

30<sup>th</sup> June 2020

To,  
**BSE Limited,**  
**Corporate Relationship Department,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 532370.  
**Scrip Code: 509048**

Dear Sirs,

**Sub: Outcome of Board Meeting held on 30<sup>th</sup> June 2020**

This is to inform that the Board of Directors at their meeting held today, i.e. Tuesday, 30 June 2020 have:

1. Approved Standalone and Consolidated audited Financial results for the quarter and year ended March 31, 2020.
2. The company in order to maintain the dividend track record for over 3 decades has recommended payment of nominal final dividend at 2.5% on the equity shares of the Company out of the free reserves for the year ended March 31, 2020, subject to the approval of shareholders at the ensuing 35<sup>th</sup> Annual General Meeting of the Company. Request shareholder's forbearance in this regard.
3. Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at its meeting held today, has approved the appointment of Ms. Swathi Shekar (ACS 62010) as Company Secretary and Compliance Officer.

Further in compliance with Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, please find the following disclosures pertaining to the appointment:

Brief Profile of Ms. Swathi Shekar

Name of the Company Secretary	Swathi Shekar
Membership Number	A62010
Father's Name	Shekar N Swamy
Date of Birth	04 Sep 1989
Qualification	B.Com (CS); ACS

**Lancor Holdings Limited**

VTN Square, 2<sup>nd</sup> Floor, No.58, (Old No.104) G.N.Chetty Road, T.Nagar, Chennai – 600 017.

Ph: +91 44 28345880-83 | www.lancor.in

CIN:-L65921TN1985PLC049092 | GSTIN:- 33AAACD2547C1ZA

Experience/Expertise in specific functional areas	Ms. Swathi Shekar holds a Professional Degree of Company Secretary. She is an associate member of Institute of Company Secretary of India and having insights in areas of Corporate Laws and Corporate Governance.
Date of Appointment (with effect from)	01 July 2020

In this connection, please find enclosed herewith:

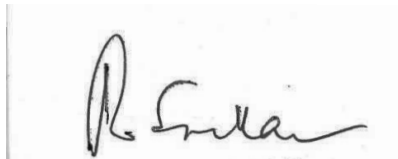
1. Audited Consolidated Financial Results for the quarter and year ended March 31, 2020 along with Auditor's Report
2. Audited Standalone Financial Results for the quarter and year ended March 31, 2020 along with Auditor's Report

**The Board Meeting Commenced at 11.00 am and concluded at 7.45 pm**

Thanking you

Yours sincerely,

**For Lancor Holdings Limited**



**R V SHEKAR**  
**DIRECTOR**  
**DIN: 00259129**

**Lancor Holdings Limited**

VTN Square, 2<sup>nd</sup> Floor, No.58, (Old No.104) G.N.Chetty Road, T.Nagar, Chennai – 600 017.

Ph: +91 44 28345880-83 | [www.lancor.in](http://www.lancor.in)

CIN:-L65921TN1985PLC049092 | GSTIN:- 33AAACD2547C1ZA

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## Independent Auditor's Report on Annual Consolidated Financial Results of Lancor Holdings Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
Lancor Holdings Limited  
Chennai

### Opinion

1. We have audited the accompanying statement of Consolidated financial results of **Lancor Holdings Limited** (Herein after referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2020 ("statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ,as amended ("the Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on standalone financial statements and other financial information of subsidiaries, the aforesaid statement:

(i) Includes the Annual Standalone financial results of the following entities:

S. No.	Name of the Entities
	<b>Subsidiaries</b>
1	Lancor Maintenance & Services Limited
2	Lancor Egatoor Developments Limited*
3	Lancor South Chennai Developments Limited*
4	Central Park West Venture (Partnership firm)

\*The accounts of the subsidiaries were consolidated with the Holding Company till the date of statement of accounts filed with the Registrar of Companies.

(ii) are presented in accordance with requirements of Regulation 33 of the Listing Regulations, 2015, as amended in this regard; and

(iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other



accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the quarter and the year ended March 31, 2020.

