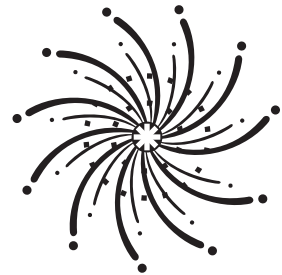
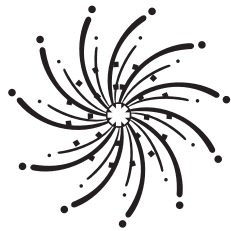
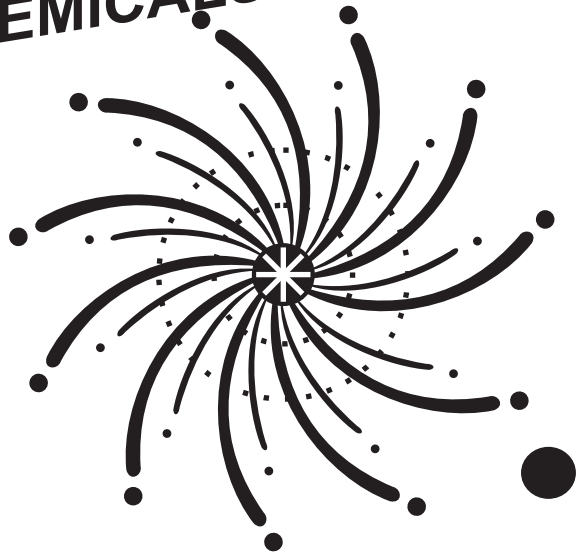


21th Annual Report 2010-2011

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

BANKERS

SANGALI BANK LTD.

SOLICITORS & LEGAL ADVISORS

Dhru & Company
Krishna Gopal Tripathi.

REGISTERED & HEAD OFFICE

81, Yamuna Vihar, Linking Road,
Santacruz (West), Mumbai – 400 054
Maharashtra..

REGISTRAR & SHARETRANSFER 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 21st Annual General Meeting of the members of the Company DERA PAINTS & CHEMICALS LIMITED will be held on 29th September, 2011 at 9.15 am at the Registered & Head office of the Company Located at 81, YamunaVihar, Linking Road, Santacruz (West), Mumbai - 400 054 to transact the following business.

1. To receive, consider and adopt the Audited balance- sheet as at 31st March, 2011 & the Profit & Loss Account of the Company for the year ended 31st March, 2011 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. H.A.Salunkhe who retired by rotation and being eligible, offers himself for re – appointment. .

By order of the Board
DERA PAINTS & CHEMICAL LIMITED

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 29th August, 2011

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 8th September, 2011 to 9th September, 2011 (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.

DERA PAINTS & CHEMICALS LTD.



DIRECTOR'S REPORT

To,

The Members

DERA PAINTS & CHEMICALS LIMITED

Your Directors have great pleasure in presenting 21st Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2011.

1. FINANCIAL HIGHLIGHT

PARTICULARS	For the year ended 31 st March, 2011 (Rs.in.Lacs)	for the year ended 31 st March, 2010 (Rs.in.Lacs)
Profit /(Loss) before Depreciation and Tax	(2.88)	(1.91)
Add: Depreciation on fixed Assets	-	-
Loss before tax	(2.88)	(1.91)
Loss after tax	(2.88)	(1.91)
Net Loss for the year	(2.88)	(1.91)
Add: Surplus/loss b/f from previous year	(1301.89)	(1299.98)
Balance loss c/f	(1304.77)	(1301.89)

2. OPERATIONS & OUTLOOK

Your Company has already embarked upon starting the business by trading in chemicals to generate revenue and mitigate losses. The entire paid up capital was already eroded in March-2000.

During the year company incurred losses Rs.2.88lacs as compared to previous year loss of Rs.1.91Lacs.

In September,2010, your Company had received a letter from Allahabad Bank informing about assignment of its dues from the Company to an Assets Recovery Co.(ARC) . Your Company has sought a legal opinion that the said assignment is illegal and the Company has decided to challenge the assignment.

In August,2011 , your Company has succeed in finding relevant papers and documents which are required to challenge and protest various actions taken against the Company by Allahabad bank and SICOM. The same have been handed over to the Company's solicitors to proceed for legal action against Allahabad Bank , Challenge of Assignment given by Allahabad bank and to file Appeal in DRT against SICOM.

