/08/2008, 30/10/2008, 31/01/2009 during the year and the details of the number of meetings held and attendance record of the members are as follows:

Lancor Holdings Limited

Name of Directors	Status and Category	No. of Meetings during their respective tenure	
		Held	Attended
R.Sankaranarayanan Chairman	Director, Non Executive Independent	05	03
S.V.Venkatesan Member	Director Non Executive Independent	05	05
Jayesh V Thakkar Member	Director Non Executive Independent	05	04

Company Secretary is the Compliance Officer of the Committee. Mr. K. Srinivasan, Chief Financial Officer is the Special Invitee of the Audit Committee.

Remuneration Committee

Your Company has constituted a Remuneration Committee under the chairmanship of Mr.R.Sankaranarayanan. The Remuneration committee consisting of Mr. R.Sankaranarayanan, Mr. V.Chander and Mr. S.V. Venkatesan, decide the structure of the Executive Director's Remuneration. No meeting was held during the year under review.

Executive Director

The Company has a Managing Director. There was no revision to the salary of the Managing Director during the year under review. The remuneration paid to him during the period 01-04-2008 to 31-03-2009 was as under :-

(In Rupees)

Name and Designation	Period	Basic Salary	Perquisites	Total
Mr.R.V.Shekar, Managing Director	01-04-2008 to 31-03-2009	1,522,258-	964,779-	2,487,037-

Mr.R.V.Shekar was re-appointed as Managing Director at the Annual General Meeting held on June 2, 2005 for a period of five years with effect from July 25, 2005 with principal terms and condition mentioned and other perquisite as per policy of the Company.

Mr.R.V.Shekar was not paid any sitting fees for the Board meetings or of any Committees of the Board attended by him.

Non-Executive Director

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.

None of the non-executive directors has pecuniary relationship with company, its promoters, management or its subsidiaries, except Mr. V.Chander who is holding office and place of profit in Lancor Maintenance & Services Limited, as a subsidiary Company where he was paid retainer fee of Rs.1,30,000/= during the year for the services rendered by him.

Lancor Holdings Limited

Shareholders/ Investor's Grievance Committee

The shareholders/ Investors Grievance Committee of the Board oversees redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Composition and Attendance

The Shareholders/Investors' Grievance Committee consist of Mr. R. Sankaranarayan, Mr. V. Chander, and Mr. Jayesh N Thakkar, where Mr. R. Sankaranarayanan, is the Chairman of the Committee and they met at regular intervals. Company Secretary is the Compliance officer of the Committee.

The Company used to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how may days/ weeks.

The Company has delegated its Registrar and Share Transfer Agent, all shares related works. No complaint of any material nature was received during the year under review.

General Body Meetings:

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

Financial Year	Location	Date	Time
2005-2006	Registered Office of the Company At "VTN SQUARE", New No. 58, G.N. Chetty Road, T.Nagar, Chennai 600 017.	September 30, 2006	4.30 p.m.
2006-2007	Registered Office of the Company At "VTN SQUARE", New No. 58, G.N. Chetty Road, T.Nagar, Chennai 600 017.	October 30, 2007	11.00 a.m
2007-2008	Registered Office of the Company At "VTN SQUARE", New No. 58, G.N. Chetty Road, T.Nagar, Chennai 600 017.	September 10, 2008	2.00 p.m

All the resolutions including the special resolutions as set out in the respective notices were passed by the shareholders. No Extra Ordinary General Meeting was held during the financial year 2008-09. There is no proposal to put any resolution through postal ballot.

Disclosure made by the senior managerial personnel to the Board

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

Disclosures on materially significant related party transactions

The details of the transaction with related parties or others 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 2008-2009

Lancor Holdings Limited

have been given in Schedule 13 of the Schedules to the Annual Accounts for the year 2008-2009. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, their subsidiaries or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2009.

The related party transactions with the subsidiary/ group companies have been disclosed in the Annual Accounts.

Disclosure of Accounting Treatment

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

Risk Management

In order to ensure that management controls risk through means of properly defined frame work a report on Risk Management and minimization procedures as received from the Individual functional heads of the Company is placed before the Board of Directors of the Company.

Code of Conduct for the Directors and Senior Management Personnel

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. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2009. A declaration to this effect signed by Mr.R.V.Shekar, Managing Director of the Company forms part of this report.

The Board of Director of the company have adopted the revised (Prohibition of Insider Trading code) modified in terms of amendment notified by the Securities and Exchange Board of India (SEBI) under SEBI (Prohibition of Insider Trading) Regulations, 1992.

CEO/CFO Certification

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Mr.R.V.Shekar, Managing Director and Mr.K.Srinivasan, Chief Financial Officer (CFO) was placed before the Board of Directors along with financial statement for the financial year ended March 31, 2009 at its meeting held on 04th September, 2009.

Proceeds from Public/ Rights/ Preferential Issues, etc.,

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

Compliances by the Company

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening of its statutory compliance procedures as may be suggested by the Board from time to time.

Details of non-compliances with regard to Capital Market.

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

Subsidiary Company

During the year none of the Subsidiaries was a material non listed Indian Subsidiary as per the criteria given in the Clause 49 of the Listing Agreement.

Lancor Holdings Limited

Means of Communication to Shareholders

	Date of publication of results for the quarter ended			
Quarter ended	30.06.2008	30.09.2008	31.12.2008	31.03.2009
Economic Times - English	30.07.2008	01.11.2008	03.02.2009	30.04.2009
Makkal Kural - Tamil			02.02.2009	

- These results, inter alia are promptly submitted to the Stock Exchanges to enable them display the same on their website.
- The domain name of the Company's website is www.lancor.in where general information about the company is available.
- The Management Discussion and Analysis report forms part of the Annual Report.

General Shareholder's Information

Financial Calendar (Tentative)

Financial year	April 1, 2009 to March 31, 2010(Subject to Change)
First Quarter Result Second Quarter Result and Half-yearly Result Third Quarter Result Fourth Quarter Result Annual Result (Audited) Annual General Meeting	July 27, 2009 October 29, 2009 January 29, 2010 April 30, 2010 Within 6 months of the close of the financial year. In accordance with Section 166 of the Companies Act, 1956.
Dates of book closure	25th September, 2009 to 29th September, 2009. (Both days Inclusive)
Venue and other details of the Annual General Meeting	Day :- Tuesday Date :- 29th September, 2009 Time :- 4.00 p.m Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017.
Dividend Payment Date	Within 30 days from the date of Annual General Meeting.
Listing on Stock Exchange and Stock Code The Equity Shares of Rs.10/- each are Listed at	The Stock Exchanges, Mumbai (Annual Listing for fees for the year 2008-2009 has been duly paid to the above exchange) - Scrip Code 509048.

Stock Market data for the period from April 1, 2008 to March 31, 2009 and Graphical representation of volume of Shares during April 2008 - March 2009 are given below. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2008-09. are as

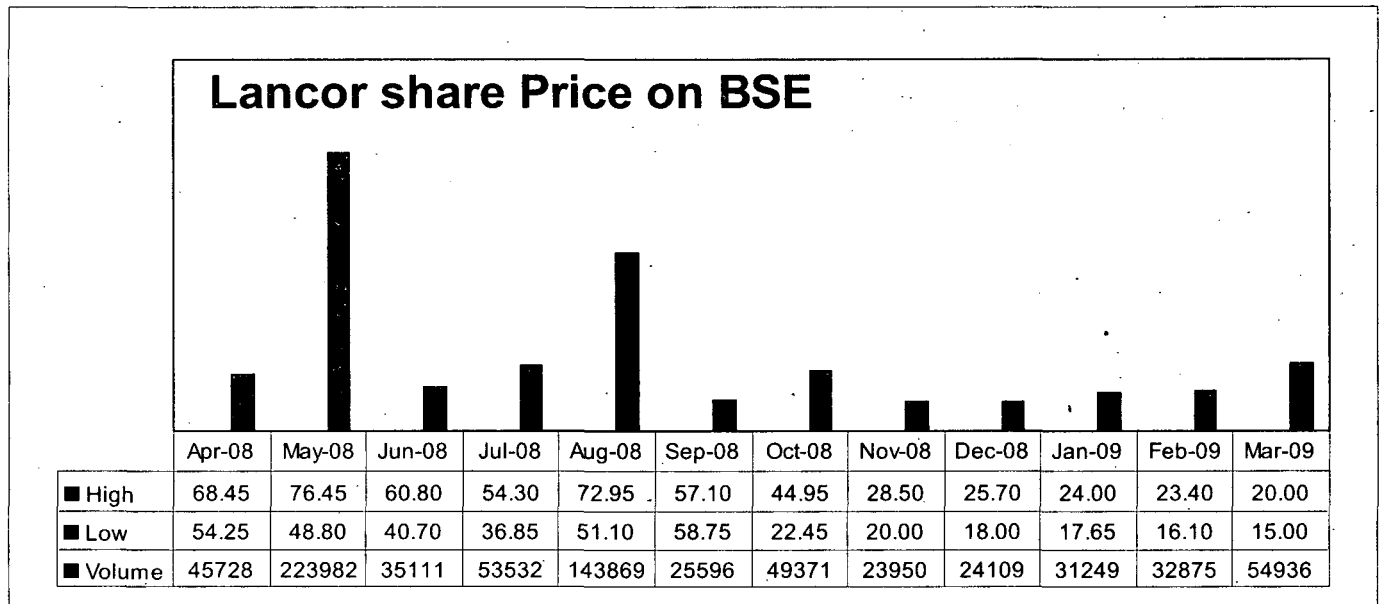
Lancor Holdings Limited

follows : [Equity Shares of Rs.2/- each]

Month	Bombay Stock Exchange (BSE)		
	High(Rs.)	Low(Rs.)	Volume(Number)
April -08	68.45	54.25	45728
May -08	76.45	48.80	223982
June -08	60.80	40.70	35111
July -08	54.30	36.85	53532
August -08	72.95	51.10	143869
September -08	57.10	58.75	25596
October -08	44.95	22.45	49371
November -08	28.50	20.00	23950
December -08	25.70	18.00	24109
January -09	24.00	17.65	31249
February -09	23.40	16.10	32875
March -09	20.00	15.00	54936

The Chart given hereunder plots the movement of the Company's share price on BSE versus BSE sensx for the year 2008-09.

Lancor Share Price on BSE



Dematerialization of Shares and Liquidity

The Equity shares of the Company are made available for dematerialization 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 dematerialized upto March 31, 2009 are under

Lancor Holdings Limited

Sl No.	Particulars of Capital Structure	No. of shares	% of Total issued capital
1.	Listed Capital(Exchange wise) as per Company's Record	2,02,50,000	100.00
2.	Held in dematerialized Form in CDSL	6,79,280	3.3545
3.	Held in dematerialized Form in NSDL	1,93,88,710	95.7467
4.	Physical	1,82,010	0.8988

Registrar and Share Transfer Agents(RTA)

Pursuant to newly introduced 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

Cameo Corporate Services Limited

Subramanian Buildings

No.1, Club House Road,

Chennai 600 002,

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

email : cameosys@satyam.net.in

Share Transfer System

The shares of the Company are traded on the Stock Exchanges 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 dematerialisation/ re-materialisation, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/or change in address are disposed off expeditiously.

Distribution of Share holding as on 31-03-2009

No. of Equity Shares held	31 st March 2009			
	No. of share Holders	% of Total	Share Amount	
			In Rupees	% of Total
1-5000	1,424	88.2280	10,54,422	2.6035
5001-10000	104	6.4436	8,03,546	1.9840
10001-20000	33	2.0446	5,02,058	1.2396
20001-30000	13	0.8054	3,05,088	0.7533
30001-40000	6	0.3717	2,07,940	0.5134
40001-50000	6	0.3717	2,92,512	0.7222
50001-100000	10	0.6195	7,19,654	1.7769
100001- And above	18	1.1152	3,66,14,780	90.4068
TOTAL	1,614	100.0000	4,05,00,000	100.0000

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

Lancor Holdings Limited

Categories of Shareholdings as on March 31, 2009			
Sr.No	Category of Shareholders	No.of shares held	Percentage of holdings
1.	Promoters	1,15,73,820	57.15
2.	Foreign Institutional Investors	14,50,645	7.16
3.	Bodies Corporate	47,21,275	23.31
4.	Individual shareholders holding nominal shares Capital upto Rs. 1 lakh	13,94,968	6.89
5.	Individual Shareholders holding nominal shares Capital in excess of Rs. 1 lakh	6,96,033	3.44
6.	Clearing Members	2,315	0.01
7.	Hindu Undivided Family	1,39,633	0.69
8.	Non Resident Indian	2,71,311	1.35
Total		2,02,50,000	100.00

Major Shareholders

Details of Shareholders holding more than 1% of the paid up capital of the Company as on March 31, 2009 are given below :-

Name of Shareholder	No. of Shares	% of Paid up Capital	Category
R.V.Shekar	4,914,595	22.24	Promoter
Shyamala Shekar	3,905,575	19.29	Promoter
Sangeetha Shekar	1,376,850	6.80	Promoter
Shwetha Shekar	1,376,800	6.80	Promoter
G Corp Pvt Ltd	4,250,000	20.99	Body Corporate
Merrill Lynch Capital Markets Espana S A	763,450	3.77	Foreign Institutional Investors
Goldman Sachs Investments (Mauritius) Ltd	687,195	3.39	Foreign Institutional Investors
Padmakshi Financial Sevices.Pvt Ltd	271,687	1.34	Others
M Kiran Kumar	263,900	1.30	Resident Individual

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:

There is no legal proceeding pending against the Company.

The Company has not issued any GDRs/ADRs/ Warrants/Convertible Instruments.

Address for Communication

LANCOR HOLDINGS LIMITED

VTN Sqaure, 58, G N Chetty
Road, T. Nagar,
Chennai – 600 017
Phone : 044-2834 5880 - 84
Fax: 044-2834 5885 Email: lancor@dataone.in
Website: www.lancor.in

In terms of clause 47(f) of the Listing Agreement of Stock Exchanges, investors may please use compsecy@lancor.in as email id for redressal of investor request/complaint.

Non Mandatory Requirements.

- a) The Company maintains a Chairman's office at its expenses.
- b) There are no qualifications in the Auditors report on the financial statements to the Shareholders of the Company.
- c) There is no formal policy at present for training of Board members of the Company as the members of the Board are eminent and experienced professionals
- d) There is no formal mechanism existing in performance evaluation of non – executive Directors.
- e) The Company has not formed any formal Whistle Blower Policy. The Company declares that no person has been denied access to the Audit Committee.

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by clause 49 of the Listing Agreement the Managing Director's declaration on code of conduct is as under.

I, R.V. Shekar, Managing Director of the Company declare that all the Board members and senior Management of the Company have affirmed compliance with the code of conduct

R.V. Shekar
Managing Director

Dated: 4th day of September, 2009.

Registered Office

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 4th day of September 2009, obtained from Statutory Auditors of the Company M/s. G.M. Kapadia & Co., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto.

For and on behalf of the Board
For LANCOR HOLDINGS LIMITED

R.V. Shekar
Managing Director

V. Chander
Director

Dated: 4th day of September 2009.

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To the Members of Lancor Holdings Limited

We have examined the registers, records, books and papers of M/s. LANCOR HOLDINGS LIMITED (the Company), as required to be maintained under the Listing Agreements entered with the Stock Exchanges and the Rules and Regulation issued by SEBI and NSDL for the financial year ended on 31st March,2009.

The compliance of conditions of the listing agreement is the responsibility of the management. Our examination has been limited 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 officials and agents, We certify that in respect of the aforesaid financial year:

We certified that the company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the company as per the record maintained by the share holder / investor grievance committee.

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 G.M.KAPADIA & CO
Chartered Accountants
K Y NARAYANA
Partner

Place : Chennai

Date: 4th day of September, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY'S STRUCTURE AND DEVELOPMENT:

As stated in the previous year's report, your Company continues to increase its dominance in the residential market segment, more particularly in the affordable and premium home segments in Central and South Chennai. The Company's brand is perceived to be up-market in stature.

The Company maintains an extremely cordial relationship with bankers and financial institutions, suppliers and contractors, customers and employees and feels this relationship will lead to further expansion to volumes.

As stated in the last year's report, the greatest challenge for the moment and going forward perhaps for the next six months will be to instill confidence in the minds of buyers that the economy in general and their fortunes in particular will not turn negative and the recessionary conditions that dominated the first half of this year is clearly behind them. Hopefully, this proactive approach through media, personal selling with tangible performance to show to customers on the ground in the form of progressive construction aggressively will make the customers take decisions to purchase apartments.

There is still some residual uncertainty on the question of taxation for service tax which will be viewed by the customers negatively as they just began to limp back to normalcy.

The "Abode Valley" project where the Company had sold 190 apartments and has collected substantial advance payments from the customers, provides best opportunity for the Company to aggressively implement the project so as to complete the sale of the balance apartments and book profits. This project was priced very competitively and hence the good market response.

The completion of the two phases of "The Central Park" projects leading to occupancy of more than 100 families as on the date of writing this report out of a total of 360 apartments has sent positive signals about the credibility of the Company's performance. The Company anticipates some difficulty in marketing the third phase "The Central Park South" in the context of the total investment for a home buyer being around Rs. 60.00 lakhs, but the Company will adopt superior selling skills, greater persuasion methods and strong advertising to reach out to the market. All the three "Central Park Projects" are covered under Section 80IB of the Income-tax Act.

The premium segment city projects have also done well as sale of the remainder of the 8 apartments take place, the profits and cash flow will improve.

OPPORTUNITY:

Although the Company is engaged principally in property development business, which is troubled worldwide, the market had adjudged the Company to be safe, mature for investment. This is the gratifying situation and the Company will always try to perform its role function having regard to the trust reposed by the customers and other stakeholders in the Company.

THREATS:

The threat for the Company's future plans come mainly from two directions – tightness to liquidity and Company's ability to meet its obligations under extremely difficult market conditions, if it occurs. The uncertainty about future that is all pervasive continues for further periods of time.

In the last 12 months, as is the case of every business in the world, your Company also experienced tight liquidity conditions but it has resolved itself out of this difficulty by prudent cash flow management and aggressive collection of dues from the customers. In so far as the uncertainty as a factor is concerned, your Company does not have any armour to defend itself except to be prudent at each step and careful on each occasion.

RESOURCES:

In the last few years, the Company has operated on a high leverage which had the effect of reduced profits as a result of having to pay high interest costs, while being dependent on external funding whose availability cannot be guaranteed. The Company is seriously thinking of mitigating this risk by taking suitable steps in future.

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. The audit observation if any are periodically reviewed by the Audit Committee of the Board.

HUMAN RESOURCES

Number of employees as on March 31, 2009 was 92 which include 5 women employees and the employer's relations with the employees remain very cordial.

CAUTIONERY STATEMENT

Certain statements made in this report relating to Company's outlook expectation, estimate etc., may be considered forward looking statements within the meaning of applicable law and regulations. Actual figures may differ from such expectation whether expressed or implied. Several factors could make significant impact on the Company's operation, over which the Company does not have any control.

By Order of the Board
For LANCOR HOLDINGS LIMITED
R.V SHEKAR
Managing Director

Place : Chennai
Date : 4th day of September, 2009

Registered Office

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

**AUDITOR'S' REPORT TO THE BOARD OF DIRECTORS OF LANCOR HOLDINGS LIMITED ON THE
CONSOLIDATED FINANCIAL STATEMENTS**

We have examined the attached consolidated Balance Sheet of LANCOR HOLDINGS LIMITED, its subsidiaries and its joint venture as mentioned in Note 4 of Schedule 14 of the Consolidated Financial Statements as at March 31, 2009, the Consolidated Profit and Loss Account for the year then ended and the Consolidated Cash Flow Statement for the year then ended both attached thereto. These Financial Statements are the responsibility of LANCOR HOLDINGS LIMITED management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Lancor Maintenance & Services Limited & Lancor Reality Limited, whose Financial Statements reflect total assets of Rs. 188.66 lakhs and Rs. 90.80 lakhs respectively and total revenues of Rs. 166.97 lakhs and Rs.63.37 lakhs respectively for the year ended March 31, 2009. The financial statements have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the other auditor.

We report that the Consolidated Financial Statements have been prepared by the Companies in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures notified pursuant to Companies (Accounting Standard) Rules, 2006 and on the basis of the separate audited financial statements of Lancor Holdings Limited, its subsidiaries and its joint venture included in the Consolidated Financial Statements.

Based on the information and according to the explanations given to us and on the consideration of report of other auditors on the individual audited financial statements of the Lancor Holdings Limited, its subsidiaries and its joint venture, read with notes thereon, we are of the opinion that:

- a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Lancor Holdings Limited, its subsidiaries and its joint venture as at March 31, 2009; and
- b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2009.
- c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flow statement of Lancor Holdings Limited, its subsidiaries and its joint venture for the year ended on March 31, 2009.

