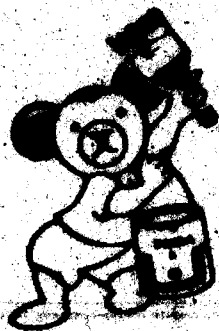


12th Annual Report 2001-2002

DERA

PAINTS AND CHEMICALS LIMITED

Report  Junction



DERA PAINTS & CHEMICALS LTD.



BOARD OF DIRECTORS

Shri. Kumar V. Shah - Chairman & Managing Director
Shri. Hanuman A. Salunkhe
Shri. T. P. Shah.

AUDITORS

M/S. H.N. Motiwala & Co.,
Chartered Accountants

BANKERS

ALLAHABAD BANK
BANK OF INDIA

SOLICITORS & LEGAL ADVISORS

Dhru & Company
Krishna Gopal Tripathi.

REGISTERED OFFICE

Gala No.2, I.B. Patel Industrial Estate,
I.B. Patel Road, Goregaon (East),
Mumbai - 400 063.

HEAD OFFICE

B-53/54, Nand Bhuvan Indl. Estate,
21, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093
Maharashtra.

WORKS

PLANT - I

Plot No.3, Sector II,
Vasai Taluka Co.op. Indl. Estate,
Vasai (East) Dist. Thane - 401 208.
Maharashtra.

PLANT II.

D-27/5, M.I.D.C.
Lote Parashuram, Tal. Khed,
Dist. Ratnagiri - 415 722
Maharashtra.

SHARES DEPARTMENT

Adroit corporate services Pvt.Ltd
19 Jafferbhoy Inds.Estate,
1st floor, Makwana Road,
Marol Naka, Andheri (E).
Mumbai 400 059.

DERA PAINTS & CHEMICALS LTD.



NOTICE

NOTICE is hereby given that 12th Annual General Meeting of the members of the Company **DERA PAINTS & CHEMICALS LIMITED** will be held on 27th day of December, 2002 at 9.00 a.m. at the Head office of the Company Located at B53/54 Nand Bhuvan Inds. Estate, 21, Mahakali Caves Road, Andheri (E), Mumbai 400093 to transact the following business.

- *****
1. To receive, consider and adopt the Audited Balance-sheet as at 31st March, 2002 & the Profit & Loss Account of the Company for the year ended 31st March, 2002 and the Reports of Directors and Auditors thereon.
 2. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
 3. To appoint a director in place of Shri T.P. Shah who retired by rotation and being eligible, offers himself for reappointment.

Special Business

4. To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof of the time being in force) approval of the members be and is hereby accorded to the re appointment and remuneration payable to Shri Kumar V. Shah as Managing Director of the Company with effect from 1st August, 2002 for a further period of 5 years on the terms and conditions as set out in the Agreement to be entered into by the Company and Shri Kumar V. Shah.

SALARY

Salary of Rs. 15,000/- per month.

CATEGORY A

1. Housing:-

The expenditure incurred by the Company on hiring furnished accommodation for Mr. Kumar V. Shah will be subject to the following ceilings.

60% of Salary, over and above 10% payable by Mr. Kumar V. Shah.

In case the accommodation provided to Mr. Kumar V. Shah is owned by the Company, 10% of the Salary of Mr. Kumar V. Shah shall be deducted by the Company.

DERA PAINTS & CHEMICALS LTD.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This will, however be subject to a ceiling of 10% of the Salary.

2. Medical Reimbursement:- Expenditure for self and family subject to ceiling of one month's salary in a year or 3 month's salary over a period of 3 years
3. Leave Travel Concession:- For self and family once a year in accordance with the Rules of the Company.
4. Club Fees :- Fees of the Clubs subject to a maximum of 2 Clubs, this will not include a d m i s s i o n and life membership fees.
5. Personal Accident Insurance :- Premium not to exceed Rs.4,000/- per annum.

Explanation : Family means the spouse, the dependent children and dependent parents of Managing Director. Perquisites as above, shall be restricted to an amount equal to the annual salary.

CATEGORY B

6. Contribution of Provident Fund and Superannuation Fund will not included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under Income Tax Act.
7. Gratuity as per the Rules of the Company, but shall not exceed one half month's salary for each completed year of service.
8. Earned Leave :- On full pay and allowances as per the Rules of Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure will not be included in the computation on the ceiling on perquisites.

CATEGORY C

9. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

MINIMUM REMUNERATION

Where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate the company pay remuneration by way of salary and perquisites as specified above.

By order of the Board
DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH
CHAIRMAN&MANAGING DIRECTOR

Date : 30.11.2002
Place : Mumbai

DERA PAINTS & CHEMICALS LTD.**NOTES**

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used should reach the Registered Office of the Company duly completed not less than fortyeight hours before the scheduled time of the meeting.
- The Register of Members and Share Transfer Register were closed from 29th September 2002 to 30th September 2002 (both days inclusive)
- An explanatory statement pursuant to section 173 of the companies Act, 1956 is given below.
- Members intending to require information about Accounts to be explained at the meeting are requested to write to the company at least ten days in advance of the annual general Meeting.

