

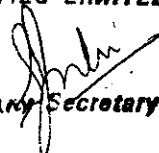
ANNUAL REPORT
1999-2000

DBS PROPERTIES LIMITED

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For DBS PROPERTIES LIMITED


Company Secretary

DBS PROPERTIES LIMITED

BOARD OF DIRECTORS

Mr Shamsunder Aggarwal (Chairman)
Mr R V Shekar (Managing Director)
Mrs P S Aggarwal
Mr R C Jain
Mr R Sankarnarayanan
Mr V Chander

COMPANY SECRETARY

Ms. Shilpa Joshi

REGISTERED OFFICE

Raheja Chambers
213, Nariman Point
Mumbai 400021

HEAD OFFICE

Shivasakti
31, G N Chetty Road, T Nagar
Chennai 600 017

BANKERS

Bank of Ceylon
Catholic Syrian Bank
Citibank N.A.

AUDITORS

G M Kapadia & Co.
Chartered Accountants
Mumbai

DBS PROPERTIES LIMITED

NOTICE

NOTICE is hereby given that the Fifteenth 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 – 400021 on Tuesday, May 30, 2000 at 11.30 a .m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2000 and Profit and 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, 2000
3. To appoint a Director in the place of Mrs.P S Aggarwal, who retires by rotation and being eligible offers herself 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

Shilpa Joshi
Company Secretary

REGISTERED OFFICE:

DBS Properties Limited
Raheja Chambers
213 Nariman Point
Mumbai 400021

Mumbai
Dated: 06.05.2000

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 and the register of members will remain closed from Monday, May 2000 to Tuesday, May 30, 2000 (both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear on the register of members as on May 30, 2000.
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 Fifteenth Annual Report and the Audited Accounts for the year ended March 31, 2000

1. FINANCIAL RESULTS

	1999-2000 Rs. in Lakhs	1998-99 Rs. in Lakhs
Turnover and other income	2238.95	2005.62
Profit for the year after all expenses But before depreciation and interest	412.97	317.97
Deducting from the above		
Interest	159.46	181.99
Depreciation	<u>14.54</u> 174.00	<u>18.14</u> 200.13
Operating profit for the year	238.98	117.84
Less: Provision for taxation	80.00	28.00
Add: Excess provision for tax for Earlier years	Nil	Nil
Profit after tax	<u>158.98</u>	<u>89.84</u>
Adding thereto		
Balance brought forward from Previous year	237.96	189.32
	<u>396.94</u>	<u>279.16</u>
Appropriation recommended		
Transfer to General Reserve	15.00	28.00
Proposed Dividend	24.00	12.00
Tax in Distributed profits	<u>2.64</u> 41.64	<u>1.20</u> 41.20
Balance carried forward	<u>355.30</u>	<u>237.96</u>

2. OPERATIONS

The current operations are characterized by higher customer confidence level which has led to higher sales in The Atrium, Chennai. During the year company sold about 75 apartments without compromising on sales realisation leading to preservation of sales margins. Customer payments however were delayed causing periodic liquidity pressures. Timely help from the banks, financial institutions bridged the gap but at a cost to the company.

Restoration of confidence level as perceived by the customers led to the sales of under construction projects which to some extent eased the cash flow pressures on the company. The company has completed its under construction project in Bangalore which is now ready for sale as a completed unit. The sales realisation of completed units in Bangalore are expected to be adequate in a territory which is characterized by huge losses suffered by developers due to fall in sales realisation.

The company has commenced two further projects in Chennai and has been successful in placing over two thirds of its offerings at reasonable selling prices.

The liquidity position shows sign of easing which has resulted in lowering of the interest burden.

3. FUTURE OUTLOOK

Company is optimistic about completing its project in Chennai in the current financial year though difficulties may be faced which are surmountable. The Chennai property upon completion is expected to boost profit of the company quite significantly and at the same time further ease the cash flow pressure of the company leading to significant fall in the interests cost.

The company will continue to develop properties in the residential sector and in the office building in software technology sectors. The acquired experience in setting up software centers primarily for multinational software and telecom companies has been identified as a source strength which the company will build upon.

It is the company's belief that operating in the up market sector and executing speciality projects will increase profitability and improve valuation for the shareholders.

4. DIVIDEND

Your directors are pleased to recommend final dividend of Rs.0.75 per share on the paid up capital of Rs. 3.2 crores as a continuing measure to be restrained in distributing profits till the cash flow pressure in company are totally eased to acceptable level.

5. DIRECTORATE

In compliance with the provisions of the Companies Act, 1956 and in accordance with Article 100 of the Company's Articles of Association, Mrs. P S Aggarwal and Mr. V Chander retire by rotation and being eligible offer themselves for re-election.

6. AUDITORS

The retiring Auditors M/s G M Kapadia & Co., Chartered Accountants, Mumbai are eligible for reappointment. They have furnished to the Company the requisite 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.

7. 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.

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 to its managers and employees for their sincerity, dedication and hard work during the year.

For and on Behalf of the Board

SHAMSUNDER AGGARWAL
CHAIRMAN

Mumbai
May 6, 2000

G. M. KAPADIA & CO.

(REGISTERED)

R. G. KAPADIA, A. P. DAMANIA, A. H. SHAH, R. R. ASHAR, N. N. KHATRI, V. R. THAKKAR, H. K. SHAH

CHARTERED ACCOUNTANTS

TAMARIND HOUSE, 36 B, TAMARIND LANE, MUMBAI 400 001. PHONES : (91-22) 265 3996, 265 5362

FAX : (91-22) 265 5472, E-MAIL : gmkco@vsnl.com

REPORT OF THE AUDITORS TO THE MEMBERS OF DBS PROPERTIES LIMITED

We have audited the attached Balance Sheet of DBS PROPERTIES LIMITED as at 31st March, 2000, the Profit & Loss Account of the Company for the year ended on that date and we report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) 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.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b). 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 the said books;
 - c). The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Profit & Loss Account and Balance Sheet comply, with the requirements of the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956;
 - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as on 31st March, 2000, and,
 - (ii) in the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date.

For M/s. G. M. KAPADIA & CO.
Chartered Accountants

Mumbai

Dated : 6 MAY 2000

[Atul Shah]:
Partner