### **Basis for opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in "other matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

4. We draw your attention to
  - a) Note no. 5 regarding pending litigation relating to one of the commercial properties accounted as investment property having carrying value of Rs. 3238.23 lakhs.
  - b) Note no. 6 relating to circumstances which have been considered for determining the period for capitalization of borrowing cost as part of construction work in progress.

Our opinion is not modified in respect of these matters.

### **Board of Director's Responsibilities for the Consolidated Financial Results**

5. The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and



measurement principles laid down in Indian Accounting Standard (“Ind AS”) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of directors of the companies and Governing body of the partnership firm included in group are responsible for maintaining of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the directors of the holding company, as aforesaid

In preparing the consolidated financial results, the respective Board of Directors of the companies and the Governing body of the partnership firm included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and the governing body of the partnership firm included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor’s Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial control with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv) Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial results and other financial information of the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities



included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results may be influenced. We consider the quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other matters**

- i) The consolidated financial results include the audited standalone financial results of two subsidiaries whose standalone financial statements reflect Group's share of total assets of Rs. 1,601.24 lakhs as at March 31, 2020, Group's share of total revenue of Rs. 164.32 lakhs and Group's share of total net profit/ loss after tax of Rs. 5.60 lakhs, Group's share of total cash outflow of Rs. 6.96 lacs for the year ended on March 31, 2020 as considered in the consolidated financial results; and whose standalone financial results have not been audited by us. These financial results and other financial information have been audited by their respective independent auditors whose reports have been furnished to us by the Management of the Company and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries is based solely on the reports of such other auditors and the procedures performed by us are as stated in paragraph above.



Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the standalone Financial Statements and financial information certified by the Board of Directors of the holding company.

- ii) The statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to third quarter of the current financial year which were subject to limited review by us.

Chennai  
Dated: June 30, 2020



**For Nayan Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 107023W

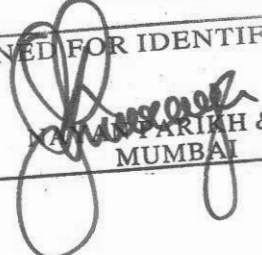
A handwritten signature in black ink, appearing to read "K.Y. Narayana".

