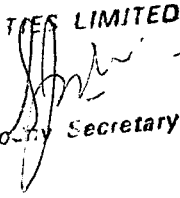


ANNUAL REPORT 1997-1998

DBS PROPERTIES LIMITED

CERTIFIED TRUE COPY
For DBS PROPERTIES LIMITED


Company Secretary

DBS PROPERTIES LIMITED

Registered Office: Raheja Chambers, 213, Nariman Point, Mumbai 400 021.

PROXY FORM

I/We of being
a member/members of DBS Properties Limited do hereby appoint
..... of (or failing him
..... of) as my/our proxy and to vote for me/us on
my/our behalf at the Thirteenth Annual General Meeting of the company to be held on Wednesday,
September 30, 1998, at 2.30 pm and at any adjournment thereof.

Signed this day of 1998

Signature

Affix
Re.1
Revenue
Stamp

Register Folio Number

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. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

DBS PROPERTIES LIMITED

Registered Office: Raheja Chambers, 213, Nariman Point, Mumbai 400 021.

ATTENDANCE SLIP

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

1. Name of the attending Member
(In Block Letters)
2. Register Folio No.
3. Name of Proxy (In Block Letters)
(To be filled if the Proxy
attends instead of the member)

No. of Shares held

I hereby record my presence at the Thirteenth Annual General Meeting at Raheja Chambers, 213, Nariman Point, Mumbai 400 021, on Wednesday, September 30, 1998, at 2.30 pm.

.....
Member's / Proxy's Signature

DBS PROPERTIES LIMITED

BOARD OF DIRECTORS

Mr Shamsunder Aggarwal (Chairman)
Mr R V Shekar (Managing Director)
Mrs Perveez S. Aggarwal
Mr R C Jain
Mr R Sankaranarayanan
Mr V Chander

REGISTERED OFFICE

Raheja Chambers
213, Nariman Point
Mumbai 400 021

HEAD OFFICE

Sivasakthi
31, G N Chetty Road, T Nagar
Chennai 600 034

BANKERS

Bank of Ceylon
Catholic Syrian Bank
Citibank N.A.
Indian Bank
State Bank of India
Corporation Bank
Banque Indosuez
Deutsche Bank

AUDITORS

G.M. Kapadia & Co.
Chartered Accountants
Mumbai

DBS PROPERTIES LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General meeting of Members of DBS Properties Limited will be held at the Registered Office of the Company, DBS Executive Center, Raheja Chambers, 213 Nariman Point, Mumbai - 400 021 on Wednesday, September 30, 1998 at 2.30 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 1998 and Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended March 31, 1998.
3. To appoint a Director in the place of Mr. Shamsunder Aggarwal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. V. Chander, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

By order of the Board

S.S. AGGARWAL

Chairman

REGISTERED OFFICE:
DBS Properties Limited
Raheja Chambers
213 Nariman Point
Mumbai - 400 021

Mumbai

Dated : September 4, 1998

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. The register of share transfer or the register of members will remain closed from Monday, September 28, 1998 to Wednesday, September 30, 1998 (both days inclusive)
4. Dividend, if declared, will be paid to those members whose names appear on the register of members as on September 30, 1998.
5. 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 pleasure in submitting their Thirteenth Annual Report and the audited Accounts for the year ended March 31, 1998

1. FINANCIAL RESULTS

	1997-98 Rs. in Lakhs	1996-97 Rs. in Lakhs
Turnover & other income	2110.58	1970.89
Profit for the year after all expenses but before depreciation and interest	348.71	385.38
Deducting from the above		
Interest	118.97	120.57
Depreciation	<u>13.55</u>	<u>17.28</u>
Operating profit for the year	216.19	247.53
Less : Provision for taxation	70.00	112.10
Add : Excess provision for tax for earlier years	Nil	2.04
Profit after tax	<u>146.19</u>	<u>137.47</u>
Adding thereto		
Balance brought forward from previous year	92.53	22.86
	<u>238.72</u>	<u>160.33</u>
Appropriation recommended		
Transfer to General Reserve	23.00	15.00
Proposed Dividend	24.00	48.00
Tax on Distributed profits	<u>2.40</u>	<u>4.80</u>
Balance carried forward	<u>189.32</u>	<u>92.50</u>

2. OPERATIONS

The Company's performance during the year under review had been severely stretched due to lack of investment buying and extraordinary delay in granting requisite approval and sanctions, leading to delay in project starts. Additionally, the Company witnessed more demand for ready-to-occupy apartments/offices with very little offerings from the Company in this segment, since traditionally the Company's sales have always been before or during construction period.