EXPLANATORY STATEMENT**As required by section 173 (2) of the Companies Act, 1956**

Shri Kumar V. Shah as a Founder and Chief Promoter has been associated with the Company since its incorporation and his valuable experience in the Paints & Chemicals Industry for more than two decades will benefit the business of the Company by his re-appointment. The Board of Directors have felt that it would be in the interest of the Company to re-appoint Shri Kumar V. Shah as a "Managing Director" of the Company. Accordingly the Board of Directors at its meeting held on 07.08.2002 have re-appoint Shri Kumar V. Shah as Managing Director with effect from 1st August, 2002 for a further 5 years in accordance with and within the limits prescribed under the Schedule XIII to the Companies, Act, 1956.

None of the Directors of the Company is considered to be concerned or interested in the Resolution except Shri Kumar V. Shah.

DERA PAINTS & CHEMICALS LIMITED

**KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR**

Date : 30.11.2002

Place : Mumbai

DERA PAINTS & CHEMICALS LTD.**DIRECTOR'S REPORT**

To,
The Members
DERA PAINTS & CHEMICALS LIMITED

Your Directors have great pleasure in presenting 12th Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2002.

● FINANCIAL HIGHLIGHTS :

PARTICULARS	For the year ended 31st March 2002 (Rs.in Lacs)	For the year ended 31st March, 2001 (Rs.in Lacs)
Loss before Depreciation and Tax	(146.72)	(200.71)
Add: Depreciation on fixed Assets	19.65	20.22
Loss before tax	(166.37)	(220.93)
Loss after tax	(166.37)	(220.93)
Add: Income tax of earlier years	—	—
Add: Prior Period Adjustments	0.33	0.11
Net Loss for the year	(166.70)	(220.81)
Add: Surplus/Loss b/f from previous year	(893.62)	(672.81)
Balance loss c/f.	(1060.32)	(893.62)

2. OPERATIONS & OUTLOOK :

- The Sales Turnover has reduce from Rs.1180 Lacs to Rs.700 Lacs, the reason for decrease in sales is sluggish market conditions, tight liquidity position and shut down of Plant for almost one month for maintaince, deficit of working capital, could not recommence of Vasai Unit and non shifting of seized stocks by Bank of India has also interrupted while occupying the part place of operation area at the factory Lote Parshuram, Chiplun

During the year company incurred losses Rs.166.70 Lacs as compared to previous year loss of Rs.220.81 Lacs

DERA PAINTS & CHEMICALS LTD.



Company got success fully Registration with Institutions namely ASRTU New Delhi to supply Paints, Thinners & Allied products for STU'S of more then 24 States of the Country. Presently company got a trial order.

The company Insurance claim is still under process despite the confirmation given by the Banker for acceptance of the Claim.

In the mean time, the management is putting in its best efforts to keep operations going and generate adequate cash flows to meet bare minimum overheads and keep the plant in operation. With adequate support in the form of rehabilitation assistance from bankers / institutions, receipts of insurance claim and uninterrupted full-scale production at the plant, the company can look forward to better performance in the coming year.

3. DIRECTORS:

Shri T.P. Shah retires by rotation and being eligible, offer himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirm

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

5. DEMAT FACILITY

The Company have commence DEMAT for its shares / equity for easy transactions / transfer. However, CDSL have registered the Company under DEMAT but NSDL has not registered due to Negative Net Worth of the Company. Company have approached SEBI to guide NSDL for our registration with them however, matter is pending with SEBI.

DERA PAINTS & CHEMICALS LTD.

6. **PARTICULARS OF EMPLOYEES:**
There were no employees during the whole or part of the year who were in receipt of remuneration aggregating to Rs.1,00,000/- per month or Rs. 12,00,000/- p.a. Hence no particulars are given.
7. **DIVIDEND:**
In view of the loss, the Directors are unable to recommend any dividend for the year.
8. **DEPOSITS:**
During the year Company has not accepted any Deposits from Public. However in respect of the Deposit accepted in earlier year which have been matured, the Company has not made any repayment owing to its sickness and has not complied with the provision of Section 58 A of the Companies Act, 1956 and the Company (acceptance of Deposits) rules 1975.
9. **AUDITORS:**
M/S. H.N. MOTIWALLA & CO., Chartered Accountants, Mumbai, Statutory Auditors of your Company holds office until the conclusion of the forthcoming Annual General Meeting. They signified their willingness to accept re-appointment and have further confirmed their eligibility under section 224(1-B) of the companies Act, 1956.
10. **AUDITORS REPORT:**
Regarding qualification and remarks in the Auditors Report, your Board is of the opinion that they are self explanatory & no comments are required from the Board.
11. **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**
Information 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 is given in Annexure - 1 which forms part of this report.
12. **STATUS UNDER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.**
As per Auditors opinion, the Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
13. **APPRECIATION:**
Your Directors wish to place on record their appreciation of whole hearted co-operation and support from employees, Bankers, Financial Institutions, Shareholders and various Government Agencies and look forward to the same extent of co-operation and cordial support.

By order of the Board of Directors.
FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 30.11.2002
Place: Mumbai