**K.Y. Narayana**  
Partner  
Membership No. 060639  
UDIN: 20060639AAAAEA6576





LANCOR HOLDINGS LIMITED						
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020						
(RS. IN LAKHS EXCEPT EPS)						
S. No	Particulars	Quarter Ended			Year ended	
		31.03.2020 Audited	31.12.2019 UnAudited	31.03.2019 Audited	31.03.2020 Audited	31.03.2019 Audited
1	Income from operations					
	a) Income from operations	1,559.31	2,012.06	2,336.06	5,826.30	9,208.89
	b) Other income	8.61	90.81	102.37	307.65	143.42
	<b>Total income from operations (Net)</b>	<b>1,567.92</b>	<b>2,102.87</b>	<b>2,438.43</b>	<b>6,133.95</b>	<b>9,352.31</b>
2	Expenses					
	a) Land and land related expenses	0.00	10.00	-	4,103.07	72.08
	b) Cost of materials & construction expenses	978.83	651.75	1,582.68	3,187.69	4,531.63
	c) Changes in inventory of finished goods, work-in-progress	(530.91)	360.86	(458.93)	(5,244.74)	(37.92)
	d) Employee benefits expense	166.39	178.99	168.05	697.45	619.69
	e) Depreciation and amortization expense	40.53	40.44	46.65	161.65	189.50
	f) Finance cost	724.81	689.07	681.03	2,720.58	2,240.49
	G) Other expenses	292.79	324.89	382.75	1,174.51	1,224.16
	<b>Total Expenses</b>	<b>1,672.44</b>	<b>2,256.00</b>	<b>2,402.23</b>	<b>6,800.22</b>	<b>8,839.64</b>
3	<b>Profit / (loss) before exceptional items and tax (1-2)</b>	<b>(104.51)</b>	<b>(153.13)</b>	<b>36.20</b>	<b>(666.27)</b>	<b>512.67</b>
4	Exceptional items (net)	-	-	-	-	-
5	<b>Profit / (loss) before tax (3-4)</b>	<b>(104.51)</b>	<b>(153.13)</b>	<b>36.20</b>	<b>(666.27)</b>	<b>512.67</b>
6	Tax expense					
	(a) Current tax	-	(1.70)	24.64	-	119.90
	(b) Current tax (earlier year's)	-	0.20	(7.43)	8.60	(7.43)
	(c) Deferred tax	7.85	(30.21)	17.14	(98.52)	115.17
7	<b>Profit / (loss) for the period (5-6)</b>	<b>(112.36)</b>	<b>(121.42)</b>	<b>1.85</b>	<b>(576.36)</b>	<b>285.03</b>
8	Non Controlling Interest	(0.04)	(0.01)	(0.22)	(0.02)	(0.41)
9	<b>Profit / (loss) after Tax and non controlling Interest</b>	<b>(112.33)</b>	<b>(121.41)</b>	<b>2.07</b>	<b>(576.34)</b>	<b>285.45</b>
10	Other Comprehensive Income / (loss) (net of tax)					
	Items that will not be reclassified to profit or loss	(4.71)	0.11	(4.20)	(4.37)	0.45
	(a) Attributable to Owners of the parent	(4.71)	0.11	(4.19)	(4.37)	0.45
	(b) Attributable to Non-Controlling Interest	-	-	(0.01)	-	(0.00)
11	Total comprehensive income / (loss) after tax (7+10)	(117.07)	(121.30)	(2.35)	(580.72)	285.48
	(a) Attributable to Owners of the parent (9+10(a))	(117.03)	(121.30)	(2.11)	(580.71)	285.90
	(b) Attributable to Non-Controlling Interest (8+10(b))	(0.04)	(0.01)	(0.23)	(0.02)	(0.41)
12	Paid up equity share capital (face value Rs.2 per share)	810.00	810.00	810.00	810.00	810.00
13	Other Equity				15,138.08	15,816.60
14	Earnings / (loss) Per Share (EPS) (Face Value of Rs.2/- each) (not annualized for quarters) :					
	a) Basic (in Rs.)	(0.29)	(0.30)	(0.01)	(1.43)	0.71
	b) Diluted (in Rs.)	(0.29)	(0.30)	(0.01)	(1.43)	0.71

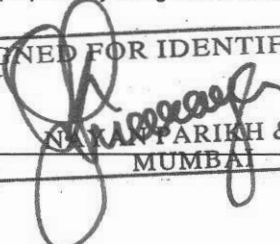
SIGNED FOR IDENTIFICATION  
BY  
  
K. V. SHEKHAR & CO  
MUMBAI


For LANCOR HOLDINGS LIMITED  
  
K. V. SHEKHAR  
DIRECTOR

(Rupees in Lakhs)