Chennai
Dated : 4th September, 2009

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner

Membership No. 60639

Lancor Holdings Limited

Consolidated Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	Schedule	As at March 31,	
		2009	2008
Sources of Funds			
Share Holders Funds			
Share Capital	1	40,500,000	40,500,000
Reserves & Surplus	2	455,390,424	158,996,519
Capital Reserve on Consolidation		5,317,199	5,317,199
Loan Funds			
Secured loans	3	622,708,956	664,495,414
Unsecured Loans	4	88,107,148	87,500,000
Minority Interest		144,979	125,212
		<u>1,212,168,706</u>	<u>956,934,344</u>
Application Of Funds			
Fixed Assets			
Gross Block	5	688,895,602	139,577,196
Less : Accumulated Depreciation / Amortisation		<u>42,646,003</u>	<u>28,688,623</u>
Net Block		646,249,599	110,888,573
Add: Capital Work In Progress		-	<u>2,673,580</u>
		646,249,599	113,562,153
Investments	6	935,404	46,670,338
Deferred Tax Assets (Refer Note 14 of Schedule No.14)		3,151,953	1,449,773
Current Assets, Loans and Advances			
Inventories	7.1	909,971,778	1,242,421,085
Sundry Debtors	7.2	48,006,807	19,105,957
Cash and Bank Balances	7.3	10,596,393	4,158,341
Other Current Assets	7.4	14,617,246	14,034,641
Loans and Advances	7.5	<u>156,505,777</u>	<u>532,953,299</u>
		1,139,698,002	1,812,673,323
Current Liabilities and Provisions			
Current Liabilities	8.1	543,974,999	992,005,422
Provisions	8.2	<u>33,891,254</u>	<u>25,415,821</u>
		577,866,252	1,017,421,243
Net Current Assets		<u>561,831,750</u>	<u>795,252,079</u>
		<u>1,212,168,706</u>	<u>956,934,344</u>
Significant Accounting Policies and Notes to Accounts	14		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet

As per our Report of even date

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K.Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar R Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

Consolidated Profit and Loss Account for the year ended March 31, 2009

Particulars	Schedule	(Figures in Indian Currency)	
		As at March 31,	
		2009	2008
Income			
Income from Property Development		1,440,790,945	196,582,476
Sale of Land Rights		8,225,000	-
Rental Income		37,332,609	20,459,469
Maintenance Income		14,685,214	10,293,360
Project Management Fee		10,563,057	12,327,654
Brokerage		5,413,730	4,278,099
Other Income	9	3,425,654	2,664,081
		<u>1,520,436,209</u>	<u>246,605,139</u>
Expenditure			
Property Development Expenses	10	1,072,628,780	112,539,144
Maintenance Expenditure		7,089,046	4,788,512
Employee Cost	11	26,247,672	19,714,859
Administration and Other Overheads	12	18,769,630	16,119,884
Interest & Finance Charges	13	25,528,833	3,411,226
Depreciation / Amortisation		14,211,660	5,729,544
		<u>1,164,475,622</u>	<u>162,303,170</u>
Profit/ (Loss) before tax		<u>355,960,588</u>	<u>84,301,969</u>
Less: Tax Expenses:			
- Current Tax		36,620,000	24,820,494
- Deferred tax (Net)		(1,702,180)	2,907,204
- Fringe Benefit tax		450,370	308,705
Profit/(Loss) Before Excess / Short Provision of Tax of Earlier years		<u>320,592,398</u>	<u>56,265,565</u>
Less: (Excess) / Short Provision for Tax of earlier Years		490,639	232,231
Less: (Excess) / Short Provision for Fringe Benefit Tax of earlier Years		(3,401)	80,184
Profit/(Loss) After (Excess) / Short Provision of Tax of Earlier Years		<u>320,105,160</u>	<u>55,953,151</u>
Less: Minority Interest		19,767	17,435
Attributable to Share holders		<u>320,085,393</u>	<u>55,935,716</u>
Add: Balance brought forward from Previous years		95,074,825	66,142,668
Add: Adjusted for Transitional Provision under Revised AS 15		-	617,031
Available for Appropriation		<u>415,160,219</u>	<u>122,695,415</u>
Transfer to General Reserves		31,387,354	3,929,102
Dividend		20,250,000	20,250,000
Dividend Distribution Tax		3,441,488	3,441,488
Balance Carried to Balance Sheet		<u>360,081,377</u>	<u>95,074,825</u>
Weighted Average no. of Equity shares outstanding during the year		20,250,000	9,361,475
Earnings Per Share of Rs.2 each (Basic & Diluted) (Refer Note 13 of Schedule 14)		15.81	5.98
Significant Accounting Policies and Notes to Accounts		14	

The schedules referred to above and the Notes to Accounts form and integral part of Profit & Loss Account

As per our Report of even date

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K.Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar R.Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

Lancor Holdings Limited

Consolidated Cash Flow Statement for the year ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
A. Cash Flow From Operating Activities:		
Net Profit before tax & extraordinary items	355,960,580	84,301,970
Adjusted for:		
Non Cash Charges:		
Depreciation / Amortisation	14,211,660	5,729,544
Preliminary and Preincorporation expenses written off	-	7,146
Irrevocable Debt Written off	126,835	83,613
Provision for Employee Benefit	1,395,533	934,754
Provision for Bad & Doubtful advances	-	70,848
Sundry Balances Written Back	(18,953)	-
(Profit) / Loss on sale of Asset	(62,564)	-
(Profit) / Loss on sale of Investment	(519,243)	(36,029)
Items considered separately:		
Interest Income	(1,359,735)	(509,653)
Interest Expenses	25,521,061	3,411,226
Dividend Income	(485,901)	(1,572,238)
Operating Profits before Working Capital changes	394,769,274	92,421,181
Changes in Working Capital		
(Increase) / Decrease in Inventories	332,449,308	(552,009,724)
(Increase) / Decrease in Debtors	(28,797,784)	(13,954,125)
(Increase) / Decrease in Other Current Assets	1,717,597	28,655
(Increase) / Decrease in Loans & Advances	392,700,806	66,523,673
Increase / (Decrease) in Current liabilities	(443,636,635)	359,546,039
Taxes paid (Net of refund)	(28,064,351)	(22,732,888)
Net Cash flow from operating activities	621,138,215	(70,177,189)
B. Cash Flow From Investing Activities		
Dividend received	485,901	1,572,237
Interest Income	1,163,360	509,653
Redemption of Investments	6,414,406	114,810,162
Sale of Fixed Assets	261,379	1,600
Purchase of Investment	18,839,772	(105,558,376)
Purchase of Fixed assets	(541,555,616)	(7,953,690)
Net cash Realised in Investing activities	(514,390,798)	3,381,587
C. Cash Flow From Financing Activities		
Proceeds from borrowings	92,224,704	277,587,985
Repayment of borrowings	(143,553,526)	(226,021,862)
Interest paid	(25,521,061)	(3,411,226)
Dividend paid	(20,250,000)	(4,050,000)
Tax paid on dividend	(3,441,488)	(688,298)
Net cash Realised in financing activities	(100,541,371)	43,416,599
Net changes in Cash or Cash Equivalents (A+B+C)	6,206,046	(23,379,003)
Cash and Cash Equivalents - Opening balance	4,158,342	27,537,345
Add Cash balance on account of Joint venture	232,005	-
Cash and Cash Equivalents - Closing balance	10,596,393	4,158,342

Note: Figures in bracket represents outflows

As per our Report of even date	K. Srinivasan	For and on Behalf of the Board of Directors
For G. M. Kapadia & Co.	Chief Financial Officer	R.V. Shekar
Chartered Accountants		R Sankaranarayanan
K.Y. Narayana		Managing Director
Partner	H. Viswanath	Chennai
Chennai	Company Secretary	Dated : 4th September, 2009
Membership No. 60639	Dated : 4th September, 2009	

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Schedule 1: Share Capital		
Authorised Capital		
25,000,000 (5,000,000) Equity Shares of Rs. 2 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up Capital		
20,250,000 (20,250,000) Equity Shares of Rs. 2 each	40,500,000	40,500,000
	<u>40,500,000</u>	<u>40,500,000</u>
Schedule 2: Reserves and Surplus		
General Reserve		
Balance at the Beginning of the year	62,951,289	59,022,187
Add : Transferred from Profit and Loss Account	31,387,354	3,929,102
	<u>94,338,643</u>	<u>62,951,289</u>
Balance in Profit and Loss Account	320,905,712	62,111,013
	<u>415,244,355</u>	<u>125,062,302</u>
Schedule 3: Secured Loans		
Loans from Banks and Financial Institutions		
From Catholic Syrian Bank Limited	192,665,566	125,260,864
(Secured by Equitable mortgage of premises owned by the Company in the building "Westminster" and "Citi Tower")		
From Catholic Syrian Bank Limited - Rental Discount	9,934,791	11,853,487
(Secured by first charge on the rent receivables and by equitable mortgage of premises "Citi tower" owned by the Company)		
From HDFC Limited	9,905,200	11,387,350
(Secured by Equitable mortgage of premises owned by the Company in the building "VTN Square".)		
From HDFC Limited - Rental Discount	43,006,444	50,000,000
(Secured by first charge on the rent receivables and by equitable mortgage of premises "Westminster" owned by the Company)		
From HDFC Limited - Construction Finance	76,131,170	75,000,000
(Secured by Equitable mortgage of premises "Menon Eternity" owned by the Company)		
From HDFC Limited - Line of Credit	227,615,151	210,000,000
(Secured by Negative lien on the built up area of "Menon Eternity" owned by the Company.)		
From HDFC Limited - Construction Finance	47,165,754	179,461,000
(Secured by equitable mortgage of plot of land owned by the Company)		
From HDFC Limited - Construction Finance	14,253,740	
(Secured by equitable mortgage of plot of Land owned by the Company)		
From Banks - Vehicle Loans	2,026,540	1,447,301
(Secured by way of hypothecation of Motor Cars under Hypothecation Agreement)		
	<u>622,704,356</u>	<u>664,410,002</u>

Schedules to the Balance Sheet as at March 31, 2009

SCHEDULE 5: FIXED ASSETS

(Figures in Indian Currency)

Assets	GROSS BLOCK			DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at April 1,2008	Additions	Deductions/ Adjustments	As at March 31,2009	Upto April 1,2008	Addition	Deletion / Adjustment	Upto March 31,2009	As at March 31,2009	As at March 31,2008
INTANGIBLE ASSETS										
Computer Software	432,084	-	-	432,084	129,625	86,417	-	216,042	216,042	302,459
Total (A)	432,084	-	-	432,084	129,625	86,417	-	216,042	216,042	302,459
TANGIBLE ASSETS										
Land	26,908,637	29,374,099	-	56,282,736	-	-	-	-	56,282,736	26,908,637
Building	73,660,486	363,773,824	-	437,434,310	8,156,963	3,404,335	-	11,561,299	425,873,011	65,503,523
Plant & Machinery	1,833,884	48,731,030	-	50,564,914	1,452,289	2,504,304	-	3,956,595	46,608,319	381,595
Electrical Installation	2,548,613	39,237,847	-	41,786,460	1,085,262	2,815,337	-	3,900,599	37,885,861	1,463,351
Air conditioners	3,028,236	28,870,660	-	31,898,896	1,963,707	1,645,345	-	3,609,052	28,289,844	1,064,529
Furniture & Fixtures	12,274,343	2,324,824	-	14,599,166	4,948,535	1,694,096	-	6,642,631	7,956,535	7,325,808
Computers	2,779,595	132,750	-	2,912,345	2,409,289	194,323	-	2,603,612	308,733	370,306
Office Equipment	783,396	163,624	-	947,020	546,384	87,552	-	633,936	313,084	237,012
Vehicles	8,438,669	2,091,745	453,094	10,077,320	5,836,450	634,029	254,279	6,216,200	3,861,120	2,602,219
Total (B)	132,255,859	514,700,403	453,094	646,503,164	26,398,879	12,979,320	254,279	39,123,923	607,379,240	105,856,980
Grand Total (A+B)	132,687,943	514,700,403	453,094	646,935,247	26,528,504	13,065,737	254,279	39,339,965	607,595,282	106,159,439
Previous Year	132,067,720	624,923	-	132,692,643	21,803,439	4,729,765	-	26,533,204	106,159,439	110,264,281

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Schedule 4: Unsecured Loans		
Other Loans and Advances		
From Directors (Payable on demand)	73,107,148	72,500,000
From Others	15,000,000	15,000,000
	<u>88,107,148</u>	<u>87,500,000</u>
Schedule 6: Investments (Long Term, Non-trade at Cost)		
In Subsidiary Companies		
250,000 (250,000) equity shares of Lancor Maintenance and Services Limit Rs.10 each	100,000	100,000
50,000 (50,000) Equity Shares of Lancor Projects Limited of Rs. 10 each	900,000	900,000
50,000 (50,000) Equity Shares of Lancor Realty Limited Rs. 10 each	500,000	500,000
In the Capital of Partnership Firms		
Investment in the Capital of Partnership Firm Central Park West Venture	20,000,000	20,000,000
In Others		
500 (500) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Pa	16,800	16,800
20,500 (Nil) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Partly Paid Up)	512,500	-
	<u>22,029,300</u>	<u>21,516,800</u>
Schedule 7: Current Assets, Loans and Advances		
Current Assets		
Inventories (as Certified by the Management)		
Closing Stock of Premises		
Opening Stock of unsold Premises	1,758,872	1,758,872
Add Transfer from Construction Work in Progress	4,375,000	-
	<u>6,133,872</u>	<u>1,758,872</u>
Less Sale of Premises	1,508,872	-
Closing Stock of unsold Premises	4,625,000	1,758,872
Land and Construction Work in Progress at Cost	<u>504,106,237</u>	<u>1,240,662,213</u>
	<u>508,731,237</u>	<u>1,242,421,085</u>
Sundry Debtors (Unsecured and considered good)		
Outstanding for a period over six months	6,245,769	6,741,560
Outstanding for a period less than six months	10,599,062	254,243
	<u>16,844,831</u>	<u>6,995,803</u>
Cash & Bank Balances		
Cash on Hand	1,395,469	29,106
Balance With Scheduled Banks		
in Current Accounts	4,352,016	1,754,450
in Deposit Accounts	-	1,500,000
	<u>5,747,485</u>	<u>3,283,556</u>
Other Current Assets		
Deposits	11,360,745	13,072,290
Interest accrued But not due	14,192	12,983
Income Tax / Sales Tax Refund Due	2,539,692	239,491
	<u>13,914,629</u>	<u>13,324,764</u>
	<u>545,238,182</u>	<u>1,266,025,208</u>

Lancor Holdings Limited

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Loans and Advances (Unsecured and Considered good)		
Advances to Subsidiaries		
Lancor Projects Limited	76,305	-
(Maximum outstanding during the year Rs.103,898 (Previous year Rs.1,003,498.)		
Advance to Partnership firm in which Company is a Partner		
- Central Park West Venture	424,481,570	280,603,053
(Maximum outstanding during the year Rs.42,4481,570 (Previous year Rs.480,113,082)		
Advances receivable in Cash or in kind or for value to be received	39,089,445	117,711,775
Less: Provision for Bad & Doubtful Advances	1,000,000	1,000,000
	38,089,445	116,711,775
EMD with Land Owners	38,200,000	43,200,000
Advance for Land	-	84,116,117
Security Deposit	3,212,000	3,232,000
Advance for Income Tax (Net of Provisions)	-	4,510,791
	7.5-----	
	504,059,320	532,373,737

Schedule 8: Current Liabilities and Provisions

Current Liabilities

Sundry Creditors

 Micro, Small and Medium enterprises

 Other than Micro, Small and Medium enterprises

64,500,972

36,011,969

Subsidiaries

484,189

423,309

Unclaimed dividend

235,263

59,191

Advance received from Customers

323,325,370

923,049,190

Liabilities for Duties & Taxes

3,192,534

8,867,915

Rent Deposit

88,184,680

18,795,528

Other Current Liabilities

16,896

320,000

8.1-----

479,939,903

987,527,102

Provisions

 Provision for Income Tax (Net of Advance Tax)

8,300,251

-

 Provision for Fringe Benefit Tax

22,672

14,392

 Proposed Dividend

20,250,000

20,250,000

 Dividend Distribution Tax

3,441,488

3,441,488

 Provision for Employees Benefit

2,805,410

1,360,579

8.2-----

34,819,821

25,066,459

Schedules to Profit and Loss Account for the year Ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Schedule 9: Other Income		
Interest Income ((TDS Rs. 14,570 (P.Y Rs. 78,852))	268,021	509,653
Dividend Income	-	541,838
Profit on Sale of Investments / Assets	62,564	1,600
Miscellaneous Income	4,896	188,214
	335,481	1,241,305

Schedules to Profit and Loss Account for the year Ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Schedule 10: Property Development Expenses		
Opening Construction Work in Process		
Residential Project	980,979,981	574,270,933
Commercial Project	259,682,232	114,381,555
	<u>1,240,662,213</u>	<u>688,652,488</u>
Addition to Construction Work in Progress		
Residential Project	459,950,329	536,444,674
Commercial Project	249,250,238	145,300,677
	<u>709,200,567</u>	<u>681,745,351</u>
Less Transferred to Project Expenses		
Completed Project Method	849,014,506	53,851,314
Percentage Completion Method	83,434,567	75,884,312
	<u>932,449,073</u>	<u>129,735,626</u>
Less Capitalisation of Commercial Projects	508,932,470	-
Less: Transfer to Stock	4,375,000	-
Closing Construction Work in Progress		
Residential	504,106,237	980,979,981
Commercial	-	259,682,232
	<u>504,106,237</u>	<u>1,240,662,213</u>
Completed Project Maintenance	8,194,408	489,658
Sale of Premises	1,508,872	-
	<u>942,152,353</u>	<u>130,225,284</u>
Schedule 11: Employee Costs		
Salaries and Bonus	9,358,408	7,633,924
Contribution to Provident and Other funds	717,766	587,300
Staff welfare and Other Benefits	1,264,097	954,242
	<u>11,340,271</u>	<u>9,175,466</u>
Schedule 12: Administration and Other Overheads		
Directors' Sitting Fees-Board Meeting	120,000	90,000
Advertisement and Sales Promotion	1,517,865	666,971
Printing and Stationery	518,283	435,335
Communication costs	524,348	491,441
Traveling and Conveyance	228,421	236,084
Vehicle Maintenance	1,048,981	649,023
Rates and Taxes	584,782	1,797,892
Legal Expenses and Professional fees	2,021,000	2,913,378
Repairs and Maintenance		
- Building	471,268	361,729
- Plant and Machinery	66,565	94,205
- Others	105,691	91,012
Rent	1,813,316	798,535
Electricity	271,600	241,599
Insurance	168,931	105,988
Irrecoverable debt and advance Written Off	-	39,690
Brokerage	1,905,204	378,352
Other Sundry Expenses	1,972,255	1,399,386
Preliminary expenses	-	5,780
Auditors Remuneration:		
- Statutory Audit Fees	330,900	337,080
- Tax Audit Fees	55,150	56,180
- Others	10,000	11,236
	<u>13,734,559</u>	<u>11,200,896</u>

Schedules to Profit and Loss Account for the year Ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Schedule 13: Finance Expenses		
Interest Paid to Banks & Financial Institutions	95,006,604	50,200,633
Interest Paid to Others	9,430,214	8,360,342
Loan Processing, Preclosure & Other Charges	298,496	236,518
Bank Charges and Commission	93,783	88,586
	<u>104,829,098</u>	<u>58,886,079</u>
Less: Borrowing Cost transferred to Work In Progress		
Residential	32,615,188	15,721,223
Commercial	30,666,695	13,573,393
Transferred to Partnership firm	<u>16,028,923</u>	<u>26,188,187</u>
Interest charged to Profit and Loss Account	<u>25,518,292</u>	<u>3,403,276</u>

SCHEDULE NO. 14: SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

A SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of the Company and its Subsidiaries have been consolidated on line by line basis, to the extent possible and after eliminating all significant inter-company transactions in accordance with the Accounting Standard (AS 21) – on Consolidated Financial Statements prescribed in the Companies (Accounting Standards) Rules, 2006. A Joint venture entity in the nature of Jointly Controlled Entity is consolidated on the basis of proportionate consolidation in accordance with the Accounting Standard (AS 27) on 'Financial Reporting of Interests in Joint Ventures prescribed in the Companies (Accounting Standards) Rules, 2006.

2. SYSTEM OF ACCOUNTING:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

3. USE OF ESTIMATES

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

Lancor Holdings Limited

4. INVENTORIES

Inventory comprises of property for sale and property under construction (work in progress).

Unsold premises held as stock in trade are valued at cost. 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.

5. FIXED ASSETS

A) INTANGIBLE ASSETS

- i) Intangible assets are recognized if they are separately identifiable and the Company expects to receive the future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment if any.
- ii) Intangible assets comprises of Computer Software.

B) TANGIBLE ASSETS

The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

6. DEPRECIATION / AMORTISATION:

- a) Computer Software is amortised over a period of five years.
- b) Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. After impairment, depreciation is provided on the revised carrying amounts of assets over its remaining useful life.
- c) The depreciation in case of buildings is provided on straight line method at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.
- d) Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

7. RECOGNITION OF REVENUE & EXPENDITURE OF PROPERTY DEVELOPMENT BUSINESS:

- a) The Company adopts the accrual system of accounting. Revenue is recognised as and when there is a reasonable certainty of its ultimate realisation.
- b) Revenue in respect of The Central Park and Central Park West projects, which were completed during the year, was recognized on completion of the project. Revenue in respect of ongoing construction projects are accounted for on proportionate completion basis in case where at least twenty percentage of the project is completed. The architects duly certify the percentage of completion for each project. 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.
- c) Income in the nature of Project Management fee is recognised on proportionate completion method.

8. INVESTMENTS:

Long term investments in shares of subsidiaries and capital of partnership firm are stated at cost. The provision for diminution in the value of long term investment is made if such a diminution is other than temporary in nature.

Current Investments in units of debt market mutual funds are recorded at lower of cost or fair value.

Lancor Holdings Limited

9. EMPLOYEE BENEFITS:

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plan comprising of provident funds to employees is recognised in the profit and loss account each year.

b) Defined Benefit Plans

Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

c) Short-term employee benefits

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.

10. BORROWING COSTS:

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.

