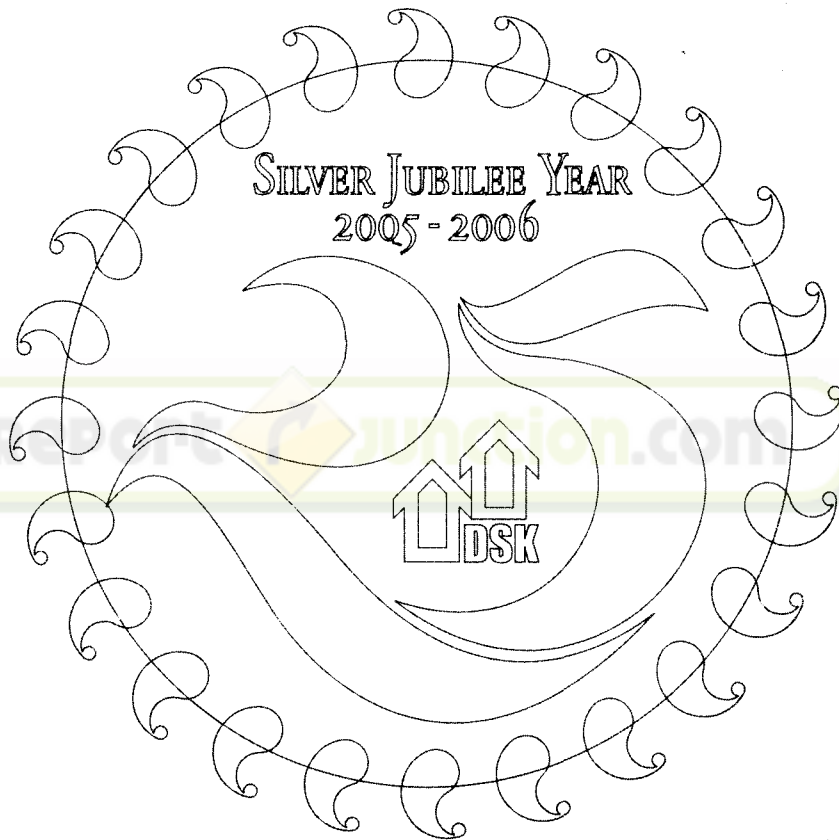




D.S.KULKARNI DEVELOPERS LTD.

An ISO 9001-2000 company



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14th ANNUAL REPORT : 2004-2005



Yes...building relationships is our prime endeavour than mere associations. The foundations of our enormous projects are kept on 'trust' of our more than 13,000 customers. Today DSK is the name for 'Trusted Relationships' that it has built for 25 years now. Innovating different ways of deriving not only customer satisfaction but their happiness also. The never dying spirit to deliver, continues...

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has turned 25 !



DRIVING THE TRUSTED RELATIONSHIP



| | | |
|--------------------|---|--|
| BOARD OF DIRECTORS | : | D. S. KULKARNI (CHAIRMAN & MANAGING DIRECTOR) |
| | : | S. M. DESHPANDE (JOINT MANAGING DIRECTOR) |
| | : | VINAY P. PHADNIS (EXECUTIVE DIRECTOR) |
| | : | V. C. JOSHI |
| | : | DR. P. S. PALANDE |
| | : | M. K. P. SETTY |
| | : | DR. (MRS.) ASHA C. BHATIA |
| | : | VIJAY DIXIT |
| | : | T. K. K. BHAGAVAT |
| CREDIT RESOURCE | : | SYNDICATE BANK INDIAN OVERSEAS BANK BANK OF MAHARASHTRA ANDHRA BANK |
| AUDITORS | : | GOKHALE, TANKSALE & GHATPANDE, CHARTERED ACCOUNTANTS, PUNE |
| COMPANY SECRETARY | : | ASHISH M. BORADKAR |
| REGISTERED OFFICE | : | 'DSK HOUSE', 1187/60, J. M. ROAD, SHIVAJINAGAR, PUNE - 411 005. |
| ARRANGEMENTS AT | : | DUBAI, BAHARIN, U.K., U.S.A., KUWAIT |

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Monday, 5th September, 2005 at 9.30 a.m. at the Firodiya Auditorium of Institution of Engineers, Jangli Maharaj Road, Shivaji Nagar, Pune 411 005 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and the Profit & Loss Account for the year ended on that date and the report of the Directors and of the Auditors thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Mr. M. K. P. Setty, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Dr. (Mrs.) Asha C. Bhatia, who retires by rotation and being eligible, offers herself for reappointment.
- 5) To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