Particulars	Year ended	
	Mar 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Net Profit Before Tax</b>	(666.27)	512.67
<b>Adjustments for Non Cash Items</b>		
Interest income on fair valuation of loan to related parties & employees	(0.27)	(0.49)
Provision for (gain)/loss in fair valuation of investment	(17.08)	5.30
Employee benefit expense on account of fair valuation	0.14	-
Depreciation and amortisation	161.65	189.50
(Gain)/loss on sale of property, plant and equipment/ Investment property	-	(635.55)
Dividend Income	(0.45)	(1.44)
Interest income	(30.04)	(13.76)
Finance costs	241.80	308.18
Provision for gratuity/ bonus	14.63	11.12
Trade payables written back/ PPE written off/ Advances written off/ Bad debts written off	(48.65)	(64.64)
Expected credit loss on trade receivables	5.14	-
<b>Operating profit before working capital changes</b>	<b>(339.39)</b>	<b>310.88</b>
<b>Changes in assets and liabilities</b>		
(Increase)/ decrease in inventories	(2,765.96)	1,681.90
(Increase)/ decrease in trade and other receivables	0.79	211.60
(Increase)/ decrease in other financial assets	2,591.78	(835.50)
(Increase)/ decrease in other assets	(71.18)	(236.89)
Increase/(Decrease) in provisions and employee benefits	(1.25)	(3.71)
Increase/(Decrease) in other financial liabilities	76.36	(73.36)
Increase/(Decrease) in other current Liabilities	(361.11)	25.60
Increase/(Decrease) in Trade Payables	(89.88)	342.78
<b>Cash generated from operations</b>	<b>(959.84)</b>	<b>1,423.32</b>
Less: Income Taxes Paid (net of refunds)	(80.59)	(98.10)
<b>Net cash flows from operating activities (A)</b>	<b>(1,040.43)</b>	<b>1,325.22</b>
<b>Cash flow from investing activities</b>		
Payment for acquisition of PPE /capital work in progress/ intangible assets	(195.17)	(27.66)
Purchase of financial instruments	(0.45)	(1.44)
Proceeds from sale of financial instruments	-	55.00
Proceeds from sale of property, plant and equipment/ Investments property	-	851.07
Interest received	30.04	13.76
Dividend Received	0.45	1.44
<b>Net cash flows from investing activities (B)</b>	<b>(165.14)</b>	<b>892.18</b>
<b>Cash flow from financing activities</b>		
Proceeds from non current borrowings	6,070.54	10,360.12
Repayment of non current borrowings	(1,915.44)	(2,693.44)
Increase/(Decrease) in current borrowings	(940.54)	(7,048.76)
Payment towards lease liability	(7.96)	-
Finance charges paid	(2,435.16)	(2,134.25)
Dividends paid on equity shares	(80.43)	(80.45)
Tax on equity dividend paid	(16.81)	(16.49)
<b>Net cash flows from financing activities (C)</b>	<b>674.19</b>	<b>(1,613.26)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(531.38)</b>	<b>604.14</b>
Cash and cash equivalents at the beginning of the year	1,065.46	461.32
<b>Cash and cash equivalents at the end of the year</b>	<b>534.08</b>	<b>1,065.46</b>
<b>Components of Cash and Cash Equivalent</b>		
Balances with banks under various accounts	534.04	1,065.37
Cash on hand	0.03	0.08
<b>Cash and cash equivalents reported in balance sheet</b>	<b>534.08</b>	<b>1,065.45</b>
<b>Cash and cash equivalents reported in cash flow statement</b>	<b>534.08</b>	<b>1,065.46</b>

Note: Above statement has been prepared by using Indirect method as per Ind AS 7 on Statement of Cash flows

SIGNED FOR IDENTIFICATION  
BY   
R.V. SHEKAR & CO.  
MUMBAI

For LANCOR HOLDINGS LIMITED  
  
R.V. SHEKAR  
DIRECTOR

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 30, 2020.
- 2 These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 As the Group's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments", the financial statements are reflective of information required by Ind AS 108.
- 4 Effective April 1, 2019, the company adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at April 1, 2019. The adoption of this standard did not have any significant impact on the financial results.
- 5 In respect of the ongoing legal matter relating to the commercial Property "Menon Eternity", the Company has approached the Hon'ble Supreme Court by filing a special leave petition and the matter is pending.
- 6 The slowdown in property development activity on some part of plot of land at Sriperumbudur & Guduvanchery and also drop in demand is considered as part of operating cycle in the real estate sector. Accordingly the borrowing cost incurred during such period on entire project is capitalized. The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development and market value of property, net realizable value in case of projects undertaken for development would be higher than its book value. The auditors have relied upon management's opinion.
- 7 Lancoor Egatoor Developments Limited (LEDL) and Lancoor South Chennai Developments Limited (LSCDL), wholly owned subsidiaries of Lancoor Holdings Limited have filed an application for strike off of the name of the Companies, from the records of the registrar of the Companies, Chennai on November 9, 2019 and November 20, 2019 respectively. Further, the statement of accounts of the companies were drawn as on October 31, 2019. The accounts of these subsidiaries were consolidated with the holding company till the date of statement of accounts filed with the registrar of companies. The process of striking off is underway and presently in the portal of the ministry of corporate affairs, the status is reflected as " Under the process of striking off " for both the companies.
- 8 On September 20, 2019, the Government of India has issued Taxation Laws (Amendment) Ordinance 2019, which provides domestic companies an option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. Considering that the Company has tax losses, unabsorbed depreciation and unutilised balance of MAT credit, the Company has decided not to opt for concessional corporate tax rate.
- 9 The Company is monitoring the impact of COVID-19 pandemic on its liquidity, sales and its ability to construct and deliver the projects in the face of shortage of materials and work force. The Company has used prudence and conservative accounting principles in arriving at judgements and estimates of the current and future conditions. On the foregoing principles the Company expects that the carrying amount of property, plant and equipments, investment properties, investments, inventories, receivables, other current assets and deferred tax assets are recoverable and the operations of the Company will not be impaired as the Company would be able to meet its obligations. However definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.
- 10 Figures of the previous periods have been regrouped wherever necessary. The figures for the quarter ended 31st March are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter.