11. SEGMENT REPORTING:

The Company's reporting segments are identified taking it to account activities, the differing risks and returns, organization structure and internal reporting systems. Segment revenue and expense include amounts, which can be directly attributable to the segment and allocable on a reasonable basis. Segment assets and liabilities are operating assets/liabilities employed/incurred by the segment which are directly attributable to the segment or can be allocated on a reasonable basis.

12. ACCOUNTING FOR LEASES:

Lease arrangements where the risk and rewards incident to the ownership of the asset substantially vest with the lessor are recognized as operating lease.

A) AS LESSEE – OPERATING LEASE:

Lease rent in respect of assets taken under operating lease are charged to profit and loss account on the basis of underlying agreements.

B) AS LESSOR – OPERATING LEASE:

Rental income arising out of arrangements in the nature of operating leases are credited to profit & loss account.

Initial direct cost is charged to profit & loss account in the year of lease.

13. TAXES ON INCOME

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. 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 profit & loss account in the period of enactment of the change.
- c) Provision for fringe benefit tax is made in accordance with the Income Tax Act, 1961

14. IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. 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.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- a) A provision is recognised when the Company has a present obligation as a result of the past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed on each balance sheet date to effect the current best estimation.
- b) 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.
- c) Contingent assets are neither recognized nor disclosed.

B NOTES TO ACCOUNTS

- 1. As per the "Guidance Note on Recognition of Revenue by Real Estate Developers" issued by the Institute of Chartered Accountants of India, revenue from development work is to be recognised at the time of transfer of all significant risks and rewards attached to the property in accordance with Accounting Standard 9 on Revenue Recognition. In case substantial work is yet to be carried out, then the accounting should be based on percentage completion method as explained in Accounting Standard 7 on Construction Contracts. Considering the nature of the project and complexity involved in the development, the Company has followed completed contract method in case of "The Central Park and Central Park West projects". The said projects are entitled to avail benefits under section 80 (IB) of the Income Tax Act, 1961.

2. CONTINGENT LIABILITIES

- a) Outstanding Letter of Credit Rs. Nil. (Previous year Rs. 1,444,575)
- b) Claims against the Company not acknowledged as debt is Rs. Nil (Previous Year – Nil)
- 3. Capital commitment – Nil (Previous Year Nil)
- 4. Principles of consolidation

Lancor Holdings Limited

- 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 for 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.
- 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,	
		2009	2008
Lancor Realty Limited	India	100%	100%
Lancor Maintenance & Services Limited	India	99.30%	99.30%
Lancor Projects Limited	India	100%	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.

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

Sl. No	Name of the partnership firm	Profit sharing percentage	Country of incorporation	Contingent Liabilities as at March 31, 2009	Capital commitments as at March 31, 2009
1	Central Park West Venture	25.52	India	Nil	Nil

5. Particulars of Investment in Capital of Partnership Firm 'Central Park West Venture': (Figures in Indian Currency)

Sl. No	Name of the Partners	Profit sharing percentage	Capital as on March 31,	
			2009	2008
1	Lancor Holdings Limited	25.52	20,000,000	20,000,000
2	Lancor Maintenance & Services Limited	0.11	1,000,000	1,000,000
3	Clasic Farms (Chennai) Limited	74.37	20,000,000	20,000,000
		Total	41,000,000	41,000,000

Lancor Holdings Limited

6. Managerial Remuneration under Section 198 of the Companies Act, 1956

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
a) Salary	1,522,258	1,402,258
b) Contribution to Provident Fund	182,671	168,271
c) Perquisites in cash or kind	609,031	485,780
d) Gratuity	173,077	161,538

7. In the opinion of the management, the debtors and loans and advances have realisable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and wherever necessary adequate provisions have been made for all known doubtful assets.

8. EMPLOYEE BENEFITS

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at March 31, 2009.

(Figures in Indian Currency)

Category	As at March 31, 2009 [Gratuity]
1 Change in benefit obligations:	
Projected benefit obligations at beginning of the year	1,934,318
Current service cost	810,605
Interest cost	154,744
Benefits paid	(143,885)
Actuarial (gain) / loss	1,730,629
Projected benefit obligations at end of the year	4,486,411
2 Change in plan assets:	
Plan assets at the beginning of the year	Nil
Expected return on plan assets	Nil
Actuarial (gain) / loss	Nil
Contributions	Nil
Benefits paid	Nil
Plan assets at the end of the year	Nil
3 Reconciliation of present value of the obligation and the fair value of plan assets	
Fair value of plan assets at the end of the year	Nil
Present value of the defined benefit obligations at the end of the year	4,486,411
Liability / (Asset) recognized in the balance sheet	N.A.
4 Cost for the year	
Current service Cost	810,605
Interest cost	154,744
Expected return on plan assets	Nil
Actuarial (gain) / loss	1,730,629
Net cost recognized in the profit and loss account	2,695,978
5 Assumptions	
Interest rate for discount	8%
Estimated rate of return on plan assets	N.A.
Mortality	LIC (94-96) Mortality Table
Salary Escalation	18%

Lancor Holdings Limited

9. Borrowing costs amounting to Rs. 63,281,883 (Previous Year – Rs. 29,294,616) have been capitalised as part of respective qualifying assets.

10. SEGMENT REPORTING

Based on similarity of activities, risk and reward structure, organization structure and internal reporting systems, the Company has disclosed business segment as the primary segment.

The groups operation has mainly relate to property development and its allied activities like property rental, project management, maintenance, brokerage and investing activity.

Segment revenue and expenses include amounts, which can be directly identifiable to the segment and allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories and debtors. Segment liabilities include all operating liabilities and consist primarily of creditors, advances/deposits and statutory liabilities.

Particulars	Property Development (Rs.)	Property Rental (Rs.)	Investing Activity (Rs.)	Maintenance (Rs.)	Brokerage (Rs.)	Project Management Fee (Rs.)	Total (Rs.)
External Revenue	1,449,015,945 (196,582,476)	37,332,609 (20,459,469)	485,901 (2,081,890)	14,685,214 (10,293,360)	5,413,730 (4,278,099)	10,563,057 (12,327,654)	1,517,715,150 (246,022,948)
Inter segment Revenue	-	-	-	-	-	-	-
Total Revenue	1,449,015,945 (196,582,476)	37,551,303 (20,459,469)	485,901 (2,081,890)	14,685,214 (10,293,360)	5,413,730 (4,278,099)	10,563,057 (12,327,654)	1,517,715,150 (246,022,948)
SEGMENT RESULT	376,387,165 (84,043,332)	25,545,743 (15,974,409)	485,901 (2,081,890)	7,596,168 (5,504,848)	5,413,730 (4,278,099)	10,563,057 (12,327,654)	425,991,764 (124,210,232)
Less: Interest							25,528,833 (3,411,226)
Unallocable Other Expenditure							47,223,403 (37,079,227)
Add: Unallocable other Income							2,939,753 (582,191)

Profit Before Taxation							355,960,587 (84,301,971)
OTHER INFORMATION							
Segment Assets	1,016,894,411 (1,489,971,996)	613,180,751 (12,206,057)	1,935,404 (21,516,800)	9,772,732 (5,313,035)	2,077,208 (2,155,140)	12,176,382 (8,716,014)	1,656,036,888 (1,539,879,042)
Unallocable Assets	-	-	-	-	-	-	134,300,064 (421,327,168)
Total Assets	1,016,894,411 (1,489,971,996)	613,180,751 (12,206,057)	1,935,404 (21,516,800)	9,772,732 (5,313,035)	2,077,208 (2,155,140)	12,176,382 (8,716,014)	1,790,336,952 (1,961,206,210)
Segment Liabilities	512,029,117 (1,324,987,798)	454,290,068 (33,609,726)	- Nil	12,566,251 (4,441,649)	3,038,913 (1,361,619)	2,907,207 (1,442,949)	984,831,557 (1,365,843,741)
Unallocable Liabilities	-	-	-	-	-	-	304,301,153 (390,548,750)
Total liabilities	512,029,117 (1,324,987,798)	454,290,068 (33,609,726)	- Nil	12,566,251 (4,441,649)	3,038,913 (1,361,619)	2,907,207 (1,442,949)	1,289,132,710 (1,365,843,741)
Capital Expenditure							
Segment Capital Expenditure	- (Nil)	509,237,470 (Nil)	- (Nil)	- (Nil)	- (Nil)	- (Nil)	509,237,470 (Nil)
Unallocable Capital Expenditure	-	-	-	-	-	-	40,534,030 (2,624,158)
Unallocable Depreciation	-	-	-	-	-	-	3,697,143 (3,105,386)
							14,211,660 (5,729,544)
Non cash Expenses other than Depreciation							
Segment Non Cash Expenditure	- (39,690)	-	-	-	-	-	- (39,690)
Unallocable Non Cash Expenditure							126,835 (973,058)
Total Non Cash Expenses other than Cash							126,835 (1,012,748)

Lancor Holdings Limited

11. RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Key Management Personnel	Mr. R. V. Shekar (Holding more than half of the voting power in parent Company and key management personnel in parent Company.)
B. Relatives of Key Management Personnel:	Mrs. Shyamala Shekar
C. Joint Ventures	Central Park West Venture

Particulars of transactions with the Related Parties

(Figures in Indian Currency)

Nature of Transactions	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
EXPENDITURE			
Remuneration Paid			
Mr. R. V. Shekar	Nil	2,122,587	2,122,587
	Nil	(2,217,874)	(2,217,874)
Rent Paid			
Mr. R. V. Shekar	Nil	364,450	364,450
	Nil	(340,450)	(340,450)
Interest Paid			
Mr. R. V. Shekar	Nil	8,337,500	8,337,500
	Nil	(8,360,342)	(8,360,342)
CLOSING BALANCES			
Unsecured Loans			
Mr. R.V. Shekar	Nil	73,107,148	73,107,148
	Nil	(72,500,000)	(72,500,000)

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

12. Leases

In the Capacity as a Lessor

- The significant lease arrangements in terms of AS 19 entered into by the Company are in respect of constructed premises which have been given on rental and office premises which have been taken on lease. The Company has taken rent deposits equivalent to 12 to 15 months' rent. These arrangements are cancelable in nature and are for initial period of 3 years or more and renewable based on mutual understanding.
- The cost of building includes buildings given on lease estimated at Rs. 407,360,316 (previous year Rs. 68,112,239) and Accumulated Depreciation Rs. 11,219,349 (previous year Rs. 7,921,532). There is no impairment in respect of these assets.
- The cost of other assets given on lease is given below. There is no impairment in respect of these assets.

(Figures in Indian Currency)

Class of Assets	Gross Carrying Amount		Accumulated Depreciation	
	Year ended March 31,		Year ended March 31,	
	2009	2008	2009	2008
Plant and Machinery	28,290,706	1,494,478	2,606,644	1,149,396
Furniture	5,720,977	5,415,977	2,685,077	2,081,360
Generator	20,136,671	339,406	1,349,135	302,893
Air Conditioner	29,126,359	2,000,228	2,830,143	1,307,137
Electrical Installation	38,352,731	1,762,779	3,428,546	739,350

In the Capacity as a Lessee

The group has taken certain premises on cancelable operating leases. The total rental expenses under cancelable operating leases debited to Profit & Loss Account amounted to Rs. 2,755,441 (Previous Year – Rs. 1,725,055).

13. Earnings Per Share:

(Figures in Indian Currency)

Particulars	Year ended March, 31			
	2009		2008	
	Basic	Diluted	Basic	Diluted
Profit after tax as per Profit & Loss Account	320,082,011		55,935,716	
Weighted average number of Equity shares outstanding	20,250,000	20,250,000	9,361,475	9,361,475
EPS (Rupees) of face value Rs. 2 each	15.81	15.81	5.98	5.98

14. Deferred Tax Assets / (Liabilities) (Net)

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Deferred Tax Liabilities		
a) Difference between book and tax depreciation	79,510	Nil
Total (A)	79,510	Nil
Deferred Tax Assets		
a) Difference between book and tax depreciation	723,703	605,071
b) Disallowance under Sec.43B Income tax	2,167,860	477,858
c) Other deferred tax assets	339,900	366,844
Total (B)	3,231,463	1,449,773
Deferred Tax Assets / (Liabilities) (Net) (B-A)	3,151,953	1,449,773

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net Deferred Tax Asset as at 31st March 2009 of Rs. 3,151,953 and Rs. 1,702,180 has been credited to the profit & Loss account.

15. In compliance with the Accounting Standard relating to 'Financial Reporting of Interest In Joint Ventures' (AS 27), as prescribed in Companies Accounting Standard Rules, 2006, the Company has interest in a jointly controlled entity (Partnership Firm).

As stated above, the Company is also partner in one partnership firm which is formed in India.

Financial interest of the Company in the jointly controlled entities is as under (before inter Company eliminations).

(Figures in Indian Currency)

Company's Share of	Year ended March 31,	
	2009	2008
Assets	450,163,073	524,208,843
Liabilities	50,785,523	406,398,626
Income	248,914,251	Nil
Expenditure	139,419,538	Nil
Capital commitments	Nil	Nil
Contingent liabilities	Nil	Nil

16. Previous year's figures have been regrouped, reclassified and recast wherever considered necessary so as to confirm with the current year's figures.

K.Srinivasan
Chief Financial Officer

For and on Behalf of the Board of Directors

H. Viswanath
Company Secretary

R.V.Shekar R Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES

01	Name of the subsidiary	Lancor Maintenance & Services Limited	Lancor Realty Limited	Lancor Projects Limited
02	Financial year of the subsidiary company ended on	31-03-2009	31-03-2009	31-03-2009
03	Shares of the Subsidiary held by the Company on the above dates: (a) No. of Equity Shares. (b) Face Value (c) Paid Up Value (d) Extent of Holding	250,000 Rs.10/- Rs.10/- 99.30%	50,000 Rs.10/- Rs.10/- 100%	50,000 Rs.10/- Rs.10/- 100%
04	Net aggregate amount of profits or losses of the Subsidiary for the above financial year so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2009. (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2009	Nil 39,15,592	Nil 30,52,839	Nil 33,52,741
05	Net aggregate amount of profits or losses for the previous financial year of the Subsidiary, since it became a Subsidiary so far as they concerns members of the Holding (Rs.'000) (a) Dealt with the Accounts of the Company for the year ended 31-03-2008. (b) Not dealt with in the Accounts of the Company for the year ended 31-03-2008.	Nil 24,90,577	Nil 21,99,482	Nil 119,54,513
06	Changes in the interest of the Holding company between the end of Subsidiary's financial year ended and March 31, 2009	Nil		
07	Material Changes between the end of the Subsidiary's financial year ended and March 31, 2009	Not Applicable		

For and on Behalf of the Board of Directors

K.Srinivasan
Chief Financial Officer

R.V.Shekar
Managing Director

R Sankaranarayanan
Director

H. Viswanath
Company Secretary

Chennai
Dated : 4th September, 2009

**AUDITOR'S REPORT TO THE MEMBERS OF
Lancor Holdings Limited**

1. We have audited the attached Balance Sheet of LANCOR HOLDINGS LIMITED as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year under review annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow statement account dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. LANCOR HOLDINGS LIMITED as on March 31, 2009 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

Annexure

Re: LANCOR HOLDINGS LIMITED

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 of fixed assets.
- (b) All the assets have been physically verified by the management during the year. The Programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of Inventory of unsold premises and no discrepancies were noticed on verification between the physical stocks and books of accounts.
- (iii)(a) As informed to us, the company has not granted any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the sub clause (iii)(b), regarding nature of terms and conditions of such loans, sub clause (iii)(c), regarding regularity of repayment of such loans/interests and sub clause (iii)(d) regarding overdue amount in case of such loans, of clause 4 of the Order are not applicable.
- (b) The Company has taken unsecured loan from one party covered in the register maintained under section 301 Companies Act, 1956. The maximum amount involved during the year was Rs.80,837,500 and the year end balance taken on loan from such party was Rs. 73,107,148.
- (c) In our opinion the rate of interest and the terms and conditions on which loan has been taken from the party covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
- (d) According to the information and explanation given to us, no repayment schedule has been specified and accordingly the regularity in repayment of the principal amount, wherever applicable does not arise.
- (e) As stated above, no repayment schedules have been specified and there are no other due amounts in excess of Rupees one lakh.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to sub clause (v)(b) of clause 4 of the Order regarding reasonableness of prices of such contract and arrangements is not applicable.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public; hence there is no question of complying with the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system to commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable. No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess, which have not been deposited on account of any dispute.
- (x) The Company has neither accumulated losses nor incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. In view of the same, the clause (x) of clause 4 of the order regarding comparison of the net worth with accumulated losses is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund/ society. Therefore, the sub clause (xiii) of clause 4 of the Order is not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the sub clause (xiv) of clause 4 of the Order is not applicable to the Company. However proper records are maintained for the Investments made by the company.
- (xv) As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loan has been utilized for the purpose for which it has been raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow of the Company, we report that no funds raised on short term basis has been used for long term investment by the Company.
- (xviii) During the year, the Company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued debentures and hence the sub clause (xix) of clause 4 of the Order is not applicable.
- (xx) The Company has not raised money by public issue.
- (xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed during the course of our audit.

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner

Membership No. 60639

Chennai
Dated : 4th September, 2009

Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	Schedule	As at March 31,	
		2009	2008
Sources of Funds			
Share Holders Funds			
Share Capital	1	40,500,000	40,500,000
Reserves and Surplus	2	415,244,355	125,062,302
Loan Funds	3		
Secured loans	4	622,704,356	664,410,002
Unsecured Loans		88,107,148	87,500,000
		<u>1,166,555,859</u>	<u>917,472,304</u>
Application of Funds			
Fixed Assets	5		
Gross Block		646,935,247	132,687,943
Less : Accumulated Depreciation / Amortisation		39,339,965	26,528,504
Net Block		607,595,282	106,159,439
Add : Capital Work in Progress			2,673,579
		607,595,282	108,833,018
Investments	6	22,029,300	21,516,800
Deferred Tax Asset (Refer Note No 14 of Schedule 14)		2,393,500	1,317,102
Current Assets, Loans and Advances	7		
Inventories	7.1	508,731,237	1,242,421,085
Sundry Debtors	7.2	16,844,831	6,995,803
Cash and Bank Balances	7.3	5,747,485	3,283,556
Other Current Assets	7.4	13,914,629	13,324,764
Loans and Advances	7.5	504,059,320	532,373,737
		1,049,297,502	1,798,398,945
Current Liabilities and Provisions	8		
Current Liabilities	8.1	479,939,903	987,527,102
Provisions	8.2	34,819,821	25,066,459
		514,759,724	1,012,593,561
Net Current Assets		<u>534,537,777</u>	<u>785,805,384</u>
		<u>1,166,555,859</u>	<u>917,472,304</u>
Significant Accounting Policies and Notes to Accounts	14		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet

As per our Report of even date

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K.Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar R Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

Profit and Loss Account for the year ended March 31, 2009

(Figures in Indian Currency)

Particulars	Schedule	Year ended March 31,	
		2009	2008
Income			
Income from Property Development		1,195,993,858	196,582,476
Sale of Land Rights		8,225,000	-
Rental Income		37,332,609	20,291,469
Income from Partnership Firm (Refer Note 15 of Schedule 14)		109,494,712	-
Other Income	9	335,481	1,241,305
		<u>1,351,381,660</u>	<u>218,115,250</u>
Expenditure			
Property Development Expenses	10	942,152,353	130,225,284
Employee Cost	11	11,340,271	9,175,466
Administration and Other Overheads	12	13,734,559	11,200,896
Finance Expenses	13	25,518,292	3,403,276
Depreciation / Amortisation		13,065,738	4,729,765
		<u>1,005,811,212</u>	<u>158,734,687</u>
Profit/(Loss) Before Tax		<u>345,570,448</u>	<u>59,380,563</u>
Less: Tax Expenses:			
- Current Tax		32,000,000	16,705,494
- Deferred Tax (Net)		(1,076,398)	2,911,811
- Fringe Benefit Tax		231,176	186,449
Profit/(Loss) Before Excess / Short Provision of Tax of Earlier years		<u>314,415,670</u>	<u>39,576,809</u>
Less: (Excess) / Short Provision for Income Tax of Earlier years		535,967	-
Less: (Excess) / Short Provision for Fringe Benefit Tax of Earlier years		6,162	285,786
Profit/(Loss) After (Excess) / Short Provision of Tax of Earlier Years		<u>313,873,541</u>	<u>39,291,023</u>
Add: Balance Brought forward from Previous years		62,111,013	49,978,061
		<u>375,984,554</u>	<u>89,269,084</u>
Add: Adjusted for Transitional Provision under Revised AS 15		-	462,519
Available for Appropriation		<u>375,984,554</u>	<u>89,731,603</u>
Transfer to General Reserves		31,387,354	3,929,102
Dividend		20,250,000	20,250,000
Dividend Distribution Tax		3,441,488	3,441,488
Balance Carried to Balance Sheet		<u>320,905,712</u>	<u>62,111,013</u>
Weighted Average no. of Equity shares outstanding during the year		20,250,000	9,361,475
Earnings Per Share of Rs.2 each (Basic & Diluted) (Refer Note 13 of Schedule 14)		15.50	4.20
Significant Accounting Policies and Notes to Accounts	14		

The schedules referred to above and the Notes to Accounts form and integral part of Profit & Loss Account

As per our Report of even date

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K.Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar R Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