6. INCREASE IN AUTHORISED CAPITAL

To consider and if thought fit, to pass with or without modifications, following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 16 & 94 of the Companies Act, 1956, and other applicable provisions, if any, the Authorised capital of the Company be and is hereby increased from Rs. 11,00,00,000 (Eleven Crore only) divided into 1,10,00,000 (One Crore Ten Lakh) equity shares of Rs. 10/- each to Rs. 50,00,00,000 (Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each, subject to the condition that unless otherwise determined at the time of issue, the new equity shares shall rank pari passu in all respects with the existing Equity shares of the Company

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following clause V be substituted:

The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rs. Fifty Crore Only) divided into 5,00,00,000 (Five Crore) equity shares of Rs.10/- (Rs.Ten only) each with power to increase and / reduce the capital for the time being of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Company."

7. ALTERATION OF ARTICLES OF ASSOCIATION FOR INCREASE IN AUTHORISED CAPITAL

To consider and if thought fit, to pass with or without modifications, following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 16 & 31 of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article 3 be substituted:

The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rs. Fifty Crore Only) divided into 5,00,00,000 (Five Crore) equity shares of Rs.10/- (Rs.Ten only) each with power to increase and / reduce the capital for the time being of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Company."



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8. ALTERATION OF ARTICLES OF ASSOCIATION FOR RENUNCIATION OF RIGHTS SHARES

To consider and if thought fit, to pass with or without modifications, following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 of the Companies Act, 1956, the following Article No. 43A be and is hereby inserted after Article No. 43:

43A: The new shares (resulting from an increase of capital aforesaid) may subject to the provisions of the Act and these article be issued or disposed by the Company in general meeting or by the Directors under their powers and.

- (a) (I) such new shares shall be offered to the persons who, at the date of the offer or record date, are the holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
- (II) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- (III) the offer aforesaid shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (II) above shall contain a statement of this right;
- (IV) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner as they think most beneficial to the Company;
- (b) Nothing in sub-clause (III) of sub-article (a) above shall be deemed:-
 - (I) to extend the time within which the offer should be accepted; or
 - (II) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation

9. RIGHT ISSUE TO EQUITY SHAREHOLDERS

To consider and if thought fit, to pass with or without modifications, following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the clearance by the Securities and Exchange Board of India (SEBI) and approvals of Financial Institutions which have granted and/or sanctioned financial facilities to the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in the grant of such approvals and which may be agreed to by the Board of Directors of the Company at its discretion, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called 'the Board') of the Company to issue for cash upto 1,10,00,000 Equity shares of the face value of Rs. 10/- each of the total face value of Rs. 11,00,00,000/- at a premium mentioned hereafter (hereinafter called the 'new equity shares') for subscription, inter alia, upon and subject to the following terms and conditions:

- a) Upto 1,10,00,000 new Equity Shares of face value of Rs. 10/- each at a premium not exceeding Rs. 100/- per share or such other amount as may be approved by the concerned authority and as may be considered appropriate by the Board of Directors, by way of rights to the existing equity shareholders whose names would stand on the Register of Members on a date to be determined by the Board of Directors (hereinafter referred as the 'record date'), in the ratio and on the terms as mentioned hereafter.



- b) The rights offer to the shareholders will be kept open for such duration as may be prescribed by the Board as per the Guidelines issued by SEBI.
- c) In case of any under-subscription in the rights issue, the un-subscribed portion, if any, would be aggregated and allotted in an equitable manner to those who have applied for additional shares.
- d) The rights issue to the equity shareholders of the Company will be made in the ratio of one share of the face value of Rs. 10/- (at the premium aforesaid) for every one equity share of Rs. 10/- each held in the Company by such holders whose names stand on the Register of Members on the record date, with fractions ignored.
- e) The rights issue as above will carry rights on the part of every member to renounce in favour of any person resident in India.
- f) The Board of Directors shall arrange to despatch the letter of offer alongwith the composite application form, to members by post at least 30 days in advance of the opening of the subscription list.
- g) The members shall have a right to apply for additional shares on the same terms applicable to the rights shares as regards the amount payable and the allotment of additional shares shall be made on the basis approved by the Stock Exchange where applicable or in an equitable manner by the Board.
- h) The Board of Directors is authorised to dispose of the rights shares, which remain un-subscribed even after allotment against applications for additional shares, in such manner as the Board deems fit.
- i) The offer of rights shares to non-residents and non resident Indians will be subject to the approval of the Reserve Bank of India under FEMA, 1999.
- j) The new Equity Shares allotted shall rank pari passu in all respects including dividend, with the existing equity shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to determine the record date, prescribe the forms of letter of offer, application forms etc., to determine the amounts payable on application & on allotment and by way of further calls, if any, in respect of new equity shares to be issued and to take such actions or to give such directions as may be necessary or desirable or to accept any modification in the scheme of rights and the terms of the issue as may be required and to settle any question or difficulty that may arise in regard to the issue and allotment of new equity shares".