In the mean time, the management is putting in its best efforts to keep operations going on and generate adequate cash flows to meet bare minimum overheads and keep the plant in operations. With adequate support in the form of rehabilitation while receipts of insurance claim and uninterrupted full- scale production at the plant, the company can look forward to better performance in the coming year. Company has filed writ petition against the Sicom ltd and others in the year December,2001 for non-considering our various pending request since 1996 onwards pertaining to grant of eligible benefits for adding and amending in the Eligibility Certificate. However, company have loose the writ Petition in the Hon'ble Mumbai High Court in the year August 2002 and thereafter company preferred filing appeal at Hon'ble Supreme Court of India, New Delhi and in November,2003 our appeal have been admitted by the Hon'ble Supreme Court of India.

3. DIRECTORS :

ShriH.A.Salunkhe retires by rotation eligible, offer himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors hereby confirms

- 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

DERA PAINTS & CHEMICALS LTD.



of affairs of the company at 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 other irregularities.

(iv) That the Directors have prepared the annual account on a going concern basis.

5. 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.

6. DIVIDEND:

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

7. DEPOSITES :

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

8. 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.

9. 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.

10. 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.

11. 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.

12. 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: 29th August, 2011

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 FUEI 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 ABORPTION ADAPATATION, 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: 29th August, 2011

Place: Mumbai

DERA PAINTS & CHEMICALS LTD.



CORPORATE GOVERNANCE.

Company's Philosophy on Code of Governance

Dera Paints & Chemicals Limited has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth. The core values of Company are commitment to excellence and customer satisfaction honesty, integrity, disclosure, accountability and maximizing long term value for Share- holder. Dera paints & chemicals Limited recognizes value and commitments policy we are committed to an ethical treatment of all our employees, our customers, our share-holders, our lenders, our suppliers and the Government. Your company has been constantly devising measures to improve upon to adopt effective Corporate Governance by creating an environment based on professionalism, entrepreneurship and pursuit for excellence. Corporate Governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement are;

Board of Directors

Composition

The Board of Dera Pants & Chemicals Limited consists of Three Directors, and two are non-Executive. Amongst the Executive One is the Promoter Director and two are independent Directors.

The Promoter Director is a Executive Director and the number of independent Directors are two third of the total number of Directors. The Board consists of executives and independent Directors. Company, therefore meets with the requirements relating to the composition of the Board of Directors. All Executive & independent Directors with their diverse knowledge, experience and expertise provide valuable in the deliberations and decisions of the Board.

Board Procedures

During the financial year 2010-2011 the Board of Directors have met five times on the following dates : 29th May,2010,28th August, 2010, 27thNovember, 2010, 26th February,2011,30thMarch,2011 The meeting were held as pre the mandatory requirements and the dates of the meetings were generally decided well in advance.

Attendance Record & Directorships and Membership of Directors. Table 1 gives the composition of the Board and the attendance record of all the Directors at the five Board meetings held during the financial year 2010-11, as well at the last Annual General Meeting as also the number of Directorships and Committee Membership held by them other Companies.

Name of Directors		Attendance Particulars		Directorship in companies		Membership/ Chairmanship in committees	
		Board Meeting	Last AGM held on 29/09/10	In Listed Companies	In Unlisted Public Limited Companies	Chairman	Member
Kumar Shah	Promoter – Executive Non – Independent	5	Yes	1	1	-	-
H. A. Salunkhe	Independent Non – Executive	5	Yes	1			1
Hasmukh Patel	Independent Non – Executive	5	Yes	1			

Notes (1) Private Limited Companies, Foreign Companies and Committee under Section 25 of the Companies Act, 1956 are excluded for the above purpose

(2) Only Audit Committee, Share-holders Grievance Committee and Remuneration are considered for the purpose of Committee positions as per Listing Agreement.

Information supplied to the Board

The Board of Dera Paints & Chemicals Limited is presented with all the relevant information on various vital matters affecting the working of the Company, as well as those that require deliberation at the highest level. Extensive information is provide on various critical items such as : (a) Production, Sales and Capital Expenditure Budget, (b) Saies and financial performance statics (c) Such transfer compliance (d) Quarterly financial results (e) Significant labour and human relation (f) statutory compliance reporting system and any other matters.

Audit Committee:

DERA PAINTS & CHEMICALS LTD.



Constitution and Composition

For the Financial year 2010-2011, the Company has not constituted any Audit Committee.

Remuneration Committee

For the Financial year- 2010-2011, the Company has not constituted any remuneration Committee.

Remuneration of Directors

- Remuneration of Rs. 90,000/- paid to the Promoter Director (CMD) of your company, including ail perquisite
- No Sitting Fees paid to the independent Non-Executive Directors for the financial year ended 31s March, 2011.