Lancor Holdings Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
A. Cash Flow From Operating Activities:		
Net Profit before tax & extraordinary items	345,570,448	59,380,563
Adjusted for:		
Non Cash Charges:		
Depreciation	12,979,321	4,643,348
Amortisation of Software Development Exp.	86,417	86,417
Preliminary and Preincorporation expenses written off	-	5,780
Irrecoverable Debt written off	122,446	39,690
Sundry Balancee written back	(4,896)	-
Adjustment for Transitional Provision under Revised AS - 15	-	700,680
Items considered separately:		
Share of Profit of Partnership Firm	(109,494,712)	-
Profit on Sale of Investment	-	(1,600)
Profit on Sale of Assets	(62,564)	-
Interest Expenses	25,518,292	3,403,276
Interest Income	(268,021)	(509,653)
Dividend Income	-	(541,838)
	<u>(71,123,718)</u>	<u>7,826,100</u>
Operating Profits before Working Capital changes	274,446,730	67,206,663
Changes in Working Capital		
(Increase) / Decrease in Inventories	733,689,848	(552,009,724)
(Increase) / Decrease in Debtors	(9,741,567)	(5,565,241)
(Increase) / Decrease in Other Current Assets	1,710,336	(23,137)
(Increase) / Decrease in Loans & Advances	133,298,338	64,082,950
Increase / (Decrease) in Current liabilities	<u>(501,535,158)</u>	<u>355,676,813</u>
Cash generated from Operations	631,868,526	(70,631,677)
Income Tax Refund	266,246	-
Taxes paid	<u>(22,549,057)</u>	<u>(13,960,472)</u>
Net Cash Flow From Operating Activities	<u>609,585,715</u>	<u>(84,592,149)</u>
B. Cash Flow From Investing Activities		
Dividend Received	-	541,838
Interest Income	71,646	509,653
Sale of Fixed Assets	261,379	1,600
Redemption of Investments	-	98,651,213
Purchase of Investment	(512,500)	(77,500,000)
Purchase of Fixed assets	<u>(512,026,824)</u>	<u>(3,298,502)</u>
Net Cash Realised in Investing Activities	<u>(512,206,299)</u>	<u>18,905,802</u>
C. Cash Flow From Financing Activities		
Proceeds from borrowings	98,024,702	277,587,985
Repayment of borrowings	(143,730,410)	(225,439,753)
Interest paid	(25,518,292)	(3,403,276)
Dividend paid	(20,250,000)	(4,050,000)
Tax paid on dividend	<u>(3,441,488)</u>	<u>(688,298)</u>
Net Cash Realised In Financing Activities	<u>(94,915,487)</u>	<u>44,006,659</u>
Net Changes in Cash or Cash Equivalents (A+B+C)	<u>2,463,929</u>	<u>(21,679,688)</u>
Cash and Cash Equivalents - Opening balance	3,283,556	24,963,244
Cash and Cash Equivalents - Closing balance	<u>5,747,485</u>	<u>3,283,556</u>

Note: Figures in bracket represents outflows

As per our Report of even date

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K. Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar
Managing Director

R Sankaranarayanan
Director

Chennai
Dated : 4th September, 2009

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Schedule 1: Share Capital		
Authorised Capital		
25,000,000 (5,000,000) Equity Shares of Rs. 2 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up Capital		
20,250,000 (20,250,000) Equity Shares of Rs. 2 each	40,500,000	40,500,000
	<u>40,500,000</u>	<u>40,500,000</u>
Schedule 2: Reserves and Surplus		
General Reserve		
Balance at the Beginning of the year	62,951,289	59,022,187
Add : Transferred from Profit and Loss Account	31,387,354	3,929,102
	<u>94,338,643</u>	<u>62,951,289</u>
Balance in Profit and Loss Account	320,905,712	62,111,013
	<u>415,244,355</u>	<u>125,062,302</u>
Schedule 3: Secured Loans		
Loans from Banks and Financial Institutions		
From Catholic Syrian Bank Limited	192,665,566	125,260,864
(Secured by Equitable mortgage of premises owned by the Company in the building "Westminster" and "Citi Tower")		
From Catholic Syrian Bank Limited - Rental Discount	9,934,791	11,853,487
(Secured by first charge on the rent receivables and by equitable mortgage of premises "Citi tower" owned by the Company)		
From HDFC Limited	9,905,200	11,387,350
(Secured by Equitable mortgage of premises owned by the Company in the building "VTN Square".)		
From HDFC Limited - Rental Discount	43,006,444	50,000,000
(Secured by first charge on the rent receivables and by equitable mortgage of premises "Westminster" owned by the Company)		
From HDFC Limited - Construction Finance	76,131,170	75,000,000
(Secured by Equitable mortgage of premises "Menon Eternity" owned by the Company.)		
From HDFC Limited - Line of Credit	227,615,151	210,000,000
(Secured by Negative lien on the built up area of "Menon Eternity" owned by the Company.)		
From HDFC Limited - Construction Finance	47,165,754	179,461,000
(Secured by equitable mortgage of plot of land owned by the Company)		
From HDFC Limited - Construction Finance	14,253,740	-
(Secured by equitable mortgage of plot of Land owned by the Company)		
From Banks - Vehicle Loans	2,026,540	1,447,301
(Secured by way of hypothecation of Motor Cars under Hypothecation Agreement)		
	<u>622,704,356</u>	<u>664,410,002</u>
Schedule 4: Unsecured Loans		
Other Loans and Advances		
From Directors (Payable on demand)	73,107,148	72,500,000
From Others	15,000,000	15,000,000
	<u>88,107,148</u>	<u>87,500,000</u>

Schedules to the Balance Sheet as at March 31, 2009

SCHEDULE 5: FIXED ASSETS

Assets	(Figures in Indian Currency)									
	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at April 1,2008	Additions	Deductions/ Adjustments	As at March 31,2009	Upto April 1,2008	Addition	Deletion/ Adjustment	Upto March 31,2009	As at March 31,2009	As.at March 31,2008
INTANGIBLE ASSETS										
Computer Software	432,084	-	-	432,084	129,625	86,417	-	216,042	216,042	302,459
Total (A)	432,084	-	-	432,084	129,625	86,417	-	216,042	216,042	302,459
TANGIBLE ASSETS										
Land	26,908,637	29,374,099	-	56,282,736	-	-	-	-	56,282,736	26,908,637
Building	73,660,486	363,773,824	-	437,434,310	8,156,963	3,404,335	-	11,561,299	425,873,011	65,503,523
Plant & Machinery	1,833,884	48,731,030	-	50,564,914	1,452,289	2,504,304	-	3,956,595	46,608,319	381,595
Electrical Installation	2,548,613	39,237,847	-	41,786,460	1,085,262	2,815,337	-	3,900,599	37,885,861	1,463,351
Air conditioners	3,028,236	28,870,660	-	31,898,896	1,963,707	1,645,345	-	3,609,052	28,289,844	1,064,529
Furniture & Fixtures	12,274,343	2,324,824	-	14,599,166	4,948,535	1,694,096	-	6,642,631	7,956,535	7,325,808
Computers	2,779,595	132,750	-	2,912,345	2,409,289	194,323	-	2,603,612	308,733	370,306
Office Equipment	783,396	163,624	-	947,020	546,384	87,552	-	633,936	313,084	237,012
Vehicles	8,438,669	2,091,745	453,094	10,077,320	5,836,450	634,029	254,279	6,216,200	3,861,120	2,602,219
Total (B)	132,255,859	514,700,403	453,094	646,503,164	26,398,879	12,979,320	254,279	39,123,923	607,379,240	105,856,980
Grand Total (A+B)	132,687,943	514,700,403	453,094	646,935,247	26,528,504	13,065,737	254,279	39,339,965	607,595,282	106,159,439
Previous Year	132,067,720	624,923	-	132,692,643	21,803,439	4,729,765	-	26,533,204	106,159,439	110,264,281

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Schedule 6: Investments (Long Term, Non-trade at Cost)		
In Subsidiary Companies		
250,000 (250,000) equity shares of Lancor Maintenance and Services Limited Rs.10 each	100,000	100,000
50,000 (50,000) Equity Shares of Lancor Projects Limited of Rs. 10 each	900,000	900,000
50,000 (50,000) Equity Shares of Lancor Realty Limited Rs. 10 each	500,000	500,000
In the Capital of Partnership Firms		
Investment in the Capital of Partnership Firm Central Park West Venture	20,000,000	20,000,000
In Others		
500 (500) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Fully Paid)	16,800	16,800
20,500 (Nil) equity shares of Catholic Syrian Bank Ltd of Rs.10 each (Partly Paid Up)	512,500	-
	<u>22,029,300</u>	<u>21,516,800</u>
Schedule 7: Current Assets, Loans and Advances		
Current Assets		
Inventories (as Certified by the Management)		
Closing Stock of Premises		
Opening Stock of unsold Premises	1,758,872	1,758,872
Add Transfer from Construction Work in Progress	4,375,000	-
	<u>6,133,872</u>	<u>1,758,872</u>
Less Sale of Premises	1,508,872	-
Closing Stock of unsold Premises	4,625,000	1,758,872
Land and Construction Work in Progress at Cost	504,106,237	1,240,662,213
	<u>508,731,237</u>	<u>1,242,421,085</u>
7.1-----		
Sundry Debtors (Unsecured and considered good)		
Outstanding for a period over six months	6,245,769	6,741,560
Outstanding for a period less than six months	10,599,062	254,243
	<u>16,844,831</u>	<u>6,995,803</u>
7.2-----		
Cash & Bank Balances		
Cash on Hand	1,395,469	29,106
Balance With Scheduled Banks		
in Current Accounts	4,352,016	1,754,450
in Deposit Accounts	-	1,500,000
	<u>5,747,485</u>	<u>3,283,556</u>
7.3-----		
Other Current Assets		
Deposits	11,360,745	13,072,290
Interest accrued But not due	14,192	12,983
Income Tax / Sales Tax Refund Due	2,539,692	239,491
	<u>13,914,629</u>	<u>13,324,764</u>
7.4-----		
	<u>545,238,182</u>	<u>1,266,025,208</u>

Schedules to the Balance Sheet as at March 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31,	
	2009	2008
Loans and Advances (Unsecured and Considered good)		
Advances to Subsidiaries		
Lancor Projects Limited	76,305	-
(Maximum outstanding during the year Rs.103,898 (Previous year Rs.1,003,498.))		
Advance to Partnership firm in which Company is a Partner		
- Central Park West Venture	424,481,570	280,603,053
(Maximum outstanding during the year Rs.42,4481,570 (Previous year Rs.480,113,082))		
Advances receivable in Cash or in kind or for value to be received	39,089,445	117,711,775
Less: Provision for Bad & Doubtful Advances	1,000,000	1,000,000
	38,089,445	116,711,775
EMD with Land Owners	38,200,000	43,200,000
Advance for Land	-	84,116,117
Security Deposit	3,212,000	3,232,000
Advance for Income Tax (Net of Provisions)	-	4,510,791
	7.5-----	
	504,059,320	532,373,737

Schedule 8: Current Liabilities and Provisions

Current Liabilities

Sundry Creditors

 Micro, Small and Medium enterprises

 Other than Micro, Small and Medium enterprises

Subsidiaries

Unclaimed dividend

Advance received from Customers

Liabilities for Duties & Taxes

Rent Deposit

Other Current Liabilities

8.1-----

64,500,972	36,011,969
484,189	423,309
235,263	59,191
323,325,370	923,049,190
3,192,534	8,867,915
88,184,680	18,795,528
16,896	320,000
479,939,903	987,527,102

Provisions

Provision for Income Tax (Net of Advance Tax)

Provision for Fringe Benefit Tax

Proposed Dividend

Dividend Distribution Tax

Provision for Employees Benefit

8.2-----

8,300,251	-
22,672	14,392
20,250,000	20,250,000
3,441,488	3,441,488
2,805,410	1,360,579
34,819,821	25,066,459

Schedule 9: Other Income

Interest Income ((TDS Rs. 14,570 (P.Y Rs. 78,852))

Dividend Income

Profit on Sale of Investments / Assets

Miscellaneous Income

268,021	509,653
-	541,838
62,564	1,600
4,896	188,214
335,481	1,241,305

Lancor Holdings Limited

Schedules to Profit and Loss Account for the year Ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Schedule 10: Property Development Expenses		
Opening Construction Work in Process		
Residential Project	980,979,981	574,270,933
Commercial Project	259,682,232	114,381,555
	<u>1,240,662,213</u>	<u>688,652,488</u>
Addition to Construction Work in Progress		
Residential Project	459,950,329	536,444,674
Commercial Project	249,250,238	145,300,677
	<u>709,200,567</u>	<u>681,745,351</u>
Less Transferred to Project Expenses		
Completed Project Method	849,014,506	53,851,314
Percentage Completion Method	83,434,567	75,884,312
	<u>932,449,073</u>	<u>129,735,626</u>
Less Capitalisation of Commercial Projects	508,932,470	-
Less: Transfer to Stock	4,375,000	-
Closing Construction Work in Progress		
Residential	504,106,237	980,979,981
Commercial	-	259,682,232
	<u>504,106,237</u>	<u>1,240,662,213</u>
Completed Project Maintenance	8,194,408	489,658
Sale of Premises	1,508,872	-
	<u>942,152,353</u>	<u>130,225,284</u>
Schedule 11: Employee Costs		
Salaries and Bonus	9,358,408	7,633,924
Contribution to Provident and Other funds	717,766	587,300
Staff welfare and Other Benefits	1,264,097	954,242
	<u>11,340,271</u>	<u>9,175,466</u>
Schedule 12: Administration and Other Overheads		
Directors' Sitting Fees-Board Meeting	120,000	90,000
Advertisement and Sales Promotion	1,517,865	666,971
Printing and Stationery	518,283	435,335
Communication costs	524,348	491,441
Traveling and Conveyance	228,421	236,084
Vehicle Maintenance	1,048,981	649,023
Rates and Taxes	584,782	1,797,892
Legal Expenses and Professional fees	2,021,000	2,913,378
Repairs and Maintenance		
- Building	471,268	361,729
- Plant and Machinery	66,565	94,205
- Others	105,691	91,012
Rent	1,813,316	798,535
Electricity	271,600	241,599
Insurance	168,931	105,988
Irrecoverable debt and advance Written Off	-	39,690
Brokerage	1,905,204	378,352
Other Sundry Expenses	1,972,255	1,399,386
Preliminary expenses	-	5,780
Auditors Remuneration:		
- Statutory Audit Fees	330,900	337,080
- Tax Audit Fees	55,150	56,180
- Others	10,000	11,236
	<u>13,734,559</u>	<u>11,200,896</u>

Schedules to Profit and Loss Account for the year Ended March 31, 2009

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Schedule 13: Finance Expenses		
Interest Paid to Banks & Financial Institutions	95,006,604	50,200,633
Interest Paid to Others	9,430,214	8,360,342
Loan Processing, Preclosure & Other Charges	298,496	236,518
Bank Charges and Commission	93,783	88,586
	<u>104,829,098</u>	<u>58,886,079</u>
Less: Borrowing Cost transferred to Work In Progress		
Residential	32,615,188	15,721,223
Commercial	30,666,695	13,573,393
Transferred to Partnership firm	16,028,923	26,188,187
Interest charged to Profit and Loss Account	<u>25,518,292</u>	<u>3,403,276</u>

SCHEDULE NO. 14: SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

A SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

2. USE OF ESTIMATES

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

3. INVENTORIES

Inventory comprises of property for sale and property under construction (work in progress).

Unsold premises held as stock in trade are valued at cost. 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.

4. FIXED ASSETS

a) Intangible Assets

- i) Intangible assets are recognized if they are separately identifiable and the Company expects to receive the future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment if any.

Lancor Holdings Limited

ii) Intangible assets comprises of Computer Software.

b) Tangible Assets

The fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

5. DEPRECIATION \AMORTISATION:

- a) Computer Software is amortised over a period of five years.
- b) Depreciation on tangible fixed assets other than buildings is provided on written down value method, at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956. After impairment, depreciation is provided on the revised carrying amounts of assets over its remaining useful life.
- c) The depreciation in case of buildings is provided on straight line method at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.
- d) Assets costing Rs. 5000 or less individually are fully depreciated in the year of purchase.

6. RECOGNITION OF REVENUE & EXPENDITURE OF PROPERTY DEVELOPMENT BUSINESS:

- a) The Company adopts the accrual system of accounting. Revenue is recognised as and when there is a reasonable certainty of its ultimate realisation.
- b) Revenue in respect of The Central Park project, which got completed during the year, was recognized on completion of the project. Revenue in respect of ongoing construction projects are accounted for on proportionate completion basis in case where at least twenty percentage of the project is completed. The architects duly certify the percentage of completion for each project. 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.

7. INVESTMENTS:

Long term investments in shares of subsidiaries and capital of partnership firm are stated at cost. The provision for diminution in the value of long term investment is made if such a diminution is other than temporary in nature.

Current Investments in units of debt market mutual funds are recorded at lower of cost or fair value.

8. EMPLOYEE BENEFITS:

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plan comprising of provident funds to employees is recognised in the profit and loss account each year.

b) Defined Benefit Plans

Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

c) Short-term employee benefits

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.

Lancor Holdings Limited

9. BORROWING COSTS:

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.

10. ACCOUNTING FOR LEASES:

Lease arrangements where the risk and rewards incident to the ownership of the asset substantially vest with the lessor are recognized as operating lease.

a) As Lessee – Operating Lease:

Lease rent in respect of assets taken under operating lease are charged to profit and loss account on the basis of underlying agreements.

b) As Lessor – Operating Lease:

Rental income arising out of arrangements in the nature of operating leases are credited to profit & loss account.

Initial direct cost is charged to profit & loss account in the year of lease.

11. TAXES ON INCOME

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. 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 profit & loss account in the period of enactment of the change.

c) Provision for fringe benefit tax is made in accordance with the Income Tax Act, 1961

12. IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. 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.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

a) A provision is recognised when the Company has a present obligation as a result of the past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed on each balance sheet date to effect the current best estimation.

b) 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

Lancor Holdings Limited

- 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.
- c) Contingent assets are neither recognized nor disclosed.

B NOTES TO ACCOUNTS

1. As per the "Guidance Note on Recognition of Revenue by Real Estate Developers" issued by the Institute of Chartered Accountants of India, revenue from development work is to be recognised at the time of transfer of all significant risks and rewards attached to the property in accordance with Accounting Standard 9 on Revenue Recognition. In case substantial work is yet to be carried out, then the accounting should be based on percentage completion method as explained in Accounting Standard 7 on Construction Contracts. Considering the nature of the project and complexity involved in the development, the Company has followed completed contract method in case of "The Central Park Project". The said project is entitled to avail benefits under section 80 (IB) of the Income Tax Act, 1961.

2. CONTINGENT LIABILITIES

- a) Outstanding Letter of Credit Rs. Nil. (Previous year Rs. 1,444,575)
- b) Claims against the Company not acknowledged as debt is Rs. Nil (P.Y – Nil)
3. Capital commitment – Nil (Previous Year Nil)
4. The Company is in the business of Property Development. The details required to be disclosed as per para 4C and para 4D of Part II of the Companies Act, 1956 have been furnished to the extent applicable to the Company:

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
a) Value of imports on CIF basis		
Purchase of construction material	1,721,621	9,517,818
Capital goods	8,346,644	8,454,712
b) Expenditure in foreign currency	123,745	Nil
c) Earnings in foreign currency	8,886,746	10,087,223
d) No dividend has been remitted in foreign currency during the current year and previous year		

5. Managerial Remuneration under Section 198 of the Companies Act, 1956

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
a) Salary	1,522,258	1,402,258
b) Contribution to Provident Fund	182,671	168,271
c) Perquisites in cash or kind	609,031	485,780
d) Gratuity	173,077	161,538

Lancor Holdings Limited

6. The Company has not received intimation from any 'enterprise' regarding its status under Micro, Small and Medium Enterprise Development Act, 2006 and therefore no disclosure under the said Act is considered necessary.
7. In the opinion of the management, the debtors and loans and advances have realisable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and wherever necessary adequate provisions have been made for all known doubtful assets.

8. EMPLOYEE BENEFITS

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at March 31, 2009.

(Figures in Indian Currency)

Category	As at March 31, 2009 [Gratuity]
1 Change in benefit obligations:	
Projected benefit obligations at beginning of the year	1,302,979
Current service cost	432,705
Interest cost	104,238
Benefits paid	(143,885)
Actuarial (gain) / loss	1,058,973
Projected benefit obligations at end of the year	2,755,010
2 Change in plan assets:	
Plan assets at the beginning of the year	Nil
Expected return on plan assets	Nil
Actuarial (gain) / loss	Nil
Contributions	Nil
Benefits paid	Nil
Plan assets at the end of the year	Nil
3 Reconciliation of present value of the obligation and the fair value of plan assets	
Fair value of plan assets at the end of the year	Nil
Present value of the defined benefit obligations at the end of the year	2,755,010
Liability / (Asset) recognised in the balance sheet	N.A.
4 Cost for the year	
Current service Cost	432,705
Interest cost	104,238
Expected return on plan assets	Nil
Actuarial (gain) / loss	1,058,973
Net cost recognised in the profit and loss account	1,595,916
5 Assumptions	
Interest rate for discount	8%
Estimated rate of return on plan assets	N.A.
Mortality	LIC (94-96) Mortality Table
Salary Escalation	18%

Lancor Holdings Limited

9. Borrowing costs amounting to Rs. 79,310,806 (Previous Year – Rs. 55,482,803) have been capitalized as part of respective qualifying assets.

10.SEGMENT REPORTING

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Therefore, disclosures required by AS 17 are given in consolidated financial statements.