10. INCREASE IN BORROWING LIMIT

To consider and if thought fit, to pass with or without modifications, following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in supersession of the resolution passed at the 3rd Annual General Meeting of the Company held on 19th September, 1994, under the provisions of Section 293(1)(d) of the Companies Act, 1956 the Board of Directors is hereby authorised to borrow from time to time all such sums of money as they may deem requisite for the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total of such borrowings outstanding at any time shall not exceed a sum of Rs. 1000 Crores."

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.



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- (2) THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. FOR ATTENDING THE MEETING MEMBERS / PROXIES SHOULD BRING THEIR ATTENDANCE SLIPS DULY FILLED IN.
- (3) Members are requested to notify to the Company immediately any change in their address, quoting folio number and give complete address in capital letters with the PIN code. The Beneficial Owners of the dematerialized shares may inform the concerned Depository Participant of any change in their address.
- (4) The register of members and the share transfer books of the Company will remain closed from 26th August, 2005 to 5th September, 2005 (both days inclusive) for the purpose of the Annual General Meeting.
- (5) Members are requested to bring their copies of the Annual Report at the Meeting.
- (6) In order to enable the Company to satisfactorily answer questions at the meeting, members who would like to ask any questions about the Annual Report are requested to send their questions so as to reach the Company at least ten days before the Annual General Meeting.
- (7) With effect from 30th October, 2000 the Company's shares are compulsorily traded in dematerialized mode. The Company has completed the necessary arrangements with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dealings in dematerialised shares. Members are requested to get their shares dematerialized as early as possible.
- (8) The dividend as recommended by the Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members on 5th September, 2005.

By the order of the Board of Directors,
For D. S. KULKARNI DEVELOPERS LIMITED

Place: Pune
Date: 29th July, 2005

D. S. KULKARNI
(CHAIRMAN & MANAGING DIRECTOR)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE CALLING THE FOURTEENTH ANNUAL GENERAL MEETING ON MONDAY, THE 5TH DAY OF SEPTEMBER, 2005 AT PUNE .

ITEM NO. 6 & 7

The Authorised Share Capital of the Company is at present Rs. 11,00,00,000/- (Rs. Eleven Crore Only) divided into 1,10,00,000 (One Crore Ten Lakh) equity shares of Rs.10/- (Rs. Ten only) each. The present paid up share capital of the Company is Rs. 11,00,00,000/- (Rs. Eleven Crore Only).

The Company is in the process of implementing various schemes requiring considerable amount of funds, the Board of Directors of the Company recommend increase in the Authorised Capital of the Company to Rs. 50,00,00,000/- (Rs. Fifty Crore Only) by the creation of 3,90,00,000/- (Three Crore Ninety lakh) new equity shares of Rs. 10/- (Rs. Ten only) each so that the Company may issue further shares as and when required.

The proposal for increase in the Authorised Capital will require the approval of the members in the general meeting in accordance with Section 94 of the Companies Act, 1956. The Ordinary Resolution is set out at Item No. 6 in the notice convening the meeting to obtain such approval and the Board recommends the Resolution.

The new Article 3 indicated in the Special Resolution set out in Item No. 7 of the notice is intended to reflect the increased Authorised Capital of the Company. The Board recommends the Special Resolution.

None of the Directors of the Company is interested or concerned in the proposed resolutions.



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ITEM NO. 8

As per section 81 of the Companies Act, 1956 to issue further shares to existing shareholders with a right of renunciation it was desired to have express provision in the Articles of Association of the Company. Therefore Article No. 43A in the Articles of Association of the Company is proposed to be inserted.

The Board recommends the Special Resolution set out in Item No. 8 of the notice.

None of the Directors of the Company is interested or concerned in the proposed resolution.