for and on behalf of the Board of Directors

SIGNED FOR IDENTIFICATION  
BY  
*[Signature]*  
NAYAN KIKH & CO  
MUMBAI

For LANCOR HOLDINGS LIMITED  
*[Signature]*  
R V SHEKAR  
DIRECTOR

R V Shekar  
Chairman  
DIN: 00259129

Place:- Chennai

Date:- June 30, 2020

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## **Independent Auditor's Report on Annual Standalone Financial Results of Lancor Holdings Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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To  
The Board of Directors  
Lancor Holdings Limited  
Chennai

### **Opinion**

1. We have audited the accompanying statement of financial results of **Lancor Holdings Limited** ("the Company") for the year ended March 31, 2020 ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

### **Basis for opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics



issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

4. We draw your attention to
  - a) Note no.5 regarding pending litigation relating to one of the commercial properties accounted as investment property having carrying value of Rs. 3238.23 lakhs.
  - b) Note no. 6 relating to circumstances which have been considered for determining the period for capitalization of borrowing cost as part of construction work in progress.

Our opinion is not modified in respect of these matters.

**Management's Responsibilities for the Standalone Financial Results**

The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv) Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- v) Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider the quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other matters**

The statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to third quarter of the current financial year which were subject to limited review by us.

Chennai  
Dated: June 30, 2020



**For Nayan Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 107023W

  
K.Y. Narayana  
Partner  
Membership No. 060639  
UDIN: 20060639AAAADZ4375



LANCOR HOLDINGS LIMITED		
AUDITED STANDALONE STATEMENT OF ASSETS & LIABILITIES AS AT MARCH 31, 2020		
Particulars	(RS. IN LAKHS)	
	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
<b>ASSETS</b>		
<b>1 Non-Current Assets</b>		
a. Property, Plant and Equipment	572.56	596.36
b. Right of Use Asset	8.01	-
c. Capital Work In Progress	326.91	198.07
d. Investment Property	3,347.93	3,441.91
e. Other Intangible Assets	0.31	0.20
f. Financial Assets		
i) Investments	286.82	261.64
ii) Other financial assets	108.62	41.00
g. Deferred Tax Assets (Net)	1,028.73	923.88
h. Non Current Tax Assets	27.23	-
i. Other Non-Current Assets	641.38	509.69
<b>Total Non-Current Assets</b>	<b>6,348.49</b>	<b>5,972.74</b>
<b>2 Current Assets</b>		
a. Inventories	28,032.72	22,935.05
b. Financial Assets		
i) Trade Receivables	334.67	312.74
ii) Cash and Cash Equivalents	519.41	1,041.85
iii) Bank balance other than above	2.57	192.06
iv) Other financial assets	367.42	2,763.56
c. Current Tax Assets (Net)	33.16	41.57
d. Other Current Assets	868.17	969.86
<b>Total Current Assets</b>	<b>30,158.12</b>	<b>28,256.68</b>
<b>Total Assets</b>	<b>36,506.61</b>	<b>34,229.42</b>
<b>1 EQUITY AND LIABILITIES</b>		
Equity		
a. Equity Share Capital	810.00	810.00
b. Other Equity	14,506.92	15,167.73
<b>Total Equity</b>	<b>15,316.92</b>	<b>15,977.73</b>
<b>2 Non-Current Liabilities</b>		
a. Financial Liabilities		
i) Borrowings	10,312.04	11,097.17
ii) Trade Payable		
Total outstanding dues of Micro enterprises and Small enterprises	-	-
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	195.52	172.78
b. Provisions	84.34	64.28
	<b>10,591.90</b>	<b>11,334.23</b>
<b>3 Current Liabilities</b>		
a. Financial Liabilities		
i) Borrowings	4,205.11	5,145.66
ii) Trade Payable		
Total outstanding dues of Micro enterprises and Small enterprises	2.11	1.04
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	547.50	709.70
iii) Other Financial Liabilities	5,621.78	325.39
b. Other Current Liabilities	216.50	685.91
c. Provisions	4.79	1.60
d. Current Tax Liabilities (Net)	-	48.17
<b>Total Current Liabilities</b>	<b>10,597.78</b>	<b>6,917.46</b>
<b>Total Equity and Liabilities</b>	<b>36,506.61</b>	<b>34,229.42</b>