11.RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Under the control of the Company:	
1. Subsidiaries:	a) Lancor Maintenance & Services Limited b) Lancor Realty Limited c) Lancor Projects Limited
2. Joint Ventures	a) Central park West Venture
B. Key Management Personnel / relatives of Key Management Personnel:	a) R V Shekar (Managing Director) b) Shyamala Shekar (relative)

Nature of Transactions	Subsidiaries	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
EXPENDITURE				
Remuneration Paid				
R. V. Shekar			2,122,587 (1,877,397)	2,122,587 (1,877,397)
Rent Paid				
R. V. Shekar			364,450 (364,450)	364,450 (364,450)
Interest Paid				
Mr. R. V. Shekar			8,337,500 (8,360,342)	
Lancor Projects Limited	251,614 (Nil)			9,429,214 (8,360,342)
Lancor Realty Limited	226,850 (Nil)			
Lancor Maintenance and Services Limited	613,250 (Nil)			
Maintenance Charges Paid				
Lancor Maintenance & Services Limited	Nil (4,500)			Nil (4,500)
Brokerage Paid				
Lancor Realty Limited	342,698 (327,912)			342,698 (327,912)

Nature of Transactions	Subsidiaries	Joint Venture	Key Management Personnel (KMP) and Relatives	Total
Project Management Fee Lancor Projects Limited	7,766,278 (18,031,768)			7,766,278 (18,031,768)
OTHER TRANSACTIONS Net Advances made during the year Central Park West Venture		34,383,805 (-199,510,029)		34,383,805 (-199,510,029)
CLOSING BALANCES Unsecured Loans Lancor Maintenance & Services Limited	458,141 (423,309)		73,591,337 (72,923,309)	
Lancor Realty Limited	26,048 (Nil)			
R.V.Shekar				73,107,148 (72,500,000)
Advances Lancor Projects Limited	76,305 (Nil)			315,063,163 (280,603,053)
Central Park West Venture		314,986,858 (280,603,053)		

Note:

i) Details of debits/credits in the nature of reimbursements are not included in the above.

12. Leases

In the Capacity as a Lessor

- The significant lease arrangements in terms of AS 19 entered into by the Company are in respect of constructed premises which have been given on rental and office premises which have been taken on lease. The Company has taken rent deposits equivalent to 12 to 15 months' rent. These arrangements are cancelable in nature and are for initial period of 3 years or more and renewable based on mutual understanding.
- The Cost of building includes buildings given on lease estimated at Rs. 407,360,316 (previous year Rs. 68,112,239) and Accumulated Depreciation Rs. 11,219,349 (previous year Rs. 7,921,532). There is no impairment in respect of these assets.

The Cost of other assets given on lease is given below. There is no impairment in respect of these assets.

(Figures in Indian Currency)

Class of Assets	Gross Carrying Amount		Accumulated Depreciation	
	Year ended March 31,		Year ended March 31,	
	2009	2008	2009	2008
Plant and Machinery	28,290,706	1,494,478	2,606,644	1,149,396
Furniture	5,720,977	5,415,977	2,685,077	2,081,360
Generator	20,136,671	339,406	1,349,135	302,893
Air Conditioner	29,126,359	2,000,228	2,830,143	1,307,137
Electrical Installation	38,352,731	1,762,779	3,428,546	739,350

In the Capacity as a Lessee

Rental Expenses debited to Profit & Loss Account amounted to Rs. 1,813,316 (Previous Year – Rs. 798,535).

13. Earnings Per Share:

(Figures in Indian Currency)

	Year ended March, 31			
	2009		2008	
	Basic	Diluted	Basic	Diluted
Profit after tax as per Profit & Loss Account	313,873,541		39,291,023	
Weighted average number of Equity shares outstanding	20,250,000	20,250,000	9,361,475	9,361,475
EPS (Rupees) of face value Rs. 2 each	15.50	15.50	4.20	4.20

14. 1. Deferred Tax Assets / (Liabilities) (Net)

(Figures in Indian Currency)

Particulars	Year ended March 31,	
	2009	2008
Deferred Tax Liabilities		
a) Difference between book and tax depreciation	Nil	Nil
Total (A)	Nil	Nil
Deferred Tax Assets		
a) Difference between book and tax depreciation	467,179	573,931
b) Disallowance under Sec. 43B Income tax	1,586,421	403,271
c) Provision for Doubtful Advances	339,900	339,900
Total (B)	2,393,500	1,317,102
Deferred Tax Assets / (Liabilities) (Net) (B-A)	2,393,500	1,317,102

Pursuant to Accounting Standard 22 – "Accounting for Taxes on Income" as prescribed in Companies Accounting Standard Rules, 2006, the Company has recorded the cumulative net Deferred Tax Asset as at 31st March 2008 of Rs. 1,317,102 and Rs. 2,911,811 has been debited to the profit & Loss account.

Lancor Holdings Limited

15. Particulars of Investment in Capital of Partnership Firm 'Central Park West Venture':

(Figures in Indian Currency)

Sl. No	Name of the Partners	Profit sharing percentage	Capital as on March 31,	
			2009	2008
1	Lancor Holdings Limited	25.52	20,000,000	20,000,000
2	Lancor Maintenance & Services Limited	0.11	1,000,000	1,000,000
3	Clasic Farms (Chennai) Limited	74.37	20,000,000	20,000,000

16. In compliance with the Accounting Standard relating to 'Financial Reporting of Interest In Joint Ventures' (AS 27), as prescribed in Companies Accounting Standard Rules, 2006, the Company has interest in a jointly controlled entity (Partnership Firm).

As stated above, the Company is also partner in one partnership firm which is formed in India.

Financial interest of the Company in the jointly controlled entities is as under.
(before inter Company eliminations)

(Figures in Indian Currency)

Company's Share of	Year ended March 31,	
	2009	2008
Assets	450,163,073	524,208,843
Liabilities	50,785,523	406,398,626
Income	248,914,251	Nil
Expenditure	139,419,538	Nil
Capital commitments	Nil	Nil
Contingent liabilities	Nil	Nil

17. Disclosure as required by clause 32 of listing agreement with the stock exchange

Type of Relationship	Name	Amount outstanding as on March 31, 2009	Maximum amount outstanding as on March 31, 2009
Subsidiaries	Lancor Projects Limited	76,305	103,898

Note: No loans have been granted by the Company to any person for the purpose of investing in the shares of the Lancor Holding Limited or any of its subsidiaries.

18. 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

For G. M. Kapadia & Co.
Chartered Accountants

K.Y.Narayana
Partner
Membership No. 60639

Chennai
Dated : 4th September, 2009

K.Srinivasan
Chief Financial Officer

H. Viswanath
Company Secretary

For and on Behalf of the Board of Directors

R.V.Shekar R Sankaranarayanan
Managing Director Director

Chennai
Dated : 4th September, 2009

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956

(Indian Currency in Thousands)

I	Registration Details	
	Registration Number	18 - 49092
	State Code	18
	Balance Sheet Date	March 31, 2009
II	Capital Raised During The Year	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	Position Of Mobilisation And Deployment Of Funds	
	Total Liabilities	1,166,555.86
	Total Assets	1,166,555.86
	Sources Of Funds	
	Paid up Capital	40,500.00
	Reserves and Surplus	415,244.36
	Secured Loans	622,704.36
	Unsecured Loans	88,107.15
	Deferred tax Liability	-
	Application Of Funds	
	Net Fixed Assets	607,595.28
	Investments	22,029.30
	Deferred Tax Asset	2,393.50
	Net Current Assets	534,537.78
	Miscellaneous Expenditure	-
	Accumulated Losses	-
IV	Performance Of The Company	
	Turnover	1,351,381.66
	Total Expenditure	1,005,811.21
	Profit before tax	345,570.45
	Profit after tax	313,873.54
	Earnings per share(in Rupees) - Basic	15.50
	Earnings per share(in Rupees) - Diluted	15.50
	Dividend rate	50.00%
V	Generic names of three principal products/services of the Company	
	Item Code No.	NA
	(ITC Code)	NA
	Product Description	Property Development & Investment in Propert

For and on Behalf of the Board of Directors

R.V.Shekar R Sankaranarayanan
 Managing Director Director

Chennai
 Dated : 4th September, 2009

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander
R.Sankaranarayanan

REGISTERED OFFICE

"VTN SQUARE", 2nd FLOOR
58, G N Chetty Road,
T. Nagar,
Chennai – 600 017

BANKERS

Standard Chartered Bank
IDBI Bank Ltd

AUDITORS

S.Narasimhan & Co.
Chartered Accountants, Chennai

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at VTN Square ", 58,G.N. Chetty Road, T.Nagar, Chennai 600017 on 24th September 2009 at 11.00 a.m.. to transact the following business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. R Sankaranarayanan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration. The retiring Auditors, M/s.S.Narasimhan & Co., Chartered Accountants, Chennai are eligible for reappointment.

By Order of the Board
For **LANCOR MAINTENANCE & SERVICES LIMITED**

R.V. Shekar
Director

Registered Office

VTN Square, 2nd Floor
58, G.N.Chetty Road, T.Nagar, Chennai 600 017

Dated : 20th August, 2009

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.

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have great pleasure in presenting the Thirteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2009 and the Auditors' report thereon.

1. FINANCIAL RESULTS

During the period under review, the operations of the Company are as follows:

Rs.In Lacs

Particulars	2008 - 2009	2007 - 2008
Income from Operations	166.97	115.31
Total Expenditure	117.92	81.30
Profit/ (Loss) for the year	49.05	34.00
Provision for Taxation and Deferred Tax	9.62	8.70
Profit/(Loss) After Tax	39.43	25.08
Profit/Loss at the beginning of the year	144.95	119.87
Transfer to General Reserves	-	-
Balance carried to Balance Sheet	184.38	144.95

2. BUSINESS OUTLOOK

Lancor Maintenance & Services Limited (LMSL) has already won the contract for maintenance of "The Central Park" and "The Central Park West" and they are currently maintaining 360 apartments, apart from maintaining other projects. As is evident from the raising turnover and going forward, the Company's turnover will now rise more dramatically as these maintenance income get accounted. Additionally, the Company has also got a number of commercial buildings to maintain and these will contribute handsomely to sales and profits. The results provided by the company projects a bright future.

3. FIXED DEPOSITS

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

4. DIVIDEND

In order to conserve the liquid resources of the company, your directors do not recommend any dividend for the year under review.

5. 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, the company during the year under review, there was no foreign exchange earnings and expenditure. The Company has no activity relating to conservation of energy or technology absorption.

Lancor Maintenance & Services Limited

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. 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;
- c. 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
- d. prepared the accounts on a going Concern basis.

7. STATUS OF THE COMPANY

Your Company continues to be the Subsidiary of Lancor Holdings Limited

8. DIRECTORATE

Mr. R Sankaranarayanan, is the retiring Director and being eligible, offers himself for reappointment.

9. AUDITORS

The retiring auditors, M/s.S.Narasimhan & 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.

10. COMPLIANCE CERTIFICATE

The Board has taken note of the Secretarial Compliance Certificate as issued by M/s.Rabi Narayan & Associates, Company Secretaries, Chennai for the financial year ended 31st March, 2009. Pursuant to Section 383A read with The Companies (Compliance Certificate) Rules, 2001, Compliance Certificate issued by M/s.Rabi Narayan & Associates, Company Secretaries, Chennai is attached herewith and forming part of this report.

11. EMPLOYEES

During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

12. ACKNOWLEDGEMENT

Your Directors wish to 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

R.V. SHEKAR
Director

V CHANDER
Director

Place : Chennai

Date : 20th August, 2009

SECRETARIAL COMPLIANCE CERTIFICATE

(Pursuant to Section 383A of the Companies Act, 1956)

CIN. : U70101TN1996PLC036569

Nominal Capital : Rs.1,00,00,000/-

To

The Members of
M/s. LANCOR MAINTENANCE & SERVICES LIMITED,
ARIHANT VTN SQUARE, II Floor,
No.58, G.N.Chetty Road,
T.Nagar, Chennai - 600 017.

We have examined the registers, records, books and papers of M/s. LANCOR MAINTENANCE & SERVICES LIMITED (the Company), as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. 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 officials and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there and in case of delay with additional filing fee.
3. The Company, is a Public Limited Company under section 3(1)(iv) of the Companies Act, 1956 and having the minimum prescribed paid up share capital.
4. The Board of Directors duly met Six (06) times on 26-04-2008, 24-07-2008, 05-08-2008, 30-09-2008, 24-10-2008 and 28-01-2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not opted to close its Register of Members during the financial year, under review.
6. The Annual General Meeting for the financial year ended on 31-03-2008 was held on 01-09-2008 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced loan to its Directors and/ or persons or firms or companies, referred in the Section 295 of the Act.
9. The Company has not entered into any arrangement/ contract falling with the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.

13. (i) The Company has not allotted any securities during the financial year under review. There was no transfer or transmission of securities during the year under review.
(ii) The Company was not required to deposit any amount in a separate Bank account, as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any members of the Company, as no dividend was declared during the financial year.
(iv) The Company was not required to transfer the amount in unpaid dividend account, Matured deposit, and the interest accrued thereon as there was no amount which have remained unclaimed or unpaid for a period of seven years to Investors Education and Protection Fund.
(v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional, alternative or directors to fill casual vacancies during the year under review.
15. The Company has not appointed any Managing Director/Whole Time Directors/Manager during the financial year, hence comment on the compliance of provision of Section 269 read with Schedule XIII to the Act and approval of Central Government are not required.
16. The Company has not appointed any sole selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in the Firms/Companies to the Board of Director pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued/allotted any shares / debentures/ other securities during the financial year under review.
20. The Company has not bought back any Shares during the financial year under review.
21. The Company has not issued any Preference Shares/ debentures pending redemption, hence comments on redemption are not required.
22. As explained to us, there were no transactions necessitating the Company to keep in abeyance the rights to dividend and bonus Shares, pending registration of transfer of Shares.
23. The Company has not accepted any deposits, including unsecured loan falling within the preview of Section 58A and 58AA of the Act and rules made there under, during the financial year.
24. The company has not borrowed any money during the financial year under review.
25. The Company has not made any loan or advances or given guarantees or provided securities to other bodies corporate, and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of association with respect to name of the Company during the year under scrutiny.
31. As per the records maintained by and explanation given to us, there were no prosecution initiated against or shows cause notices received by the Company for alleged offences under the Act and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to this Company during the year under review.

Place : Chennai
Date : 20th August, 2009

For Rabi Narayan & Associates
Company Secretaries

Rabi Narayan Pal
Proprietor
C.P.No.3480

ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'A'

M/s. LANCOR MAINTENANCE & SERVICES LIMITED

Registers and Returns, as Maintained by the Company

CIN. : U70101TN1996PLC036569

Nominal Capital : Rs.1,00,00,000/-

SN	Name of Register	Under Section
01	Register of Members	150
02	Copies of the Annual Returns	159
03	Minutes Book of Board of Directors	193
04	Minutes Books of General Body of shareholders	193
05	Books of Accounts	209
06	Register of Directors, MD and Secretary	303
07	Register of Directors' Shareholdings	307
08	Register of Contracts and Disclosure	301
09	Register of Loans, Investments, Guarantee & Securities	372A
10	Share Transfer Register	108

ANNEXURE TO SECRETARIAL COMPLIANCE CERTIFICATE 'B'

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009.

S.No	Description of Forms / Returns	Date of filing	Whether filed within prescribed time (yes/No)	If delay, whether requisite additional fee paid (yes/No)
01	Form 20B along with Annual Return(SH-5), Filed u/s 159(1) for the AGM held on 01-09-2008	19-09-2008	Yes	No
02	Form 23AC along with Balance Sheet & Form 23ACA along with Profit and loss Account(SH-6), Filed u/s 220 for the year ended 31-03-2008	20-09-2008	Yes	No
03	Form 66 along with C-Com, filed u/s 383A for the year ended 31-03-2008	20-09-2008	Yes	No
05	Form 23 Filed U/s. 372A for Loans/Investments/ Corporate Guarantees at the EGM held on 19-03-2008.	16-10-2008	No	Yes

Regional Director : Nil
Central Government : Nil
Company Law Board : Nil
or other authorities : Nil

**REPORT OF THE AUDITORS TO THE MEMBERS OF
LANCOR MAINTENANCE & SERVICES LIMITED**

We have audited the attached Balance Sheet of LANCOR MAINTENANCE & SERVICES LIMITED, CHENNAI as at March 31, 2009 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies [Auditor's Report] order 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that :-

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. 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.
- iii. The Balance sheet and Profit & Loss dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of confirmation received from the other companies in which the Directors are Directors or in their absence, confirmation from the Directors concerned, none of the Director of the company prima-facie as of 31-03-2009 is disqualified from being appointed as a Director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner required and give a true and fair view:
 - i. In so far as it relates to the balance sheet, of the state of affairs of the company as at March 31, 2009; and
 - ii. In so far as it relates to the Profit and Loss Account, of the profit for the year ended on the date

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 20th August, 2009

S.NARASIMHAN
Proprietor

ANNEXURE REFERRED TO AUDITOR'S REPORT OF EVEN DATE:

On the basis of such checks as considered appropriate and in terms of information and explanation given to us, we state that:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The company has a programme of physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
- b. Since there is no substantial disposal of fixed assets during the year; the preparation of financial statements on a going concern basis is not affected on this account.
- c. There is no inventory.
- d. In our opinion and according to the information and explanations given to us the company has granted loan to the company listed in the register maintained under section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of which are prima-facie not prejudicial to the interest of the company.
- e. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of stores and fixed assets and for the income from maintenance.
- f. The company has a reasonable system of recording the receipts and issues of stores. The same has been duly allocated to the related projects. As regards expenditure, certain expenditure are scientifically apportioned.
- g. In our opinion and according to the information and explanations given to us, there are no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- h. In our opinion and according to the information and explanations given to us the company has not invited or accepted fixed deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder are applicable.
 - i. The company has an Internal Audit System commensurate with the size and nature of business.
 - j. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209[i][d] of the Companies Act, 1956.
- k. On the basis of the records of the company there were no undisputed statutory dues payable in respect of Provident Fund, ESI, Income Tax, Wealth Tax, Sales tax, Customs duty and Excise Duty outstanding for more than six months from the date they became payable to the end of the financial year.
- l. Since there is no accumulated loss, the requirement of clause [x] of paragraph 4 of the Order is not applicable to the company.
- m. The company has not taken any loans from financial institutions, bank or debenture holder.

- n. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- o. The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence the requirement of clause [xiii] of paragraph 4 of the Order is not applicable to the company.
- p. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- q. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
- r. According to the information and explanations given to us, no preferential allotment of shares have been made by the company to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
- s. The company has not issued any debentures. Hence the requirement of clause [xix] of paragraph 4 of the Order is not applicable to the company.
- t. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the company has been noticed or reported during the year.

