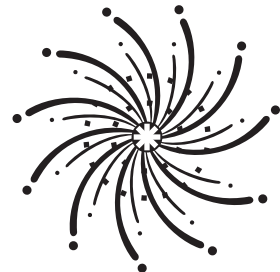
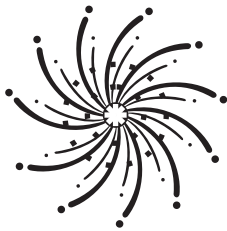
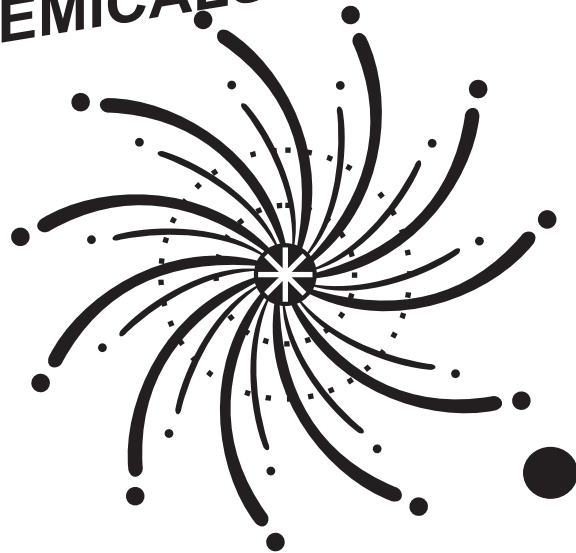


22nd Annual Report 2011-2012

DERA

PAINTS AND CHEMICALS LIMITED



BOARD OF DIRECTORS

Shri. Kumar V. Shah - Chairman & Managing Director
Shri. H.A. Salunkhe
Shri. Hasmukh Patel

AUDITORS

M/s. C. K. PATIL & CO
Chartered Accountants

SOLICITORS & LEGAL ADVISORS

Dhru & Company

REGISTERED OFFICE

F111, 1st Floor, Prime mall,
Irla, Vile- Parle (west),
Mumbai 400056

REGISTRAR & SHARESTRANSFER AGENT

Adroit Corporate Services Ltd.
9, Jaferbhoy Industrial Estate
Makawana Road, Marol Naka,
Mumbai-400059.

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DERA PAINTS & CHEMICALS LTD.



NOTICE

NOTICE is hereby given that 22nd Annual General Meeting of the members of the Company DERA PAINTS & CHEMICALS LIMITED will be held on 27th September, 2012 at 09.15 am at the Registered office of the Company Located at F111, 1st Floor, Prime mall, Irla, Vile- Parle (west), Mumbai 400056 to transact the following business.

1. To. receive, consider and adopt the Audited balance- sheet as at 31st March, 2012 & the Statement of Profit and Loss of the Company for the year ended 31st March, 2012 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. Hasmukh Patel who retires by rotation and being eligible, offers himself for re – appointment.
4. Special Business

To re-appoint Mr. Kumar V.Shah as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“ RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the reappointment of Mr. Kumar V. Shah as a Managing Director of the Company for a period of 5 (five) years with effect from 1st August , 2012 , on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors(hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/or remuneration. subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

DERA PAINTS & CHEMICAL LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September 2012

Place: Mumbai

NOTES

1. 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.
2. The Register of Members and Share Transfer Register shall remain closed from 26th September,

DERA PAINTS & CHEMICALS LTD.



2012 to 27th September, 2012 (both days inclusive)

3. Members intending to require information about Account to be explained at the meeting are requested to write to the company at least ten days in advance of the annual general Meeting.
4. An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.4

Mr. Kumar V. Shah is 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 Mr. Kumar V. Shah as "Managing Director" of the Company. Accordingly, the Board of Directors of the Company (the 'Board') at its meeting held on 3rd September, 2012 has, subject to the approval of Members, re-appointed Mr. Kumar V. Shah as Managing Director for a further period of 5 (five) years from the expiry of his present term, which will expire on 1st August, 2012 on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Mr. Kumar V. Shah in terms of the applicable provisions of the Companies Act, 1956 ("the Act")

Salary - Rs. 7,500/- p.m.

The increment in salary by way of incentive/bonus payable to Mr. Kumar V. Shah, as may be determined by the Board and/or the Remuneration Committee of the Board, provided that such payment shall be within the overall ceiling of remuneration permissible under the Act.

Mr. Kumar V. Shah satisfy all the conditions set out in Part-I of the Schedule XIII to the Act for being eligible for re-appointment. They are not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act.

The above may be treated as an abstract of the terms of re-appointment of Mr. Kumar V. Shah under Section 302 of the Act.

Mr. Kumar V. Shah is interested in the resolution as set out at Item No.4 of the Notice which pertains to his re-appointment and remuneration payable to him. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

The Board commends the resolution as set out at Item No. 4 of the Notice for your approval.

By order of the Board

DERA PAINTS & CHEMICAL LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September 2012

Place: Mumbai

DERA PAINTS & CHEMICALS LTD.