ITEM NO. 9

In order to meet additional requirements of funds for increased activities in the current and future years, the Board of Directors of the Company at its meeting held on 29th July, 2005 thought it desirable to increase the paid up equity share capital by issue of 1,10,00,000 (one crore Ten Lakh) new equity shares of Rs. 10/- each to existing members for cash at a premium not exceeding Rs. 100/- per share, on rights basis in the proportion of one Equity Share of Rs. 10/- each for every one equity share of Rs. 10/- each held by the shareholders on the 'record date' which may be fixed by the Board and notified to the members by a Notice in a newspaper circulating in the District where the registered office of the company is situated.

As per Section 81 of the Act, the shares will be issued with a right to the members to renounce all or any of the Rights Shares offered to them in favour of any other person and a right to the member to apply for additional shares provided he has taken up his rights in full.

The new Equity Shares proposed to be issued will be identical with the existing paid up equity shares of the Company except that the holders of the said new shares will be entitled to dividend if any declared by the Company for current financial year proportionate to the amount paid up on such shares for the period after the date of allotment.

The allotment and issue of Rights Shares to a member or renuncer who is a foreign national or resident outside India is subject to the permission of Reserve Bank of India. Necessary application required if any, for seeking such permission will be made in due course.

Board recommends resolution set out in Item No. 9 of the Notice.

The Directors of the Company may be deemed to be concerned or interested to the extent of rights shares that may be offered and allotted to them against their applications.

ITEM NO. 10

The sanction of the shareholders is sought under provisions of Section 293 (1) (d) of the Companies Act, 1956 to permit the Board of Directors of the Company to borrow money in excess of the paid up capital and free reserves. At the 3rd Annual General Meeting of the Company held on 19th September, 1994 a resolution was passed under section 293 (1) (d) of the Companies Act, 1956, wherein Company was authorised to borrow upto Rs. 100 crores. Considering plans of developing various properties and the funding requirement for the same, Board recommends the resolution for increasing the said borrowing limit to Rs. 1000 crore as set out at Item No. 10 in the notice.

None of the Directors of the Company is interested or concerned in the proposed resolution.



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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourteenth Annual Report and Accounts for the year ending 31st March, 2005.

(1) FINANCIAL RESULTS

| Particulars | (Rupees in lakhs) | |
|--|-------------------|-----------|
| | 2004-2005 | 2003-2004 |
| Operating Income & Increase in stocks | 5,338.60 | 5,108.58 |
| Profit before tax | 392.31 | 152.91 |
| (Less)/Add: Provision for tax/deferred tax | (24.75) | (4.82) |
| Profit after tax | 367.56 | 148.09 |
| Less: Prior year adjustments | (3.11) | (7.17) |
| Add: Balance Brought forward | 795.94 | 741.89 |
| Profit available for Appropriation | 1160.39 | 882.81 |
| Less : Transfer to General Reserve | - | - |
| Proposed Dividend | (77.00) | (77.00) |
| Tax on Dividend | (10.80) | (9.87) |
| Balance of Profit carried to Balance Sheet | 1072.59 | 795.94 |

(2) DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs. 0.70/- i.e. @ 7% (Previous Year : 7%) on the equity share capital of the Company for the year ended 31st March, 2005. This will absorb Rs.77 Lacs. (Previous Year : Rs. 77 Lacs)

(3) WORKING OF THE COMPANY:

The year under review is another year of satisfactory performance having regard to the constraints presently faced by the Construction Industry. The turnover during the year has increased by approx. 4.50% from Rs.5,108.58 lakhs of last year to Rs.5,338.60 lakhs during the year under review. The Profit before tax has increased by 156.57% from Rs.152.91 lakhs last year to Rs.392.31 lakhs approximately.

Following were the sites at different stages of construction / development as on the date of Balance sheet.

| S. No. | NAME OF THE SITE | LOCATION |
|--------|--------------------|---------------------|
| 1 | DSK Vishwa Ph.III | Sinhagad Road, Pune |
| 2 | DSK Frangipani | Camp, Pune |
| 3 | DSK Seniorita | Baner, Pune |
| 4 | DSK Sayantara | Sinhagad Road, Pune |
| 5 | DSK Sundarban | Hadpsar, Pune |
| 6 | DSK Madhuban | Andheri (E), Mumbai |
| 7 | DSK Shrushti | Bavdhan, Pune |
| 8 | DSK Garden Enclave | Kondawa, Pune |
| 9 | DSK Indradhanu | Bavdhan, Pune |

(4) DIRECTORS:

Pursuant to Article 73 of the Articles of Association of the Company, Mr. M. K. P. Setty & Dr. (Mrs.) Asha C. Bhatia retire by rotation and, being eligible, offer themselves for reappointment.