For **S.NARASIMHAN & CO**
Chartered Accountants

Place : Chennai
Date : 20th August, 2009

S.NARASIMHAN
Proprietor

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	Rupees	As at 31/03/09 Rupees	As at 31/03/08 Rupees
I SOURCES OF FUNDS				
Shareholders' Funds				
(a) Share Capital	1		2,517,500	2,517,500
(b) Reserves & Surplus	2		19,458,156	15,514,962
Loan Funds	3			
(a) Secured Loans			4,600	85,411
			21,980,256	18,117,873
II APPLICATION OF FUNDS				
Fixed Assets	4			
Gross Block		25,311,297		2,455,995
Less : Depreciation		1,538,875		1,250,877
Net Block			23,772,422	1,205,118
INVESTMENTS	5		1,003,066	15,472,091
DEFERRED TAX ASSETS (NET)			322,489	60,557
CURRENT ASSETS, LOANS AND ADVANCES	6			
Cash & Bank Balances		3,071,452		603,868
Sundry Debtors		3,754,116		3,537,349
Other Current Assets		617		7,877
Loans & Advances		2,622,345		1,587,250
		9,448,530		5,736,345
CURRENT LIABILITIES & PROVISIONS	6			
Current Liabilities		10,996,011		3,381,609
Provisions		1,570,240		974,629
		12,566,251		4,356,238
NET CURRENT ASSETS			(3,117,721)	1,380,107
			21,980,256	18,117,873

For and on behalf of
S Narasimhan & Co
Chartered Accountants

For and on behalf of the Board of Directors

S Narasimhan
Proprietor

R.V.Shekar
Director

Shyamala Shekar
Director

Chennai
Dated : 20th August, 2009

Place : Chennai
Dated : August 20, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	2008-09 Rupees	2007-08 Rupees
INCOME			
Income from Maintenance Operations		14,685,214	10,297,860
Other Income	7	2,012,254	1,232,98
TOTAL INCOME		16,697,468	11,530,842
EXPENDITURE			
Maintenance Expenditure		7,089,046	4,788,512
Employee Costs	8	3,526,704	2,252,272
Administration and Other Overheads	9	885,835	860,612
Interest & Finance charges		2,769	7,950
Depreciation		287,998	220,891
TOTAL EXPENDITURE		11,792,352	8,130,237
Profit / (Loss) before tax		4,905,116	3,400,605
Tax Expenses			
- Current Tax		1,170,000	850,000
Fringe Benefit Tax		50,000	31,121
Deferred Tax (Net)		(261,931)	(11,351)
Add : Short / (Excess) Provision of Tax of Previous Year		3,852	-
Profit / Loss after tax		3,943,194	2,508,134
Add : Previous Year's balance brought forward		14,495,070	11,986,936
Available for Appropriation		18,438,264	14,495,070
Transfer to General Reserves		-	-
Balance carried to Balance Sheet		18,438,264	14,495,070
Basic / Diluted Earning Per Share (Face Value of Rs. 10/- per share)		15.66	9.96

For and on behalf of
S Narasimhan & Co
 Chartered Accountants

For and on behalf of the Board of Directors

S Narasimhan
 Proprietor

R.V.Shekar
 Director

Shyamala Shekar
 Director

Chennai
 Dated : 20th August, 2009

Place : Chennai
 Dated : August 20, 2009

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 1: SHARE CAPITAL		
Authorised Capital		
10,00,000 Equity shares of Rs.10/- each	10,000,000	10,000,000
Issued, Subscribed and Paid up Capital		
2,51,750 Equity shares of Rs.10/- each	2,517,500	2,517,500
(Of the above shares 2,41,680 equity shares of Rs. 10 each are allotted as fully paid by way of Bonus shares out of capitalisation of profits.)		
(2,50,000 shares of Rs. 10/- each is held by Lancor Holdings Limited, the Holding Company)		

Particulars	Rupees	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 2: RESERVES & SURPLUS			
General Reserve			
Balance at the beginning of the year	1,019,893	-	1,019,893
Add : Transferred from Profit & Loss Account		1,019,893	-
		1,019,893	1,019,893
PROFIT & LOSS A/c			
Balance at the beginning of the year	14,495,069		11,986,936
Add : Amount transferred from Profit & Loss Account	3,943,194		2,508,134
	18,438,263		14,495,069
Less : Amount transferred to General Reserve	-		-
Balance in Profit & Loss Account		18,438,263	14,495,069
		19,458,156	15,514,962

Particulars	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 3: SECURED LOANS		
From Banks		
Secured by way of hypothecation of Motorcar under Hypothecation Agreement	4,600	85,411
	4,600	85,411

**Schedules to Balance Sheet
Schedule 4
Fixed Assets**

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.08	Additions during the year	Deletions during the year	As at 31.03.09	For the Year	Withdrawal during the year	As at 31.03.09	As at 31.03.08
Intangible Assets								
Computer Software	97,420	-	-	97,420	23,381	-	62,349	58,452
Tangible Assets								
Building	-	22,093,665	-	22,093,665	11,840	-	11,840	-
Plant & Machinery	1,338,303	682,590	-	2,020,893	183,011	-	574,321	946,993
Office Equipment	144,000	18,850	-	162,850	16,610	-	126,801	33,809
Computers	112,182	51,560	-	163,742	20,381	-	92,713	39,850
Furniture	26,259	8,637	-	34,896	150	-	26,409	-
Electrical Fittings	7,285	-	-	7,285	-	-	7,285	-
Air Conditioners	3,895	-	-	3,895	-	-	3,895	-
Vehicles	726,651	-	-	726,651	32,625	-	633,262	126,014
Total	2,455,995	22,855,302	-	25,311,297	287,998	-	1,538,875	1,205,118
Previous Year	1,775,218	680,777	-	2,455,955	220,891	-	1,250,877	745,232

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 5:		
INVESTMENTS (Current and Non Trade)		
Unquoted Investment (In Mutual Fund)		
Birla Sun Life Liquid Plus - Retail Weekly Dividend 305,840 units @ 10.0243 per unit (507229.753 units @ 10.0243 per unit)	3,066	5,084,623
ICICI Prudential FMP-Series 36 Nil (100,000 units @ 10.00 per unit)	-	1,000,000
Lotus FMP 375 Days Series-I Fund Nil (150,000 units @ 10.00 per unit)	-	1,500,000
Lotus India Liquid Fund-RDD Nil (84,597.800 units @ 10.0010 per unit)	-	846,063
Lotus India Liquid Plus Fund-RDD Nil (603,223.546 units @ 10.0152 per unit)	-	6,041,405
Investment in Partnership Firm		
Investment in Central Park West Venture	1,000,000	1,000,000
	1,003,066	15,472,091

Particulars	Rupees	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 6:			
CURRENT ASSETS, LOANS & ADVANCES			
A CURRENT ASSETS			
Cash & Bank balances			
Cash on hand	59,864		38,526
Balance with scheduled bank in Current Account	3,008,588		562,342
in Deposit Account	3,000		3,000
		3,071,452	603,868
Sundry Debtors (unsecured and considered good) Outstanding for a period			
More than six months	453		147,425
Less than six months	3,753,663		3,389,924
		3,754,116	3,537,349
Other Current Assets			
Dividend Earned but not due	-		7,260
Interest Earned but not due	617		617
		617	7,877
		6,826,185	4,149,094

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Rupees	As at 31/03/09 Rupees	As at 31/03/08 Rupees
B LOANS & ADVANCES			
Advances Receivable in cash or kind or for value to be received (unsecured and considered good) Advances to Company under the same management			
Advance to Lancor Holdings Limited	458,141		-
Advance to Lancor Projects Limited	58,146		-
Advance to Lancor Realty Limited	185,437		-
Advance to Central Park West Venture	486,321		-
Prepaid Expenses	71,842		106,458
Other Advances	252,360		475,915
		1,512,247	582,372
Advance Income Tax (Net of Provisions)	62,227		950,174
Advance Income Tax AY 2009-10	250,000		-
Tax Deducted at Source AY 2009-10	706,888		-
Advance Fringe Benefit Tax (Net of Provisions)	26,749		54,703
Advance Fringe Benefit Tax AY 2009-10	64,234		-
		1,110,098	1,004,877
		2,622,345	1,587,250
Total (A + B)		9,448,530	5,736,345
SCHEDULE 6: (Contd.....)			
CURRENT LIABILITIES & PROVISIONS			
C CURRENT LIABILITIES			
Sundry Creditors		3,092,415	2,328,980
Liabilities for Duties & Taxes		226,933	190,288
		3,319,348	2,519,268
Advances Received for Renovation Work	93,950		347,130
Advances Received for Maintenance Work	7,461,971		394,469
		7,555,921	741,599
		10,875,269	3,260,867
Maintenance Deposits		48,600	48,600
Electricity Deposits		72,142	72,142
		120,742	120,742
		10,996,011	3,381,609
D PROVISIONS			
Provision for Income (net of advances)		-	861,120
Provision for Income Tax AY 2009-10		1,170,000	-
Provision for FBT		50,000	31,121
Gratuity Payable		350,240	82,389
		1,570,240	974,629
Total (C + D)		12,566,251	4,356,238

SCHEDULES TO PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009

Particulars	As at 31/03/09 Rupees	As at 31/03/08 Rupees
SCHEDULE 7:		
OTHER INCOME		
Service Charges	274,063	237,320
Interest Income	613,250	617
Dividend Income from Mutual Funds	321,961	826,678
Profit on Sale of Investments	97,965	367
Rental Income of Roof Top space	218,694	168,000
Share of Profit from Firm	486,321	-
	2,012,254	1,232,982
SCHEDULE 8:		
EMPLOYEE COSTS		
Salaries	3,123,447	1,990,854
Contribution to Provident Fund	190,048	133,089
Staff Welfare	213,209	128,329
	3,526,704	2,252,272
SCHEDULE 9:		
ADMINISTRATION AND OTHER OVERHEADS		
Advertisement Expenses	101,507	57,334
Printing & Stationery	20,286	16,844
Communication Expenses	84,093	68,915
Travelling & Conveyance Expenses	413,456	159,384
Vehicle Maintenance Expenses	33,736	63,119
Photocopying Expenses	6,291	9,619
Rent	-	114,000
Electricity Charges	6,870	20,490
Repairs & Maintenance		
- Plant & Machinery	-	886
- Others	4,600	1,788
Rates & Taxes	1,620	2,359
Professional and Consultancy Charges	151,236	120,000
Car Hire Charges	-	1,654
Filing Fees	4,754	5,915
Irrecoverable Debts written Off	4,389	43,923
Donation	-	120,000
Other Sundry Expenses	2,997	19,383
Payment to Auditors		
Statutory Audit Fee	40,000	25,000
Tax Audit Fee	10,000	10,000
	885,835	860,612

Lancor Maintenance & Services Limited

10. NOTES ON ACCOUNTS:

SIGNIFICANT ACCOUNTING POLICES

a. Accounting Convention

The financial statements are prepared on accrual basis under historical cost convention having due regard to fundamental assumptions of Going concern, consistency and Accrual in compliance with the Accounting Standards referred to in Sec 211 (3) (c) of the Companies Act, 1956.

b. Revenue Recognition

Income from Maintenance of properties is recognised at the point of completion of work.

c. Fixed Assets

Fixed assets shown in the Balance Sheet are stated at historical cost of acquisition/construction less depreciation.

d. Depreciation

Depreciation has been provided on the basis of written down value at the rate specified in Schedule XIV to the Companies Act. In the case of Building straight line method has been adopted.

e. Taxation

The provision for the current year is determined as per the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

f. Employee Benefits

a) Defined Contribution Plans

Contribution paid / payable to defined contribution plan comprising of Provident Funds to employees is recognized in the Profit & Loss account year each year.

b) Defined Benefit Plans

Post employment benefits are recognized as an expense in the Profit & Loss Account for the year in which employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employee benefits are charged to Profit & loss account.

II. NOTES ON ACCOUNTS:

- Contingent liabilities not provided for -Nil- [Nil]
- Deferred Tax Asset (Liability) is arrived as follows:

Deferred tax Assets	Deferred Tax Liabilities / Assets as at 01.04.2008	Current year charge / credit	Deferred Tax Liabilities/ Assets as at 31.03.2009
Deferred Tax Liabilities			
Difference between book and tax Depreciation	7,459	180,948	188,407
	7,459	180,948	188,407
Deferred Tax Assets			
Disallowance under Section 43B of I.T. Act	53,099	80,983	134,082
	53,099	80,983	134,082
Deferred Tax Assets / (Liabilities) (net)	60,557	261,931	322,489
Deferred Tax Assets / (Liabilities) (net)	60,557	261,931	322,489

Lancor Maintenance & Services Limited

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the net deferred tax asset of Rs.322489/- as at 31st March 2009 & has credited Rs.261931/- to the Profit and Loss account.

3. Number of persons who were in receipt of of not less than Rs.24, 00,000/- per year and employed throughout the year	Nil	[Nil]
4. Number of persons who were in receipt of remuneration of not less that Rs. 2, 00,000/- per month and employed for the part of the year	Nil	[Nil]
5. Value of Imports on CIF basis	Nil	[Nil]
6. Expenditure in Foreign Currency, on account of:		
a. Interest and commitment charges	Nil	[Nil]
b. Commission on Exports	Nil	[Nil]
c. Others	Nil	[Nil]
7. Amount remitted in foreign currency on account of Dividend.	Nil	[Nil]
8. Earnings in Foreign Exchange.	Nil	[Nil]
9. Previous year's figures have been regrouped to conform to the current year classification.		
10. Previous year figures are given in bracket.		

For and on behalf of the Board of Directors

R.V.Shekar
Director

Shyamala Shekar
Director

Place : Chennai
Dated : August 20, 2009

Additional Information as Required under Part iv of Schedule VI to the Companies Act, 1956

I REGISTRATION DETAILS	
Registration Number	18-36569
State Code	18
Balance Sheet Date	31st March, 2009
II CAPITAL RAISED DURING THE YEAR	
a) Public Issue	Nil
b) Rights Issue	Nil
c) Bonus Issue	Nil
d) Private Placement	Nil
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
a) Total Liabilities	21,980.26
b) Total Assets	21,980.26
SOURCES OF FUNDS	
a) Paid up Capital	2,517.50
b) Reserves and Surplus	19,458.16
c) Secured Loans	4.60
d) Unsecured Loans	Nil
APPLICATION OF FUNDS	
a) Net Fixed Assets	23,772.42
b) Investments	1,003.07
c) Net Current Assets	(3,117.72)
d) Deferred Tax Assets	322.48
e) Miscellaneous Expenditure	-
f) Accumulated Losses	Nil
IV PERFORMANCE OF THE COMPANY	
a) Turnover	16,697.47
b) Total Expenditure	11,792.35
c) Profit before tax	4,905.12
d) Profit after tax	3,943.19
e) Earnings per share (in Rupees)	15.66
f) Dividend rate	Nil
V Generic names of three principal products/ services of the Company	
Item Code No (ITC Code)	NA
Product Description	Property Maintenance

For and on behalf of

For and on behalf of the Board of Directors

S Narasimhan & Co
Chartered Accountants

S Narasimhan
Proprietor

R.V.Shekar
Director

Shyamala Shekar
Director

Chennai
Dated : 20th August, 2009

Place : Chennai
Dated : August 20, 2009

Cash flow for the year ended 31st March, 2009:

	Year Ended March 31, 2009		Year Ended March 31, 2008	
	Rs.	Rs.	Rs.	Rs.
A Cash flow from Operating activities				
Net Profit before tax & extraordinary items adjusted for		4,905,116		3,400,605
Depreciation	287,998		220,891	
Amortisation of Preliminary Expenses			-	
Gratuity payable	262,081		(23,593)	
Irrecoverable debt written off	4,389		43,923	
Sundry balances written back			-	
Interest Earned	(613,250)		(617)	
Interest Paid	2,769		7,950	
Income from Investment	(321,961)		(826,678)	
Profit/Loss on Sale of Assets/investments	(97,965)		(367)	
Taxes written off			-	
		(475,938)		(578,491)
Operating Profits before Working Capital		4,429,177		2,822,114
Changes				
Changes in Working Capital				
Debtors	(221,156)		(1,293,299)	
Other Assets	7,261		40,678	
Loans & Advances	(935,097)		2,734,207	
Payables & Other Liabilities	7,614,402		2,923,165	
Gratuity paid/reversed				
Taxes Paid	(1,021,122)		(875,869)	
IT refund	30,800			
		5,475,088		3,528,882
Net Cash used in Working Capital		9,904,265		6,350,996
B Cash flow from Investment Activities				
Sale of Fixed Assets			-	
Interest received	613,250		617	
Dividend Income	321,961		826,678	
Profit on sale of investments	97,965			
Purchase & Sale of Investments	14,469,025		(6,814,612)	
Purchase of Fixed Assets	(22,855,302)		(680,777)	
Net Cash used in Investment Activities		(7,353,101)		(6,668,094)
C Cash flow from Financing Activities				
Borrowal of Loan				
Repayment of loan	(80,811)		(75,628)	
Interest Paid	(2,769)		(7,950)	
Net Cash used in Financing Activities		(83,580)		(83,578)
Net Changes in Cash or Cash Equivalents (A+B+C)		2,467,584		(400,676)
Cash and Cash Equivalents - Opening Balance		603,868		1,004,544
Cash and Cash Equivalents - Closing Balance		3,071,452		603,868

Place : Chennai
Date : 20th August, 2009

Shyamala Shekar
Director

R V Shekar
Director

We have verified the above cash flow statement of Lancor Maintenance & Services Limited derived from the audited financial statements for the year ended 31st March, 2009 and 31st March, 2008.

Place : Chennai
Date : 20th August, 2009

For Narsimhan & Co.
Chartered Accountants
S Narasimhan
Proprietor

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander

REGISTERED OFFICE

"VTN SQUARE", 2nd Floor,
58, G N Chetty Road,
T. Nagar,
Chennai – 600 017

BANKERS

Axis Bank

AUDITORS

S Narasimhan & Co
Chartered Accountants
5 Gopal Street,
T Nagar,
Chennai - 600 017

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at VTN Square ", 2nd Floor, 58, G.N Chetty Road, T.Nagar, Chennai 600017 on 24th September 2009 at 1.00 p.m. to transact the following business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mrs. Shyamala Shekar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration. The retiring Auditors, M/s S Narasimhan & Co, Chartered Accountants, Chennai are eligible for reappointment.

By Order of the Board
For **LANCOR REALTY LIMITED**

R.V. Shekar
Director

Registered Office

Registered Office
VTN Square, 2nd Floor
58, G.N.Chetty Road, T.Nagar,
Chennai 600 017

Dated : 20th August, 2009

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 required to notify change in address, if any, to the Company.

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have great pleasure in presenting the Seventh Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2009 and the Auditors' report thereon.

1. FINANCIAL RESULTS

During the period under review, the operations of the Company are as follows:

Rs.In Lacs

Particulars	2008 - 2009	2007 - 2008
Income from Operations	63.37	48.62
Total Expenditure	20.10	16.75
Profit/ (Loss) for the year	43.27	31.87
Provision for Taxation and Deferred Tax	12.74	9.62
Profit/(Loss) After Tax	30.53	21.99
Profit/Loss at the beginning of the year	61.26	39.27
Transfer to General Reserves	-	-
Balance carried to Balance Sheet	91.79	61.26

2. BUSINESS OUTLOOK

As we mentioned in our last year's report, the outlook for the Company remains very good. The Company is working pro-actively on a large number of trade opportunities and has been booking incomes and profits at a good, steady and rising pace. The Company being the subsidiary of Lancor Holdings Limited, naturally enjoys great credibility.

3. FIXED DEPOSITS

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

4. DIVIDEND

In order to conserve the liquid resources of the Company, your directors do not recommend any dividend for the year under review.

5. 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, the Company during the year under review, there was no foreign exchange earnings and expenditure. The Company has no activity relating to conservation of energy or technology absorption.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. 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;
- c. 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
- d. prepared the accounts on a going concern basis.

7. STATUS OF THE COMPANY

Your Company continues to be the Wholly Owned Subsidiary of Lancor Holdings Limited.

8. DIRECTORATE

Mrs. Shyamala Shekar is the retiring Director and being eligible, offers himself for reappointment.

9. AUDITORS

The retiring auditors, M/s. S Narasimhan 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.

10. EMPLOYEES

During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

11. 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.

By Order of the Board
For **LANCOR REALTY LIMITED**

R.V.Shekar
Director

Shyamala Shekar
Director

Place : Chennai
Dated : August 20, 2009

**REPORT OF THE AUDITORS TO THE MEMBERS OF
LANCOR REALTY LIMITED**

We have audited the attached Balance Sheet of LANCOR REALTY LIMITED, CHENNAI as at March 31, 2009 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies [Auditor's Report] order 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that :-

- i. We have obtained all the information and explanation which to the best of our knowledge and the belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by company so far as it appears from our examination of those books.
- iii. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of confirmation received from the other companies in which the Directors are Directors or in their absence, confirmation from the Directors concerned, none of the Director of the company prima-facie as of 31 03 2008 is disqualified from being appointed as a Director of the company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner required and give a true and fair view:
 - i. In so far as it relates to the balance sheet, of the state of affairs of the company as at March 31, 2009; and
 - ii. In so far as it relates to the Profit and Loss Account, of the Profit for the year ended on the date.

Place : Chennai
Date : 20th August, 2009

For **S.NARASIMHAN & CO**
Chartered Accountants

S.NARASIMHAN
Proprietor

ANNEXURE REFERRED TO AUDITOR'S REPORT OF EVEN DATE:

On the basis of such checks as considered appropriate and in terms of information and explanation given to us, we state that:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The company has a programme of physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification. There is no disposal of fixed assets during the year.
- b. There is no inventory.
- c. In our opinion and according to the information and explanations given to us the company has granted loan to the company listed in the register maintained under section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of which are prima-facie not prejudicial to the interest of the company.
- d. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of fixed assets and for the income from Brokerage.
- e. The company has a reasonable system of apportioning the expenditure on scientific basis.
- f. In our opinion and according to the information and explanations given to us, there are no transactions during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- g. In our opinion and according to the information and explanations given to us the company has not invited or accepted fixed deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder are applicable.
- h. The company has an Internal Audit System commensurate with the size and nature of business.
- i. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209[i][d] of the Companies Act, 1956
- j. On the basis of the records of the company there were no undisputed statutory dues payable in respect of Provident Fund, Income Tax, Wealth Tax, Sales tax, Customs duty and Excise Duty outstanding for more than six months from the date they became payable to the end of the financial year. We have been informed that the provisions of the Employees State Insurance Act are not applicable to the company.
- k. Since there is no accumulated losses, the requirements of clause [x] of paragraph 4 of the Order is not applicable to the company.
- l. The company has not taken any loans from financial institutions, bank or debenture holder.
- m. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- n. The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence the requirement of clause [xiii] of paragraph 4 of the Order is not applicable to the company.