Note :- Figures of the previous year have been regrouped wherever necessary.

for and on behalf of the Board of Directors

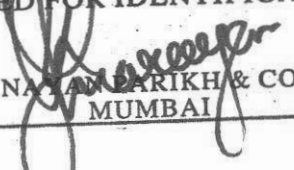
For LANCOR HOLDINGS LIMITED

  
R. V. SHEKAR  
DIRECTOR

R V Shekar  
Chairman  
DIN: 00259129

Place: Chennai

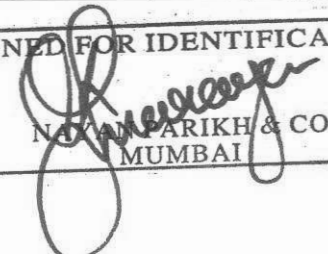
Date: June 30, 2020

SIGNED FOR IDENTIFICATION  
BY  
  
N. S. ARAVIND & CO  
MUMBAI

LANCOR HOLDINGS LIMITED

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(RS. IN LAKHS EXCEPT EPS)						
S. No	Particulars	Quarter Ended			Year ended	
		31.03.2020 Audited	31.12.2019 Unaudited	31.03.2019 Audited	31.03.2020 Audited	31.03.2019 Audited
1	Income from operations					
	a) Income from operations	1,549.15	2,000.92	2,626.16	5,837.97	9,245.78
	b) Other income	7.82	101.55	88.00	323.27	134.34
	<b>Total income from operations (Net)</b>	<b>1,556.97</b>	<b>2,102.47</b>	<b>2,714.17</b>	<b>6,161.24</b>	<b>9,380.11</b>
2	Expenses					
	a) Land and land related expenses	-	10.00	-	4,103.07	72.08
	b) Cost of materials & construction expenses	989.49	644.22	1,582.67	3,187.69	4,531.63
	c) Changes in inventory of finished goods, work-in - progress	(515.16)	382.35	(107.97)	(5,097.67)	313.05
	d) Employee benefits expense	166.42	178.96	157.44	697.45	575.68
	e) Finance Cost	724.81	689.07	681.02	2,720.57	2,240.49
	f) Depreciation and amortization expense	32.57	32.12	35.98	128.82	149.77
	g) Other expenses	264.02	308.95	293.00	1,074.50	939.61
	<b>Total Expenses</b>	<b>1,662.15</b>	<b>2,245.68</b>	<b>2,642.13</b>	<b>6,814.43</b>	<b>8,822.32</b>
3	<b>Profit / (loss) before exceptional items and tax (1-2)</b>	<b>(105.18)</b>	<b>(143.21)</b>	<b>72.05</b>	<b>(653.19)</b>	<b>557.79</b>
4	Exceptional Items (net)	-	-	-	-	-
5	<b>Profit / (loss) before tax (3-4)</b>	<b>(105.18)</b>	<b>(143.21)</b>	<b>72.05</b>	<b>(653.19)</b>	<b>557.79</b>
6	Tax expense					
	(a) Current tax	-	-	17.21	-	119.90
	(b) Current tax (earlier year's)	-	0.20	-	8.60	-
	(c) Deferred tax	7.29	(33.48)	14.52	(103.17)	87.11
7	<b>Profit / (loss) for the period (5-6)</b>	<b>(112.46)</b>	<b>(109.92)</b>	<b>40.32</b>	<b>(558.63)</b>	<b>350.79</b>
8	Other Comprehensive Income / (loss) (net of tax) Items that will not be reclassified to profit or loss	(4.71)	0.11	(3.36)	(4.37)	0.50
9	<b>Total comprehensive income / (loss) after tax (7+8)</b>	<b>(117.17)</b>	<b>(109.81)</b>	<b>36.96</b>	<b>(562.99)</b>	<b>351.29</b>
10	Paid up equity share capital (face value Rs.2 per share)	810.00	810.00	810.00	810.00	810.00
11	Other Equity	-	-	-	14,506.92	15,167.73
12	Earnings / (loss) Per Share (EPS) (Face Value of Rs.2/- each) (not annualized for quarters) :					
	a) Basic (in Rs.)	(0.29)	(0.27)	0.09	(1.39)	0.87
	b) Diluted (in Rs.)	(0.29)	(0.27)	0.09	(1.39)	0.87