DIRECTOR'S REPORT

To,

The Members

DERA PAINTS & CHEMICALS LIMITED

Your Directors have great pleasure in presenting 22nd Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2012.

1. FINANCIAL HIGHLIGHT

PARTICULARS	For the year ended 31 st March, 2012 (Rs.in.Lacs)	for the year ended 31 st March, 2011 (Rs.in.Lacs)
Profit /(Loss) before Depreciation and Tax	(0.82)	(2.88)
Depreciation on fixed Assets	0.50	-
Loss before tax	(0.32)	(2.88)
Deferred tax	(0.32)	--
Excess provision for tax w/back	20.84	---
Net Profit /(Loss) for the year	20.20	(2.88)
Add: Surplus/loss b/f from previous year	(1304.77)	(1301.89)
Balance loss c/f	(1284.57)	(1304.77)

2. OPERATIONS & OUTLOOK

Your Company has already embarked upon starting the business by trading in chemicals to generate revenue and mitigate losses.

During the year company made profit of Rs.20.20 lacs mainly due to write back of excess income tax provision as compared to previous year loss of Rs.2.88 Lacs.

The Company had arrived at one time Full & Final settlement with Allahabad Bank and had complied with the terms and conditions of the said settlement. Despite that Allahabad bank had filed a suit against the Company in DRT. The Company had filed a reply in DRT for dismissal of the said suit.

Due to non availability of certain material records in the past, the Company was unable to file its reply in DRT, now as the said records have been located, the Company is planning for reply to re-open the case gone against it in DRT for demands of SICOM of Rs. 227 lakhs as it is possible to explain to DRT for wrong claim of SICOM Ltd.

After verification of available records, there are certain payments for which credits have not been shown by SICOM in DRT statement. The company is planning to take necessary legal action in this matter.

3. DIRECTORS :

Shri Hasmukh Patel retires by rotation being eligible, offer himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors hereby confirms under Section 217 (2AA) of the company's act 1956.

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgment and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the financial year and of the profit or loss of the company for that period.
- 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 other irregularities.
- That the Directors have prepared the annual account on a going concern basis.

DERA PAINTS & CHEMICALS LTD.



5. CORPORATE GOVERNANCE:

Your company believes in transparency and has always maintained a very high level of corporate governance. As required by Clause 49 of the Listing Agreement, a detailed report of Corporate Governance is given as an annexure to this Report. Your company is in full compliance with the requirements and disclosures that have to be made in this regard.

6. PARTICULAR OF EMPLOYEES:

There were no employee during the whole or part of the year who were in receipt of remuneration aggregating to Rs. 1, 00,000/- per month of Rs. 12, 00,000/- p.a Hence no particulars are not given.

7. DIVIDEND:

In view of the loss, the Directors are unable to recommend any dividend for the year.

8. DEPOSITES :

During the year Company has not accepted any deposits from Public.

9. AUDITORS:

M/S C.K.PATIL & CO. Chartered Accountants, Mumbai, holds office until the conclusion of the forthcoming Annual General Meeting. They signified their willingness to accept re-appointment and have farther 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.

Explanation - Note 17 (3)

Non compliance of Section 383A of the Companies Act, 1956

At present company is not in a position to appoint a full time Company Secretary considering its financial position.

Note 17 (6) Preparation of Accounts on going concern basis

The company intends to continue its operations and hence the accounts are prepared ongoing concern basis.

11. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION 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 PROVISION) ACT, 1985.

The Company is a Sick Industrial Company within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provision) Act, 1985.

13. APPRECIATION:

Your Directors wish to place on record their appreciation of whole hearted co-operation and cordial support from Creditors, shareholders and various agencies.

By order of the Board of Directors.

FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September, 2012

Place: Mumbai.

DERA PAINTS & CHEMICALS LTD.



Annexure – 'I'

Information pursuant to Section 217 (1)(6) of the companies Act, 1956 read with companies (Disclosure of Particulars in the Report of the Board of Directors) rule 1988 attached to and forming part of the Directors Report for the year.

1. CONSERVATION OF ENERGY I

Energy conservation measure taken

Constant effort are being made to improve power factor and to effect saving in power and fuel consumption and energy consumption per unit of production (form 'A').

A. POWER AND FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1. Electricity		
(a) Purchased		
Units (in thousand)		
Total Amount (Rs.)	NIL	NIL
Rate per Unit (Rs.)		
(b) Own Generation		-
2. Coal		-
3. Light Diesel Oil		
Quantity (Ltr.)	NIL	NIL
Total Cost (Rs.)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
4. Furnace Oil	NIL	NIL
5. Other/internal generation	NIL	NIL
B. CONSUMPTION PER UNIT PRODUCTION		
1. Electricity (Unit)		-
2. Light Diesel Oil (Ltr)		-

II. TECHNOLOGY ABSORPTION ADAPTATION, INNOVATION AND RESEARCH & DEVELOPMENT:

No Technology has been imported by the company. Technology innovation and changes wherever possible are being absorbed and adopted.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no earning or outgo in Foreign Exchange either during the Current year or Previous year.

By order of the Board of Director

FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September, 2012

Place: Mumbai