- o. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- p. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
- q. According to the information and explanations given to us, no preferential allotment of shares have been made by the company to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
- r. The company has not issued any debentures. Hence the requirements of clause [xix] of paragraph 4 of the Order is not applicable to the company.
- s. According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

For **S.NARASIMHAN & CO**
Chartered Accountants

S.NARASIMHAN
Proprietor

Place : Chennai
Date : 20th August, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	Rupees	As at March 31, 2009	As at March 31, 2008
I SOURCES OF FUNDS				
SHAREHOLDERS'S FUNDS				
a. Share Capital	1		500,000	500,000
b. Reserves & Surplus	2		9,499,711	6,446,872
DEFERRED TAX LIABILITY (NET)			43,242	-
			10,042,953	6,946,872
II APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	3	10,695,607		97,370
Less : Accumulated Depreciation		93,039		56,137
Net Block		10,602,568	10,602,568	41,233
INVESTMENTS	4		403,038	6,086,285
DEFERRED TAX ASSETS (NET)			-	25,833
CURRENT ASSETS, LOANS & ADVANCES	5			
a. Cash & Bank Balances		372,436		79,783
b. Sundry Debtors		317,060		1,079,246
c. Loans & Advances		1,386,764		996,111
		2,076,260		2,155,140
CURRENT LIABILITIES & PROVISIONS	5			
a. Current Liabilities		1,560,335		175,938
b. Provisions		1,478,578		1,185,681
		3,038,913		1,361,619
NET CURRENT ASSETS			(962,653)	793,520
			10,042,953	6,946,872
Notes to Accounts & Significant accounting Policies	9			

As per our Report of even date

For and on behalf of

S Narasimhan & Co

Chartered Accountants

For and on behalf of the Board of Directors

S Narasimhan

Proprietor

R.V.Shekar

Director

Shyamala Shekar

Director

Chennai

Dated : 20th August, 2009

Place : Chennai

Dated : August 20, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	2008-09 Rupees	2007-08 Rupees
INCOME			
Brokerage Income from Sale of Properties		5,372,314	1,207,195
Brokerage Income from Renting of Properties		384,114	3,398,816
Other Income	6	580,301	256,496
TOTAL INCOME		6,336,729	4,862,507
EXPENDITURE			
Employee Costs	7	946,087	922,303
Administration and Other Overheads	8	1,036,886	722,816
Depreciation		26,765	30,372
TOTAL EXPENDITURE		2,009,738	1,675,491
Profit / Loss before tax		4,326,991	3,187,016
Provision for tax			
Current Tax		1,250,000	965,000
Fringe Benefit Tax		11,480	9,556
Deferred Tax (Net)		69,075	(12,979)
Add : Short / (Excess) Provision of Tax of Previous Year		(56,403)	-
Year Profit / Loss after tax		3,052,839	2,199,482
Add : Previous years balance brought forward		6,126,361	3,926,879
Available for Appropriation		9,179,200	6,126,361
Transfer to General Reserves		-	-
Balance carried to Balance Sheet		9,179,200	6,126,361
No. of Equity shares		50,000	50,000
Basic & Diluted Earning per share (Face Value of Rs. 10/- per share)		61.06	43.99
Notes to Accounts & Significant accounting Policies	9		

As per our Report of even date

For and on behalf of

S Narasimhan & Co

Chartered Accountants

For and on behalf of the Board of Directors

S Narasimhan

Proprietor

R.V.Shekar

Director

Shyamala Shekar

Director

Chennai

Dated : 20th August, 2009

Place : Chennai

Dated : August 20, 2009

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

Particulars	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised Capital 50,000 Equity shares of Rs.10/- each (50,000 Equity shares of Rs.10/- each)	500,000	500,000
Issued , Subscribed and Paid up Capital 50,000 Equity shares of Rs.10/- each (All the Shares of the above are held by Lancor Holdings Limited, the Holding Company & its Nominees)	500,000	500,000
	500,000	500,000

	Rupees	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 2 : RESERVES & SURPLUS			
General Reserve Balance at the beginning of the year Add : Transfer from Profit & Loss a/c	320,511 -	320,511	320,511 -
Profit & Loss a/c Balance at the beginning of the year Add : Transferred during the year	6,126,361 3,052,839	9,179,200	3,926,879 2,199,482
		9,499,711	6,446,872

Schedules to the Balance Sheet

Schedule 3

Fixed Assets

Particulars	GROSS BLOCK		DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.08	Additions during the year	Deletions during the year	As at 31.03.09	For the Year	Withdrawal during the year	As at 31.03.09	As at 31.03.08
Building	-	10,583,500	-	10,583,500	-	-	5,672	10,577,828
Office Equipment	22,507	4,600	-	27,107	4,600	-	27,107	-
Computer	85,000	-	-	85,000	16,493	-	60,260	24,740
Total	107,507	10,588,100	-	10,695,607	26,765	-	93,039	10,602,568
Previous Year	82,200	15,170	-	97,370	30,372	-	56,137	41,233
								56,435

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

Particulars	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 4 :		
INVESTMENTS - (Current and Non trade)		
Unquoted Investment (In Mutual Funds) at cost		
Investment in Reliance Medium Term Fund 23,575,689 units @ Rs. 17.0955 per unit	403,038	-
Investment in Lotus India FMP 375 Days II Retail Growth (470,359.368 units @ Rs. 10 per unit)	-	4,703,594
Investment in Lotus India Liquid Fund-Retail Weekly Dividend (102,729.477 units @ Rs. 10.0010 per unit)	-	1,027,398
Investment in Lotus India Liquid Plus Fund-Regular Daily Dividend (35,475.414 units @ 10.0152 per unit)	-	355,293
	403,038	6,086,285

	Rupees	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 5 :			
CURRENT ASSETS, LOANS AND ADVANCES			
A CURRENT ASSETS			
Cash & Bank balances			
Cash on hand	16,221		1,125
Balance with scheduled bank in Current Account	356,215		78,658
		372,436	79,783
Sundry Debtors (unsecured and considered good) Outstanding for a period			
More than six months	-		-
less than six months	317,060		1,079,246
		317,060	1,079,246
		689,496	1,159,029
B LOANS & ADVANCES			
Advances Receivable in cash or kind or for value to be received. (Unsecured & considered good)			
Advances to Company under the same management Lancor Holdings Limited	26,048		-
		26,048	
Prepaid Expenses	948		753
		948	753
Advance Income Tax (Net of Provisions)	56,724		977,348
Advance Income Tax AY 2009-10	800,000		-
Tax Deducted at Source AY 2009-10	482,872		-
Advance Fringe Benefit (Net of Provisions)	20,172		18,010
		1,359,768	995,358
		1,386,764	996,111
Total (A + B)		1,386,764	996,111

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

	Rupees	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 5 (Contd ...)			
CURRENT LIABILITIES AND PROVISIONS			
C CURRENT LIABILITIES			
Sundry Creditors		1,374,898	175,938
Advances received from Companies under same management			
Lancor Maintenance & Services Limited	185,437	185,437	-
		1,560,335	175,938
D PROVISIONS			
Provision for Income Tax (Net of advances)		1,250,000	991,510
Provision for Fringe Benefit Tax		11,480	9,556
Provision for Employee Benefit		217,098	184,615
		1,478,578	1,185,681
Total (C + D)		3,038,913	1,361,619

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

Particulars	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 6		
OTHER INCOME		
Dividend Income Mutual Funds	144,973	134,299
Profit on Sale of Investments	208,478	2,186
Interest Earned	226,850	-
Miscellaneous Income	-	119,989
Sundry Balance Written Back	-	22
	580,301	256,496
Schedule 7		
EMPLOYEE COSTS		
Salaries	764,498	766,555
Contribution to Provident Fund	63,162	66,961
Staff Welfare	118,427	88,787
	946,087	922,303

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

Particulars	As at 31 / 03 / 09 Rupees	As at 31 / 03 / 08 Rupees
SCHEDULE 8		
ADMINISTRATION AND OTHER OVERHEADS		
Advertisement Expenses	676,539	270,421
Printing & Stationery	8,476	7,299
Communication Expenses	44,103	19,914
Travelling & Conveyance Expenses	98,415	101,503
Vehicle Maintenance Expenses	11,785	4,631
Photocopying Expenses	6,737	5,837
Rent	-	114,000
Electricity	6,870	20,490
Repairs & Maintenance		
- Building	1,550	1,890
- Plant & Machinery	2,204	4,544
- Others	-	856
Rates & Taxes	1,620	1,620
Car Hire Charges	2,825	1,242
Filing Fees	2,488	1,218
Membership & Subscription Fees	-	2,500
Brokerage Expenses	120,023	-
Office & Sundry Expenses	23,251	19,851
Donation	-	120,000
Payment to Auditors		
Statutory Audit Fee	20,000	15,000
Tax Audit Fee	10,000	10,000
	1,036,886	722,816

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009:**9. NOTES ON ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICES****a. Accounting Convention**

The financial statements are prepared on accrual basis under historical cost convention having due regard to fundamental assumptions of Going concern, consistency and Accrual in compliance with the Accounting Standards referred to in Sec 211 (3) (c) of the Companies Act, 1956.

b. Revenue Recognition

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

c. Fixed Assets

Fixed assets shown in the Balance Sheet are stated at historical cost of acquisition/construction less depreciation.

d. Depreciation

Depreciation has been provided on the basis of written down value at the rate specified in Schedule XIV to the Companies Act. In the case of Building, straight line method has been adopted.

e. Taxation

The provision for the current year is determined as per the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

f. Employee Benefits**a) Defined Contribution Plans**

Contribution paid / payable to defined contribution plan comprising of Provident Funds to employees is recognized in the Profit & Loss account year each year.

b) Defined Benefit Plans

Post employment benefits are recognized as an expense in the Profit & Loss Account for the year in which employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employee benefits are charged to Profit & loss account.

II. NOTES ON ACCOUNTS:

1. Contingent liabilities not provided for -Nil- [Nil]
2. Deferred Tax Asset (Liability) is arrived as follows:

	Deffered Tax	Current Year	Deffered tax
	Liabilities / Asset	Charge/Credit	(Liabilities)/Assets
	As at 01.04.2008 Rupees	Rupees	As at 31.03.2009 Rupees
Deffered Tax Liabilities			
a) Difference between book and tax Depreciation	1,111	78,399	79,510
	1,111	78,399	79,510
Deffered Tax Assets			
a) Other deferred tax asset	26,944	9,324	36,268
	26,944	9,324	36,268
Deffered Tax Assets/ (Liabilities) (net)	25,833	(69,075)	(43,242)
Adjustment for Opening tax			
Liabilities in respect of change in tax rate	-	-	-
Adjusted Deffered tax Asset	25,833	(69,075)	(43,242)

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the net deferred tax liability of Rs.43,242/- as at March 31, 2009 and Rs.69,075/- debited to the Profit and Loss account.

- | | | |
|---|-----|-------|
| 3. Number of persons who were in receipt of remuneration of not less than Rs.24,00,000/- per year and employed throughout the year | Nil | [Nil] |
| 4. Number of persons who were in receipt of remuneration of not less than Rs.2,00,000/- per month and employed for the part of the year | Nil | [Nil] |
| 5. Value of Imports on CIF basis | Nil | [Nil] |
| 6. Expenditure in Foreign Currency on account of: | | |
| a. Interest and commitment charges | Nil | [Nil] |
| b. Commission on Exports | Nil | [Nil] |
| c. Others | Nil | [Nil] |
| 7. Amount remitted in foreign currency on account of Dividend | Nil | [Nil] |
| 8. Earnings in Foreign Exchange | Nil | [Nil] |
| 9. Previous year's figures have been regrouped to conform to the current year classification. | | |
| 10. Previous year figures are given in bracket. | | |

For and on behalf of the Board

R V Shekar
Director

Shyamala Shekar
Director

Place : Chennai
Dated : 20th August, 2009

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH , 2009

	Year Ended March 31, 2009		Year Ended March 31, 2008	
	Rs.	Rs.	Rs.	Rs.
A Cash flow from operating activities				
Net Profit / (Loss) before tax & extraordinary items		4,326,991		3,187,016
Adjusted for:				
Depreciation	26,765		30,372	
Preliminary Expenses to the extent Written off			-	
Gratuity payable	30,175		66,922	
Interest received	(226,850)		-	
Dividend Recived	(144,973)		(134,299)	
Irrecoverable debts written off			(22)	
Excess Provision Written back	180			
Profit on sale of Investment	(208,478)		(2,186)	
Taxes written off			-	
IT Refund	56,223			
		(466,958)		(39,213)
Operating Profits before Working Capital changes		3,860,033		3,147,803
Changes in Working Capital				
Gratuity Paid			(109,038)	
Debtors	762,186		(1,079,248)	
Other Advances			13,114	
Loans & Advances	(24,115)		110,009	
Payables and other liabilities	1,384,397		111,263	
Taxes paid	(1,365,296)		(900,599)	
		757,172		(1,854,497)
Net Cash used in operating activities		4,617,205		1,293,306
B Cash flow from Investing activities				
Purchase of Fixed assets	(10,588,100)		(15,170)	
Sale of Fixed Assets			-	
Loan given			-	
Purchase & Sale of Invsetment	5,683,247		(2,586,285)	
Pre-incorporation Expenses			-	
Sundry Balance Written back			22	
Profit on sale of Investment	208,478		2,186	
Interest received	226,850			
Dividend received	144,973		134,299	
Net cash used in Investing activities		(4,324,552)		(2,464,948)
C Cash flow from Financing activities				
Proceeds from issue of share Capital				
Increase in other borrowings				
Interest paid				
Net changes in Cash or Cash Equivalents (A+B+C)		292,653		(1,171,642)
Cash and Cash Equivalents - Opening balance		79,783		1,251,424
Cash and Cash Equivalents - Closing balance		372,436		79,783

Place : Chennai
Date : 20th August, 2009

Shyamala Shekar
Director

R V Shekar
Director

We have verified the above cash flow statement of Lancor Maintenance & Services Limited derived from the audited financial statements for the year ended 31st March, 2009 and 31st March, 2008.

For Narsimhan & Co.
Chartered Accountants
S Narasimhan
Proprietor

Place : Chennai
Date : 20th August, 2009

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I REGISTRATION DETAILS	
Registration Number	49687
State Code	18
Balance Sheet Date	31st March, 2009
II CAPITAL RAISED DURING THE YEAR	
	Rs. in thousands
a) Public Issue	Nil
b) Rights Issue	Nil
c) Bonus Issue	Nil
d) Private Placement	Nil
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
a) Total Liabilities	10,042.95
b) Total Assets	10,042.95
SOURCES OF FUNDS	
a) Paid up Capital	500.00
b) Reserves and Surplus	9,499.71
c) Secured Loans	-
d) Unsecured Loans	-
e) Deferred Tax Liability	43.24
APPLICATION OF FUNDS	
a) Net Fixed Assets	10,602.57
b) Investments	403.04
c) Net Current Assets	(962.65)
d) Deferred Tax Assets	-
e) Miscellaneous Expenditure	-
IV PERFORMANCE OF THE COMPANY	
a) Turnover	6,336.73
b) Total Expenditure	2,009.74
c) Profit before tax	4,326.99
d) Current / Deferred Tax	1,274.15
e) Profit after Tax	3,052.84
f) Profit after Tax	61.06
V Generic names of three principal products/ services of the Company	
Item Code No (ITC Code)	NA
Product Description	Realty Services

For and on behalf of
S Narasimhan & Co
 Chartered Accountants

For and on behalf of the Board of Directors

S Narasimhan
 Proprietor

R.V.Shekar
 Director

Shyamala Shekar
 Director

Chennai
 Dated : 20th August, 2009

Place : Chennai
 Dated : August 20, 2009

BOARD OF DIRECTORS

R.V. Shekar
Shyamala Shekar
V. Chander

REGISTERED OFFICE

"VTN SQUARE", 2nd Floor,
58, G N Chetty Road,
T. Nagar,
Chennai – 600 017

BANKERS

IDBI Bank Ltd

AUDITORS

G.M.Kapadia & Co.
Chartered Accountants, Chennai

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at VTN Square ", 2nd Floor, No.58, G.N Chetty Road, T.Nagar, Chennai 600017 on 24th September 2009 at 4.00 p.m. to transact the following business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mrs. Shyamala Shekar who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration. The retiring Auditors, M/s. G.M.Kapadia & Co., Chartered Accountants, Chennai are eligible for reappointment.

By Order of the Board
For **LANCOR PROJECTS LIMITED**

R.V. Shekar
Director

Registered Office

VTN Square, 2nd Floor,
58, G.N.Chetty Road,
T.Nagar, Chennai 600 017

Dated : 20th August, 2009

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.

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have great pleasure in presenting the Seventh Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2009 and the Auditors' report thereon.

1. FINANCIAL RESULTS

During the period under review, the operations of the Company are as follows:

Rs.In Lacs

Particulars	31-03-2009	31-03-2008
Income from Operations	199.64	301.11
Total Expenditure	146.89	117.77
Profit/ (Loss) for the year	52.75	183.34
Provision for Taxation and Deferred Tax	19.25	63.53
Profit/(Loss) After Tax	33.50	119.81
Profit/Loss at the beginning of the year	152.97	31.88
Short Provision of FBT	0.03	0.26
Adjustment for transitional provision for Gratuity.	-	1.54
Balance carried to Balance Sheet	186.50	152.97

2. BUSINESS OUTLOOK

As stated in the previous years report, your Company continues to carry out Project Management Services business on hand quite commendably although its helplessness as a result of difficult labour market conditions is evident. Your Company has also been involved in developing third party projects of substantial volumes, apart from holding Company and this opportunity is only going to grow in future. The Company would also be executing interior decoration projects which have higher earning potential on smaller time cycle. Your Company over the next few years, after it has accumulated a reasonable capital out of retained earnings, will look at expanding the horizon by going into projects involving private / public partnerships.

3. FIXED DEPOSITS

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

4. DIVIDEND

In order to conserve the liquid resources of the Company, your directors do not recommend any dividend for the year under review.

5. 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, the Company during the year under review, there was no foreign exchange earnings and expenditure. The Company has no activity relating to conservation of energy or technology absorption.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. followed in the preparation of the annual accounts, the applicable Accounting Standards and given proper explanation relating to material departure, if any;
- b. 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;
- c. 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
- d. prepared the accounts on a going Concern basis.

7. STATUS OF THE COMPANY

Your Company continues to be the Wholly Owned Subsidiary of Lancor Holdings Limited.

8. DIRECTORATE

Mrs. Shyamala Shekar is the retiring Director and being eligible, offers herself for reappointment.

9. 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.

10. EMPLOYEES

During the year under review, there were no employees covered under Section 217(2A) of the Companies Act, 1956.

11. ACKNOWLEDGEMENT

Your Directors wish to place on 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

SHYAMALA SHEKAR
Director

R.V. SHEKAR
Director

Place : Chennai
Date : 20th August, 2009

Place : Chennai
Date : 20th August, 2009

**AUDITOR'S REPORT TO THE MEMBERS OF
LANCOR PROJECTS LIMITED**

1. We have audited the attached Balance Sheet of LANCOR PROJECTS LIMITED as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year under review annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss and Cash Flow statement account dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company, i.e. LANCOR PROJECTS LIMITED as on March 31, 2009 is disqualified from being appointed for appointment as a director in the aforementioned Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G.M. Kapadia and Co.
Chartered Accountants

Place : Chennai
Date : 20th August, 2009

K. Y. Narayana
Partner
Membership No. 60639

BALANCE SHEET AS AT MARCH 31, 2009

(Figures in Indian Currency)

Particulars	Schedule	As at March 31, 2009	As at March 31, 2008
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	500,000	500,000
Reserves and Surplus	2	18,750,029	15,397,288
		19,250,029	15,897,288
APPLICATION OF FUNDS			
Fixed assets	3		
Gross Block		10,080,738	4,335,879
Less : Accumulated Depreciation / Amortisation		1,684,257	853,098
Net Block		8,396,481	3,482,781
Investments	4	-	5,095,163
Deferred tax assets(Net) (refer Note No. 6)	5	479,206	46,280
Current assets , loans and advances	5		
Cash & Bank Balances		1,173,015	191,135
Sundry Debtors		9,913,323	7,493,553
Other Current Assets		702,000	702,000
Loans & Advances		1,493,211	329,325
		13,281,549	8,716,013
Less: Current liabilities and provisions	6		
Current Liabilities		1,669,021	1,344,082
Provisions		1,238,186	98,867
		2,907,207	1,442,949
Net current assets		10,374,342	7,273,064
		19,250,029	15,897,288
Significant Accounting Policies and Notes to Accounts	10		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet

As per our Report of even date

For G. M. KAPADIA & CO.

Chartered Accountants

K.Y. Narayana

Partner

Membership No. 60639

Place : Chennai

Dated : August 20, 2009

For and on behalf of the Board of Directors

R.V.Shekar
Director**Shyamala Shekar**
DirectorPlace : Chennai
Dated : August 20, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Figures in Indian Currency)

Particulars	Schedule	As at March 31, 2009	As at March 31, 2008
INCOME			
Project Management Fee		19,466,439	30,009,294
Other Income	7	497,618	101,298
		19,964,057	30,110,592
EXPENDITURE			
Employee Costs	8	10,434,610	7,364,818
Administration and Other Overheads	9	3,423,099	3,662,106
Depreciation		831,159	748,516
Preliminary Expenses Written Off		-	1,366
		14,688,868	11,776,806
Profit / (Loss) before tax		5,275,189	18,333,786
Less: Tax Expenses			
Current Tax		2,200,000	6,300,000
Deferred Tax		(432,926)	(45,283)
Fringe Benefit Tax		157,714	97,927
Profit / (Loss) before (excess)/short provision of tax for earlier years		3,350,401	11,981,142
Less: Short / (Excess) Provision of Fringe Benefit Tax of previous year		7,223	-
Less: Short / (Excess) Provision of Income Tax of previous year		(9,563)	26,629
Profit / (Loss) after (excess)/short provision of tax for earlier years		3,352,741	11,954,513
Add: Previous years balance brought forward		15,297,288	3,188,263
Available for Appropriation		18,650,029	15,142,776
Adjustment for transitional provision under Revised AS 15		-	154,512
Balance carried to Balance Sheet		18,650,029	15,297,288
No. of Equity shares (Face Value Rs. 10/- share)		50,000	50,000
Basic & Diluted Earning per share (refer Note No. 5)		67.05	239.09
Significant Accounting Policies and Notes to Accounts	10		

The Schedules referred to above and the Notes to Accounts form an integral part of Profit and Loss account

As per our Report of even date

For G. M. KAPADIA & CO.