During the year under review the Company retained 22,000 sq.ft. in "DBS WESTMINSTER" and tenanted the space so retained on attractive terms to global multinationals and banks. This will provide a long term income for the Company, while retaining the asset of high quality.

The Company had completed certain prestigious projects in this year viz. 'Ramco Systems' building and a residential project named 'Residency, Regency and Regalia', a development which resulted into high degree of customer satisfaction while providing visibility for the Company's capabilities..

3. FUTURE OUTLOOK

The outlook for the Company in the coming year and in the medium term seems reasonably bright. Sales are taking place briskly, due to adherence to quality standards, fair practice and reasonable prices for specifications offered.

The good outlook is also predicated by availability of land for development on reasonable terms which is increasingly the case in the current year leading to lower land cost as a component of total cost to the customer.

Your Company's attitude to the future will be to take on projects of reasonable size, restricted to South India, preferably on joint development terms, so that the projects are executed over a number of years without the burden of interest cost on land. Such projects will be of special nature and will meet quality standards.

Your Company is also looking out for projects to cater to middle income groups in South India where there is a need for organisations of stature, executing projects with minimum risk exposure for buyers.

Your Company will continue to invest in brand building by advertising in the press, television and participation in property shopping exhibitions in India and abroad.

4. DIVIDEND

Your Directors are pleased to recommend a dividend of 7.5% only on the expanded capital of Rs.3.20 crores, a move to conserve the resources for deployment in the business. The said dividend when declared at the Annual General Meeting will be paid to the shareholders whose names appear on the register of members of the Company on September 30, 1998.

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, particulars regarding foreign exchange earnings and expenditure appear as items 7 and 8 in the Notes on Accounts. The Company has no activity relating to conservation of energy or technology absorption.

6. DIRECTORATE

In compliance with the provisions of the Companies Act and on accordance with Article 100 of the Company's Articles of Association, Mr. Shamsunder Aggarwal and Mr. V. Chander retire by rotation and being eligible offer themselves for re-election.

7. AUDITORS

The retiring Auditors M/s G.M. Kapadia & Co., Chartered Accountants, Mumbai 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.

8. EMPLOYEES

The particulars of employees pursuant to section 217 (2A) of the Companies Act, 1956 are separately given and form part of this report.

9. ACKNOWLEDGEMENT

The Directors record their appreciation for the patronage extended by customers and to the banks and institutions for their support. The Company looks forward to their continued support in the years ahead. The Company also wishes to place on record its appreciation towards its managers and employees for their sincerity, dedication and hardwork during the year.

For and on Behalf of the Board

SHAMSUNDER AGGARWAL
CHAIRMAN

Mumbai,
September 4, 1998

DBS PROPERTIES LIMITED

Particulars of employees as per Section 217(2A) of the Companies Act, 1956 and the rules made thereunder and forming part of the Directors' Report for the year ended 31st March, 1998 in respect of employees in receipt of remuneration aggregating to not less than Rs.3,00,000/- for the financial year or Rs.25,000/- per month

Name	Designation/ Nature of duties	Remuneration received	Nature of employment whether contractual or otherwise	Qualification	Experience (in years)	Date of commencement of employment	Age as on 31.03.98	Last employment held
EMPLOYED THROUGHOUT THE YEAR								
R.V.Shekar	Managing Director	8,60,272	Contractual	B.Com(Hons) A.C.A., A.C.S	25	15.10.1994	48	President DBS Leasing & Finance Ltd, Chennai
S Muthusubramaniam	Vice President	5,99,082	Contractual	B.Tech.Civil	26	14.03.1991	47	Asst.Gen.Manager A.A.Turki Corpn. Saudi Arabia
P.R.T. yagarajan	General Manager	3,98,316	Contractual	B.E.Civil	23	14.03.1991	45	Project Engineer Eastern Ltd. Sharjah, UAE

- Notes
- Remuneration includes Salary, Rent free accomodation, Company car, Medical benefits, Leave Encashment, Gratuity and Company's contribution to Provident and Pension funds
 - None of the employees is related to any Director of the Company.