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BY   
N. V. SHEKHAR & CO  
MUMBAI

For LANCOR HOLDINGS LIMITED  
  
N. V. SHEKHAR  
DIRECTOR

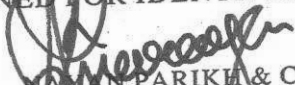
Statement of Cash Flows for the year ended March 31, 2020

(Rupees in Lakhs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Cash flow from operating activities</b>		
Net profit before tax	(653.19)	557.79
<b>Adjustment for Non Cash Items</b>		
Interest income on fair valuation of loan to related parties & employees	(12.24)	(9.45)
Provision for (Gain)/loss on fair valuation of investment	(11.66)	7.66
Employee benefit expense on account of fair valuation	0.14	-
Provision for expected credit loss	5.14	-
Depreciation and amortisation	128.82	149.77
(Gain)/loss on sale of property, plant and equipment/ investment property	-	-635.55
Interest income	(30.04)	(13.76)
Finance cost	241.79	308.18
Provision for gratuity/ bonus	14.63	10.29
PPE written off/Advances written off/Trade payables written back	(48.18)	-59.27
Share of (profit)/loss from investment in partnership firm	(8.37)	6.90
<b>Operating profit before working capital changes</b>	<b>(373.15)</b>	<b>322.58</b>
<b>Changes in assets and liabilities</b>		
(Increase)/ decrease in inventories	(2,618.89)	2,032.86
(Increase)/ decrease in trade and other receivables	(27.07)	192.36
(Increase)/ decrease in other financial assets	2,523.37	(854.05)
(Increase)/ decrease in other assets	(30.01)	(237.25)
Increase/(decrease) in provisions and employee benefits	2.57	(0.87)
Increase/(decrease) in other financial liabilities	58.27	(86.67)
Increase/(decrease) in other current Liabilities	(469.42)	(225.41)
Increase/(decrease) in trade payables	(78.64)	322.03
<b>Cash generated from operations</b>	<b>(1,012.96)</b>	<b>1,465.59</b>
Less: Income Taxes Paid (net of refunds)	(75.59)	(86.78)
<b>Net cash flows from operating activities</b>	<b>(1,088.56)</b>	<b>1,378.81</b>
<b>Cash flow from investing activities</b>		
Payment for acquisition of PPE /capital work in progress/ intangible assets	(133.13)	(27.23)
Proceeds from sale of property, plant and equipment/ Investment properties	-	851.07
Investments made	(5.00)	-
Finance income	30.04	13.76
<b>Net cash flows from investing activities</b>	<b>(108.09)</b>	<b>837.61</b>
<b>Cash flow from financing activities</b>		
Proceeds from non current borrowings	6,070.54	10,360.12
Repayment of non current borrowings	(1,915.44)	(2,693.44)
Increase/(Decrease) in current borrowings	(940.54)	(7,048.76)
Payment towards lease liability	(7.96)	-
Finance charges paid	(2,435.15)	(2,134.24)
Dividends paid on equity shares	(80.43)	(80.45)
Tax on equity dividend paid	(16.81)	(16.49)
<b>Net cash flows from financing activities</b>	<b>674.20</b>	<b>(1,613.26)</b>
Cash and cash equivalents at the beginning of the year	1,041.85	438.69
Effect of exchanges rate changes on cash and cash equivalents		
<b>Cash and cash equivalents at the end of the year</b>	<b>519.41</b>	<b>1,041.85</b>
<b>Components of Cash and Cash Equivalent</b>		
Balances with banks under various accounts	519.37	1,041.77
Cash on hand	0.03	0.08
<b>Cash and cash equivalents reported in balance sheet</b>	<b>519.41</b>	<b>1,041.85</b>
<b>Cash and cash equivalents reported in cash flow statement</b>	<b>519.41</b>	<b>1,041.85</b>