Share Transfer Committee

The company has constituted a Share Transfer Committee in compliance with the Clause 49 of the Listing Agreement. The Committee comprises of two Directors viz. Shri Kumar V Shah and Shri H.A.Salunkhe. The Committee looks into the matter of share-transfer, issue of duplicate certificates and other related matters.

Since there was no quantum of transfers, during the financial year 2010-2011 the Committee had met only twice.

The composition and the meetings attended by the members are as under:

Name of Director	No. of meeting attended during the year.
Shd Kumar V Shah	2
Shri.H.A.Salunkhe	2

Share transfers/transmissions etc. as approved by the Committee are notified to tile Board at regular intervals and are taken on record by the Board at their meetings.

No Transfers/Transmission are pending as on 31st March, 2011.

Communications to Share - holders

Dera Paints & Chemicals Limited recognizes communication as a key element el the overall Corporate Governance Framework. The company responds the share-holders queries regularly and no queries are pending.

Share-Holders Information

General Body Meetings:

For the period ended

31st March, 2010

Date, Time and Locations

29 September, 2010 at 9 15 a:m

81, YamunaVihar, Linking Road,
Santacruz(West) MumbaJ - 400 054

31st March, 2009

29 September, 2009 at 9 15 a:m

81, YamunaVihar, Linking Road,
Santacruz(West) MumbaJ - 400 054

31st March, 2008

29 September, 2008 at 9 15 a:m

81, YamunaVihar, Linking Road,
Santacruz(West) MumbaJ - 400 054

General Shareholder's Information

Annual General Meeting
Day, Date, Time & Venue

29th September, 2011 at 9 15 a:m

81, YamunaVihar, Linking Road,
Santacruz(West) MumbaJ - 400 054

Book Closure Date

8th September, 2011 till 9th September, 2011

Listing on Stock Exchanges

The StockExchange, Mumbai

PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The Stock Exchange, Ahmedabad

Kamdhenu Complex Opp. Sahajanand College,

Panjrapole, Ahmedabad-380015

Dividend Payment Date:

Not applicable since dividend not declared

Stock Code:

The Stock Exchange, Mumbai

23782

The Stock Exchange, Ahmedabad

13770

Market Price Data:

No rates are quoted during the Financial Year 2010-11

Registrar & Transfer Agents:

Adroit Corporate Services Ltd.

9, Jaferbhoy Industrial Estate

Makawana Road, Marol Naka,

Mumbai-400059.

Distribution of Shareholding

Table 2 gives details about the pattern of Share-holdings among various categories as on 31st March, 2009, while table 3 gives the data according to size classes:-

DERA PAINTS & CHEMICALS LTD.



Table 2: Distribution of shareholdings across categories

	As on 31st March 2011		As on 31st March 2010	
	No. of Shares	% to Total Capital.	No. of Shares	% to Total Capital.
Promoters and persons acting in concert				
Directors and Relatives				
Foreign Institutional investors				
LIC of India				
Mutual funds				
Nationalized and Other banks				
Private Corporate Bodies				
NRIs and OCBs				
Others (Public)				
Total				

Table 3: Distribution of shareholdings according to size class as on 31st March, 2011

Share Holding of Nominal Value (Rs)	Number of shareholders		Shares held	
	Number	%	Number	%
Up to 5000				
5001 to 10000				
10001 to 20000				
20001 to 30000				
30001 to 40000				
40001 to 50,000				
50001 to 1,00,000				
1,00,001 and above				
Total				100

Dematerialization of Shares

CDSL have approved for dematerialization of shares, however NSDL have not given approval since units paid up capital eroded therefore function of De-mat is not approved by NSDL

Outstanding GDRs./ADRs,/Warrants or any convertible instruments, conversions date and likely impact on equity

The Company has not issued GDRS/Adrs Warrants or any Convertible instruments

Address Correspondence

81, Yamuna Vihar, Linking Road,
Santacruz(West) Mumbai - 400 054

The Members of

Dera Paints & Chemicals Limited

Re: Report on Corporate Governance

We have reviewed the records concerning the Company's compliance of the condition of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company; with the Stock Exchanges of India for the year ended on 31st March, 2011.

The compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the Condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement subject to non-constitution of Audit Committee and Remuneration Committee.

On the basis of the records maintained by the Company we state that there are no Investor Grievances pending against the Company for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 29th August, 2011

For C.K.PATIL & CO
Chartered Accountants
C.K.Patil
PROPRIETOR
M. No. 033243

DERA PAINTS & CHEMICALS LTD.