Chartered Accountants

K.Y. Narayana

Partner

Membership No. 60639

For and on behalf of the Board of Directors

R.V. Shekar

Director

Shyamala Shekar

Director

Place : Chennai

Dated : August 20, 2009

Place : Chennai

Dated : August 20, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009
 (Figures in Indian Currency)

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and Extraordinary Items	5,275,189	18,333,786
Adjusted for:		
Depreciation	831,159	748,516
Interest and Finance Income	(251,614)	-
Miscellaneous income Written back	(14,237)	1,366
Dividend Received	(18,967)	(69,422)
Provision for Employee Benefits	1,103,277	27,519
Adjustment for Transitional provision as per Revised AS 15	-	234,074
Income Taxes Refund received	-	-
Profit on Sale of Investments	(212,800)	(31,876)
Operating Profits Before Working Capital Changes	6,712,007	19,243,963
Changes in Working Capital:		
Loans and Advances	(13,373)	36,430
Payables and other liabilities	351,476	540,039
Sundry Debtors	(2,419,770)	(6,052,465)
Other current assets	-	(2,000)
Cash generated from Operations	4,630,340	13,765,967
Income tax refund received	68,503	-
Income Taxes paid	(3,550,648)	(6,995,949)
Net Cash used in operating activities	1,148,195	6,770,018
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(202,554)	(3,959,241)
Purchase of Investments	(800,000)	(6,500,000)
Sale of Investments	6,107,963	3,999,284
Dividend received	18,967	69,422
Net cash used in Investing activities	5,124,376	(6,390,535)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	257,695	-
Loan given	(5,800,000)	(506,481)
Interest and Finance Charges received	251,614	-
Net cash from financing activities	(5,290,691)	(506,481)
Net changes in Cash or Cash Equivalents (A+B+C)	981,880	(126,999)
Cash and Cash Equivalents - Opening Balance	191,135	318,133
Cash and Cash Equivalents - Closing Balance	1,173,015	191,135
Note: Figures in bracket represents outflows		

As per our Report of even date

For **G. M. KAPADIA & CO.**

Chartered Accountants

K.Y. Narayana

Partner

Membership No. 60639

Place : Chennai

Dated : August 20, 2009

For and on behalf of the Board of Directors

R.V.Shekar

Director

Shyamala Shekar

Director

Place : Chennai

Dated : August 20, 2009

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31, 2009	As at March 31, 2008
SCHEDULE 1: SHARE CAPITAL		
Authorised Capital 50,000 (50,000) Equity shares of Rs.10/- each	500,000	500,000
	500,000	500,000
Issued, Subscribed & Paid up Capital 50,000 (50,000) Equity shares of Rs.10/- each (All the Shares are held by the Holding Company, Lancor Holdings Limited)	500,000	500,000
	500,000	500,000
SCHEDULE 2: RESERVES AND SURPLUS		
General Reserve		
Balance at the beginning of the year	100,000	100,000
Add : Transferred from Profit & Loss account	100,000	100,000
Balance in Profit & Loss Account	18,650,029	15,297,288
	18,750,029	15,397,288

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE 3: FIXED ASSETS

(Figures in Indian Currency)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01.04.08	Additions during the year	Deletions during the year	As at 31.03.09	As at 01.04.08	For the Year	Withdrawal during the year	As at 31.03.09	As at 31.03.09	As at 31.03.08
A. Intangible Assets										
Computer Software	175,880	-	-	175,880	70,352	26,382	-	96,734	79,146	105,528
B. Tangible Assets										
Buildings	-	5,542,305	-	5,542,305	-	2,970	-	2,970	5,539,335	-
Office Equipment	98,392	123,495	-	221,887	92,612	56,691	-	149,303	72,584	5,780
Computers	222,163	39,000	-	261,163	80,622	67,911	-	148,533	112,630	141,541
Air conditioner	330,400	-	-	330,400	38,298	40,631	-	78,929	251,471	292,102
Electrical Installation	375,955	-	-	375,955	43,579	60,160	-	103,739	272,216	332,376
Furniture's & Fixtures	1,636,214	40,059	-	1,676,273	256,955	258,952	-	515,907	1,160,366	1,379,259
Vehicle	1,496,875	-	-	1,496,875	270,680	317,462	-	588,142	908,733	1,226,195
TOTAL (A+B)	4,335,879	5,744,859	-	10,080,738	853,098	831,159	-	1,684,257	8,396,481	3,482,781
Previous Year	300,807	4,035,072	-	4,335,879	104,582	748,516	-	853,098	3,482,781	196,225

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31, 2009	As at March 31, 2008
SCHEDULE 4:		
INVESTMENTS (Current and Non Trade)		
(Unquoted Investment in Mutual Funds)		
HDFC Quarterly Interval Fund - Plan A (Nil (200,000 units @ Rs.10 per unit)) (Face value of Rs. 10 each)	-	2,000,000
Lotus India Liquid Plus fund (Nil (309,046.503 units @ Rs. 10.0152 per unit)) (Face value of Rs. 10 each)	-	3,095,163
	-	5,095,163
SCHEDULE 5:		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
Cash and Bank Balances		
Cash on hand	11,426	68,371
Balance with scheduled banks in Current Accounts	1,161,589	122,764
	1,173,015	191,135
Sundry Debtors (unsecured and considered good) Outstanding for a period of		
More than six months	1,797,760	-
Less than six months	8,115,563	7,493,553
(Debts Due from companies under the same management Lancor Holding Limited Rs.1,131,204 (PY- 1,113,249)) (Maximum Balance - Rs.22,60,745 (PY - Rs.1,400,234))	9,913,323	7,684,688
Other Current Asset Deposits	702,000	702,000
	11,788,338	8,386,688
B. LOANS AND ADVANCES		
Expenses Recoverable From Customers	5,665	3,995
Prepaid Expenses	20,372	8,669
	26,037	12,664
Advance Income Tax (Net of provisions)	1,467,174	316,661
	1,493,211	329,325
Total (A + B)	13,281,549	8,716,013

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31, 2009	As at March 31, 2008
SCHEDULE 6:		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	350,683	338,160
Liabilities for Duties and Taxes	1,132,424	1,000,557
Advances Received From Customers	185,914	5,365
	1,669,021	1,344,082
B. PROVISIONS		
Provision for Fringe Benefit Tax	25,859	2,117
Provision for Employees Benefit	1,212,327	96,750
	1,238,186	98,867
Total (A + B)	2,907,207	1,442,949

SCHEDULES TO THE PROFIT & LOSS ACCOUNT AS AT MARCH 31, 2009

Particulars	As at March 31, 2009	As at March 31, 2008
SCHEDULE 7:		
OTHER INCOME		
Dividend Income from Mutual Funds	18,967	69,422
Profit on Sale of Investments	212,800	31,876
Interest Income	251,614	-
(TDS Rs. 57,016 (Previous year Rs. Nil))		
Sundry Balance Written back	14,237	-
	497,618	101,298
SCHEDULE 8:		
EMPLOYEE COSTS		
Salary and Bonus	9,429,007	6,716,244
Contribution to Provident Fund	718,800	476,658
Staff Welfare	286,803	171,916
	10,434,610	7,364,818

SCHEDULES TO THE PROFIT & LOSS ACCOUNT AS AT MARCH 31, 2009

(Figures in Indian Currency)

Particulars	As at March 31, 2009	As at March 31, 2008
SCHEDULE 9:		
ADMINISTRATION AND OTHER OVERHEADS		
Advertisement Expenses	-	52,914
Printing & Stationery	54,647	47,495
Communication Expenses	302,723	265,277
Travelling & Conveyance Expenses	1,424,344	991,771
Professional and Consultancy Charges	-	523,333
Rent, Rates and taxes	943,745	700,530
Electricity Charges	189,284	112,986
Repairs & Maintenance Building	155,649	615,199
Plant & Machinery	2,525	24,057
Others	20,516	3,416
Vehicle Maintenance Expenses	99,628	32,625
Donation	-	100,000
Office & Sundry Expenses	63,558	74,490
Payment to Auditors		
Statutory Audit Fee	110,300	92,742
Tax Audit Fee	56,180	25,272
	3,423,099	3,662,106

SCHEDULE No 10:**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009****1. SIGNIFICANT ACCOUNTING POLICIES:**

The Company's accounting policies are as follows:

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under historical cost convention, on accrual basis of accounting, in accordance with the provisions of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) applicable in India which complies with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

B) USE OF ESTIMATES:

The Preparation of the financial statements in conformity with Indian GAAP requires the management to make

estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

C) FIXED ASSETS:**I) INTANGIBLE ASSETS:**

Intangible assets are recognized only if they are separately identifiable and the Company receives the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortization less impairment loss.

Intangible assets comprise of Computer Software. The aggregate consideration paid to develop Computer Software is disclosed under the fixed asset schedule.

II) TANGIBLE ASSETS:

The fixed assets are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred in bringing the assets to its present location including installation and commissioning expenses.

D) METHOD OF DEPRECIATION/AMORTIZATION:

- i) The intangible assets are amortized over a period of five years.
- ii) Depreciation on Fixed Assets other than building is provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- iii) Depreciation on building is provided on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act, 1956.

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

E) ACCOUNTING FOR CONTRACTS MANAGED:

The Company adopts accrual system of accounting.

Income in the nature of project management fee is recognized on proportionate completion method.

F) INVESTMENT:

Investments in the units of Mutual funds are stated at cost or fair value which ever is lower.

G) EMPLOYEE BENEFITS:**a. Defined Contribution Plans**

Contributions paid/payable to defined contribution plan comprising of Provident Funds to employees is recognised in the Profit and Loss Account each year.

b. Defined Benefit Plans

Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

c. Short-term employee benefits

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.

H) TAXATION:

- i) Provision for current tax is made on the basis of the taxable profit computed for the current accounting period (Reporting Period) in accordance with the Income Tax Act, 1961.
- ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

I) IMPAIRMENT:

The carrying amounts of asset are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

J) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized where an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a realizable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

K) AMORTIZATION OF PRELIMINARY EXPENSES:

Preliminary expenses are written off over a period of five years.

2. CONTINGENT LIABILITIES:

Claims not acknowledged as debt – Nil (Previous year – Nil)

- 3. The details required to be disclosed as per Para 4C and Para 4D of part II of schedule VI to the Companies Act, 1956 have been furnished to the extent it's applicable to the Company

	As at 31-03-2009	As at 31-03-2008
Expenditure in Foreign Currency	209,332	196,400

4. REVISED ACCOUNTING STANDARD 15:

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at 31st March 2009.

(Figures in Indian Currency)

Sl. No.	Category	As at 31st March 2009 [Gratuity]
1	Change in benefit obligations:	
	Projected benefit obligations at beginning of the year	61,050
	Current Service Cost	328,776
	Interest Cost	4,884
	Benefits Paid	Nil
	Actuarial (Gain) / Loss	769,617
	Projected benefit obligations at end of the year	1,164,327
2	Change in plan assets:	
	Plan assets at the beginning of the year	Nil
	Expected return on plan assets	Nil
	Actuarial (Gain) / (Loss)	Nil
	Contributions	Nil
	Benefits Paid	Nil
	Plan assets at the end of the year	Nil
3	Reconciliation of present value of the obligation and the fair value of plan assets	
	Fair Value of plan assets at the end of the year	Nil
	Present value of the defined benefit obligations at the end of the year	1,164,327
	Liability / (Asset) recognized in the Balance Sheet	N.A.
4	Cost for the year	
	Current Service Cost	328,776
	Interest Cost	4,884
	Expected return on plan assets	Nil
	Actuarial (Gain) / Loss	769,717
	Net Cost recognised in the Profit and Loss Account	1,103,277
5	Assumptions	
	Interest rate for discount	8%
	Estimated rate of return on plan assets	N.A.
	Mortality	LIC (94-96) Mortality Table
	Salary Escalation	18%

5. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as under:

Particulars	2008-2009		2007-2008	
	Basic	Diluted	Basic	Diluted
Profit after tax as per Profit & Loss Account	3,352,741		11,981,142	
Weighted average number of Equity shares outstanding	50,000	50,000	50,000	50,000
EPS (Rupees) of face value Rs.10/-	67.05	67.05	239.09	239.09

Lancor Projects Limited

6. DEFERRED TAX ASSETS:

Particulars	Deferred Tax Liabilities/Assets as at 31.03.2009	Deferred Tax Liabilities/Assets as at 01.04.2008
Deferred Tax Liabilities		
Total Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets		
a) Difference Between Book and Tax Depreciation	68,117	24,792
b) Disallowance under sec 43 B of Income Tax Act-Gratuity	394,774	21,488
c) Disallowance under 43 B of Income Tax Act-Bonus	16,315	Nil
Total Deferred Tax Assets	479,206	46,280
Deferred Tax Assets / (Liabilities) (Net)	479,206	46,280

Pursuant to Accounting Standard 22 ~ "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company recorded the cumulative net deferred tax assets as at 31st March 2009 of Rs.479,206 and Rs. 432,926 has been credited to the profit & Loss account.

7. RELATED PARTY DISCLOSURE:

As per the Accounting Standard 18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

A. Controlled by:

- Lancor Holdings Limited

B. Fellow Subsidiaries:

- Lancor Maintenance & Services Limited
- Lancor Realty Limited

C. Entities under the significant control/influence of Directors /Shareholders:

- R.V. Shekar
- Shyamala Shekar
- Central Park West Venture

Particulars of transactions with the Related Parties

Particulars	Controlled by	Under the Significant influence of Directors / Shareholders	Fellow Subsidiaries	Total
INCOME				
Project Management fee				
- Lancor Holdings Limited	7,051,589	9,214,850	Nil	16,266,439
- Central Park west Venture	(17,681,840)	(4,961,950)		(22,643,590)
Interest received				
-Lancor Holdings Limited	251,614 (Nil)	Nil (Nil)	Nil (Nil)	251,614 (Nil)
CLOSING BALANCE				
- Lancor Holdings Limited	1,131,204 (Nil)			1,131,204 (Nil)

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

8. SEGMENT INFORMATION:

The Company is engaged in the business of project management and there is no separately identifiable business or geographical segments.

9. Following investments were purchased and sold during the year.

Sl. No	Scheme Name	Total Quantity Purchased (Units)	Total Value (Rs)	Total Quantity Redeemed (Units)	Total Value of Redemption (Rs.)
1	HDFC Quarterly internal fund- Plan A	Nil	Nil	200,000	2,212,800
2	Lotus India Liquid Fund	69,683	800,000	69,683	801,658
3	Lotus India plus Fund-Regular Daily Dividend	Nil	Nil	310,774	3,112,471

10. The Companies significant lease arrangements in terms of Accounting Standard on "Leases" (AS 19) are in respect of Operating Leases for office premises. The Company has paid a rent deposit equivalent to ten months' rent. These leasing arrangements are cancelable in nature and are for an initial period of five years and renewable based on mutual understanding. The total amount debited to the Profit & Loss Account during the year in respect of these arrangements is Rs. 942,125 (Previous Year Rs. 698,520).
11. To the best of our knowledge and as per the information available with the Management, the Company has not received intimation from any 'enterprise' regarding its status under Micro, Small and Medium Enterprise Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.
12. Previous year's figures have been regrouped, reclassified and recast wherever necessary to confirm with those of the current year.

As per our Report of even date
For G. M. KAPADIA & CO.
 Chartered Accountants

K.Y. Narayana
 Partner
 Membership No. 60639

Place : Chennai
 Dated : August 20, 2009

For and on behalf of the Board of Directors

R.V.Shekar
 Director

Shyamala Shekar
 Director

Place : Chennai
 Dated : August 20, 2009

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI TO THE COMPANIES ACT, 1956**

I REGISTRATION DETAILS	
Registration Number	49688
State Code	18
Balance Sheet Date	31st March, 2009
II CAPITAL RAISED DURING THE YEAR	Rs. in thousands
a) Public Issue	Nil
b) Rights Issue	Nil
c) Bonus Issue	Nil
d) Private Placement	Nil
III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
a) Total Liabilities	19,250.03
b) Total Assets	19,250.03
SOURCES OF FUNDS	
a) Paid up Capital	500.00
b) Reserves and Surplus	18,750.03
c) Secured Loans	-
APPLICATION OF FUNDS	
a) Net Fixed Assets	8,396.48
b) Capital Work In Progress	-
c) Investments	-
d) Deferred Tax Assets	479.21
e) Net Current Assets	10,374.34
IV PERFORMANCE OF THE COMPANY	
a) Turnover	19,964.06
b) Total Expenditure	14,688.87
c) Profit / (Loss) before tax	5,275.19
d) Profit / (Loss) after tax	3,352.74
e) Earnings per share (in Rupees)	67.05
f) Dividend rate	Nil
V Generic names of three principal products/ services of the Company	
Item Code No	NA
(ITC Code)	
Product Description	Project Management Service

For and on behalf of the Board of Directors

R.V.Shekar
Director

Shyamala Shekar
Director

Place : Chennai
Dated : August 20, 2009

PROXY FORM

DP ID	Client ID
Registered Folio No.*	No. of Shares

I/We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

being a member(s) of LANCOR HOLDINGS LIMITED do hereby appoint _____ of _____ in the district of _____ (or failing him _____ of _____ in the district of _____ as my / our proxy and to vote for me / us on my / our behalf at the 24th Annual General Meeting of the Company scheduled to be held on Tuesday, the 29th day of September 2009 at 4.00 p.m. at Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017 and at any adjournment thereof.

Signed by the said _____ this ____ day of ____ 2009 Affix

* as applicable for investor holding shares in physical form

Note : The proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Re.1
Revenue
Stamp

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID	Client ID
Registered Folio No.*	No. of Shares

I/We

Name(s) in Full	Father/ Husband's Name	Address as registered with the Company

I hereby record my presence at the 24th Annual General Meeting of the Company at Quality Inn Sabari, (Convention Hall), 29, Thirumalai Pillai Road, T Nagar, Chennai 600 017 on Tuesday, the 29th day of September 2009 at 4.00 p.m. and at any adjournment thereof.

Member's / Proxy's Signature

* as applicable for investor holding shares in physical form

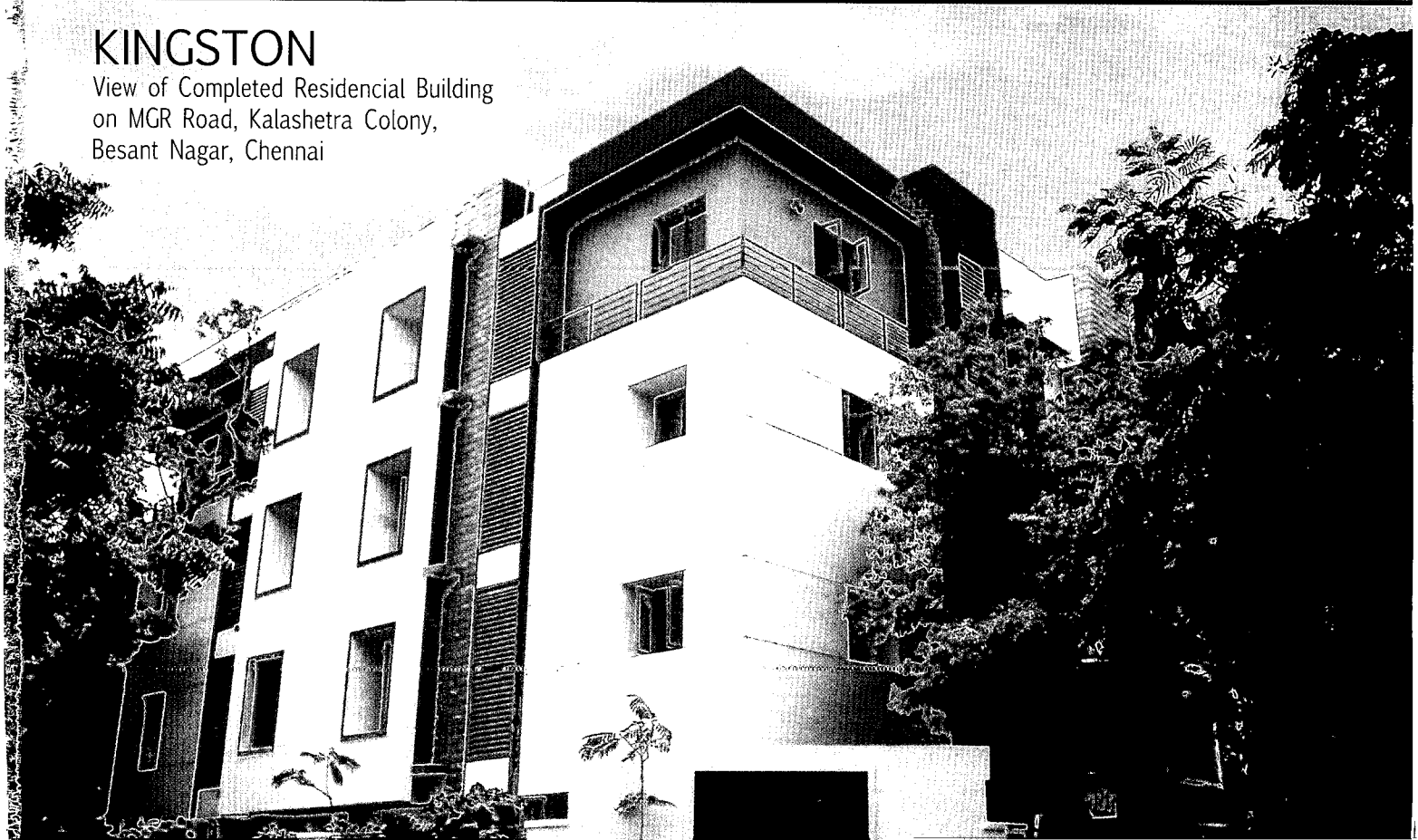
MAURYA ENCLAVE

View of Completed Residential Building
on 3rd Avenue, Ashok Nagar, Chennai



KINGSTON

View of Completed Residential Building
on MGR Road, Kalashetra Colony,
Besant Nagar, Chennai



Under Certificate of Posting

View of Completed Apartments
"The Central Park West" on OMR, Chennai