Note: Above statement has been prepared by using Indirect method as per Ind AS 7 on Statement of Cash flows

for LANCOR HOLDINGS LIMITED  
  
 R. V. SHEKHAR  
 DIRECTOR

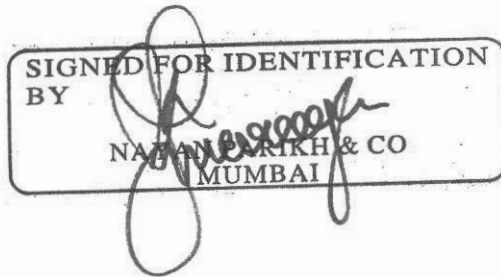
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 BY  
  
 NAVAN FARIHA & CO  
 MUMBAI

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 30, 2020.
- 2 These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 As the Company's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments", the financial statement are reflective of information required by Ind AS 108.
- 4 Effective April 1,2019, the company adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at April 1, 2019.The adoption of this standard did not have any significant impact on the financial results.
- 5 In respect of the ongoing legal matter relating to the commercial Property "Menon Eternity, the Company has approached the Hon'ble Supreme Court by filing a special leave petition and the matter is pending.
- 6 The slowdown in property development activity on some part of plot of land at Sriperumbudur and Guduvanchery and also drop in demand is considered as part of operating cycle in the real estate sector. Accordingly the borrowing cost incurred during such period on entire project is capitalized. The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development and market value of property, net realizable value in case of projects undertaken for development would be higher than its book value. The auditors have relied upon management's opinion.
- 7 On September 20, 2019, the Government of India has issued Taxations Laws (Amendment) Ordinance 2019, which provides domestic companies on option to pay corporate tax at reduced rates effective April 1,2019 subject to certian conditions. Considering that the Company has tax losses, unabsorbed depreciation and unutilised balance of MAT credit, the Company has decided not to opt for concessional corporate tax rate.
- 8 The Company is monitoring the impact of COVID-19 pandemic on its liquidity, sales and its ability to construct and deliver the projects in the face of shortage of materials and work force. The Company has used prudence and conservative accounting principles in arriving at judgements and estimates of the current and future conditions. On the foregoing principles the Company expects that the carrying amount of property, plant and equipments, investment properties, investments, inventories, receivables, other current assets and deferred tax assets are recoverable and the operations of the Company will not be impaired as the Company would be able to meet its obligations. However definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.
- 9 Figuers of the previous periods have been regrouped wherever necessary. The figures for the quarter ended 31st March are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter.
- 10 The board has recommended a Dividant of Rs. 0.05 per share for the FY2019-20.

Place:- Chennai

Date: June 30, 2020



for and on behalf of the Board of Directors

For LANCOR HOLDINGS LIMITED  
  
 R. V. SHEKAR  
 DIRECTOR

R V Shekar  
 Director  
 DIN:00259129