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

To

The Members of
Dera Paints & Chemicals Limited
Mumbai

1. We have audited the attached Balance Sheet of M/s. Dera Paints & Chemicals limited as at 31st March 2011 and also Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.
4. Subject to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 books of account.
 - c. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Profit & Loss Account, the Balance Sheet and the Cash Flow Statement of the Company comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. As per the information and explanations given to us and on the basis of written representations

received from the directors, we report that as on the date of the balance sheet, none of the directors is disqualified from being appointed as a director of the Company in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts particularly subject to Note No.4 Re.: Non-compliance of sections 292A and 383A of the Companies Act, 1956, Note No.6 Re.: Non-disclosure of the amounts due to the Sundry Creditors-Micro Small and Medium Enterprises Development Act, 2006 Units and Note No.8 Re.: Preparation of Accounts on going concern basis and 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 in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date

For C.K.PATIL & CO
Chartered Accountants

Place: Mumbai
Date: 29th August, 2011

C.K.Patil
PROPRIETOR
M. No. 033243

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date on the accounts for the year ended 31st. March, 2011 of Dera Paints & Chemicals Limited. Reported on the basis of verification of records of the Company and as per the information and explanations given by the Company.)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals and we are informed that no material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets have been disposed off during the year.
- (ii)
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) The procedures of physical verification of

DERA PAINTS & CHEMICALS LTD.



- inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification and the minor discrepancies observed on physical verification have been properly dealt with in the books of account.
- (iii) (a) The Company has not any granted loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The Company has taken unsecured loans from the directors, relatives of the directors and from a company covered in the register maintained under section 301 of the Act. The number of parties are 3 and the amounts outstanding as on 31.03.2011 were Rs. 3016729/-.
- (c) The rate of interest and other terms and conditions of these loans taken by the Company, are prima facie not prejudicial to the interest of the Company.
- (d) The principal amounts are repayable on demand.
- (iv) The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the year, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) There are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 which are required to be entered in the register required to be maintained under that Section.
- (vi) During the year the Company has not accepted any deposits from the public as defined under the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) The Company did not have an internal audit system.
- (viii) Maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act u/s 209 has not been prescribed by the Central Government for any of the activity of the Company
- (ix) (a) The Company has not paid any undisputed statutory dues. The arrears of outstanding statutory dues as at the last day of the current financial year for a period of more than six months from the date they became payable were as under:
- | | |
|----------------|--------------|
| A. Income-tax | Rs.2253213/- |
| B. Excise Duty | Rs.429206/- |
- (b) There are no dues of Income tax/ Sales tax /Wealth tax/ Service tax/ Custom duty/ Excise duty/ cess which have not been deposited on account of any dispute.
- (x) The accumulated losses as at the end of the current financial year exceeds its entire net worth and the Company has incurred cash losses during the current financial year, and the Company had incurred cash losses in the immediately preceding financial year.
- (xi) As per the records of the Company. There are no dues payable to financial institution or banks
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund company or a nidhi/ mutual benefit fund/societies and hence the question of our reporting on the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 does not arise.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments, and hence the question of our reporting on the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 does not arise.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not availed any term loan during the year.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and hence question of creation of security or charge in respect of the same does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) No fraud on or by the Company has been noticed or reported during the year.

For C.K.PATIL & CO
Chartered Accountants

Place: Mumbai
Date: 29th August, 2011

C.K.Patil
PROPRIETOR
M. No. 033243

DERA PAINTS & CHEMICALS LTD.



BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule No.	Amount Rs.	As at 31.03.2011 Amount (Rs.)	As at 31.03.2010 Amount (Rs.)
SOURCES OF FUNDS:-				
Share Capital	A		57,600,700	57,600,700
Reserves & Surplus	B		42,878,198	42,878,198
Secured Loans			0	0
Unsecured Loans	C		13,862,574	18,803,174
TOTAL Rs,			<u>114,341,472</u>	<u>119,282,072</u>
APPLICATION OF FUNDS:-				
Fixed Assets	D		510000	0
Investments (Unquoted)	E		24,100	24,100
Current Asssts Loans and Advances	F			
Sundry Debtors		3,987,908		6,334,437
Cash & Bank Balances		803,633		3,154,856
Loans & Advances		8,765,974		7,223,336
		<u>13,557,515</u>		<u>16,712,629</u>
Less: Current Liabilities & Provisions	G	<u>30,227,150</u>		<u>27,644,078</u>
Net Current Assets			-16,669,635	-10,931,449
Profit & Loss Account			<u>130,477,007</u>	<u>130,189,421</u>
TOTAL Rs.			<u>114,341,472</u>	<u>119,282,072</u>

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

For C. K. PATIL & CO.
Chartered Accountants

For and on behalf of the Board

C.K.PATIL
PROPRITOR
M.No:033243

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

Place: Mumbai
Dated: 29th August, 2011

DERA PAINTS & CHEMICALS LTD.



