

BOARD OF DIRECORS Shri. Kumar V. Shah - Chairman & Managing Director Shri, Hammant A. Salunkhe Shri. T P. Shah.

AUDITORS M/S. H.N. Motiwalla & Co., Chartered Accountants

BANKERS ALLAHABAD BANK BANK OF INDIA

SOLICITORS & LEGAL ADVISORS Dhru & Company Krishna Gopal Tripathi.

REGISTERED OFFICE Gala No.2, 1.B. Patel Industrial Estate, I.B. Patel Road, Goregaon(East), Mumbai - 400 063.

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

WORKS PLANT -1 Plot No.3, Sector II, Vasai Taluka Co.op. Indl. Este, Vasai (East) Dist. Thane - 401 208. Maharashtra.

PLANT II. D-27/5, M.I.D.C. Lote Parshuram, Tal. Khed, Dist. Ratnagisi - 415 722 Maharashtra.

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

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.

- . To receive, consider and adopt the Audited Balance-sheet as at 31" March, 2002 & the Profit & Loss Account of the Company for the year ended 31" 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.
 - To appoint a director in place of Shri T.P. Shah who retired by rotation and being eligible, offers himself for reappointment.

Special Business

3

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 1" 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

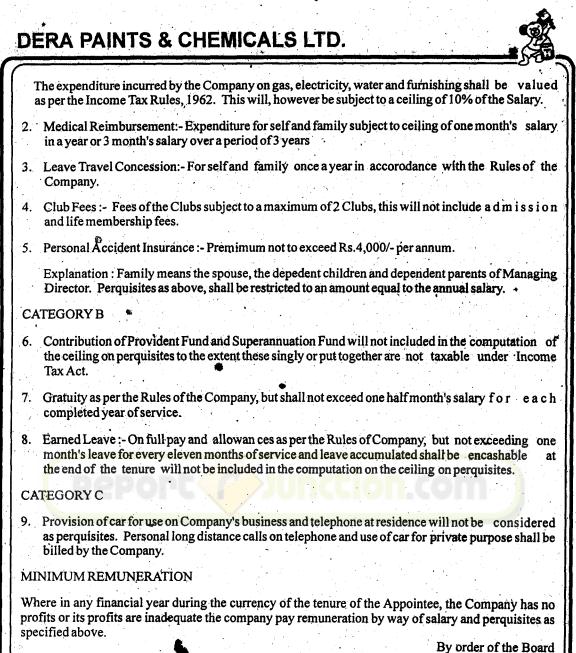
1.Housing:-

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. Shaw.

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.

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



2

DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH CHAIRMAN&MANAGING DIRECTOR

Date : 30.11.2002 Place : Mumbai



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 forty eight 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 1" 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.

·3

DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH CHAIRMAN&MANAGING DIRECTOR

Date : 30.11.2002 Place : Mumbai



To,

The Members DERA PAINTS & CHEMICALS LIMITED

•FINANCIAL HIGHLIGHTS :

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

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

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

4

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors hereby confirm

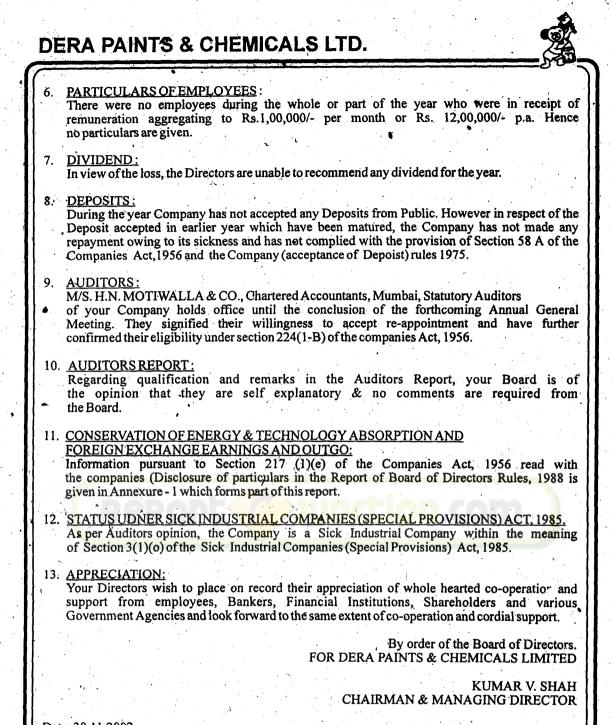
- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- (ii) That the Directors have selected such accounting polices and applied them consistently and made judgement and estimates that 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.

DEMAT FACILITY

5.

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 approched SEBI to guide NSDL for our registration with them however, matter is pending with SEBI.

5



Date: 30.11.2002 Place: Mumbai

6