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule No.	Amount Rs.	As at 2010-11 Amount (Rs.)	As at 2009-10 Amount (Rs.)
INCOME:				
Sales - Trading			2,414,360	1,415,000
Dividend Received			3,133	3,133
Interest Income			521,612	11,072
TOTAL Rs.			2,939,105	1,429,205
EXPENDITURE :				
Purchase - Trading			2,341,600	1,372,550
Administrative & Selling Expenses	H		885,091	222,942
Interest			0	0
			<u>3,226,691</u>	<u>1,595,492</u>
(Loss)			-287,586	-166,287
Sundry balance w/off			0	-24,300
Less: Provision for taxation			0	0
Net Loss After Tax			-287,586	-190,587
Profit Brought Forward			-130,189,421	-129,998,834
Balance carried over to Balance Sheet	TOTAL RS		<u>-130,477,007</u>	<u>-130,189,421</u>
Basic/Diluted EPS			-0.05	-0.03
Notes to Accounts.	I			

As per our report of even date.

For **C . K. PATIL & CO.**
Chartered Accountants

For and on behalf of the Board

C.K.PATIL
PROPRITOR
M.No:033243

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

Place: Mumbai
Dated: 29th August, 2011

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE "A"		
SHARE CAPITAL		
AUTHORISED		
70,00,000 Equity, Shares of Rs. 10/- each	70,000,000	70,000,000
ISSUED SUBSCRIBED & PAID UP		
57,60,070 (P.Y. 57,60,070) Equity Shares of Rs.10/- each fully paid up. (Out of above,5,00,000 (P.Y. Rs.5,00,000/-) Equity Shares of Rs.10/- each aggregating to Rs.50,00,000/- (P.Y. Rs.50,00,000/-) have been issued for consideration other than cash to the members of Deep Jyote Paints & Chem. Pvt. Ltd (Transferor Company) w.e.f. 1st April,1991 pursuant to the scheme of amalgamation of Deep Jyote Paints &Chem. Pvt. Ltd. with Dera Paints & Chemicals Ltd. sanctioned by Honourable High Court, Bombay vide order dated 25th June,1992).	57,600,700	57600700
TOTAL Rs.	57,600,700	57,600,700
SCHEDULE "B"		
RESERVES & SURPLUS		
1. Capital Reserve		
Balance as per last BalanceSheet	39,801,754	39,801,754
2. Investment Allowance Reserve		
Balance as per last Balance Sheet	31,444	31,444
3. General Reserve		
Balance as per last Balance Sheet	45,000	45,000
4. State Subsidy.		
Balance as per last Balance Sheet	3,000,000	3,000,000
TOTAL Rs.	42,878,198	42,878,198
SCHEDULE "C"		
UNSECURED LOANS		
From Directors	1,221,027	1,286,627
From Companies	1,795,702	6,670,702
Sales Tax Defferal Liability	10,845,845	10,845,845
TOTAL Rs.	13,862,574	18,803,174

SCHEDULE "D"

FIXED ASSETS AS AT 31ST MARCH,2011

ASSETS	GROSS BLOCK			DEPRECIATION FOR THE YEAR	NET BLOCK		
	AS ON 31.03.2010	ADDITIONS	AS ON 31.03.2011		AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
OFFICE EQUIPMENT		70,000	70,000	-	-	70,000	-
COMPUTER		90,000	90,000	-	-	90,000	-
FURNITURE & FIXTURE		50,000	50,000	-	-	50,000	-
MOTORCAR		3,00,000	3,00,000	-	-	3,00,000	-
TOTAL	0	510,000	510,000	-	-	510,000	-
PREVIOUS YEAR	0	0	-	-	0	0	-

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE "E"		
INVESTMENTS (UNQUOTED)		
i. 20 Equity Shares of Vasai Taluka IndlEstate Co-op. Estate Ltd. Of Rs.500/- each fully paid up.	0	0
ii. 2,410 Equity Shares of New India Co-op. Bank Ltd. of Rs.10/- each fully paid up.	24,100	24,100
TOTAL Rs.	24,100	24,100
SCHEDULE "F"		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
1. Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months.	1,573,548	5,639,107
Other Debts	2,414,360	695,330
		3,987,908
2. Cash & Bank Balances		6,334,437
Cash In Hand	396,811	216,211
Balance with Scheduled Banks		
a) In Current Accounts	406,822	18,645
b) In Fixed Deposits/Margin Accounts (Lodged with Banks.)	-	2,920,000
		803,633
3. Loans & Advances (Unsecured and considered good.), Advances recoverable in cash or in kind, or for value to be received.		3,154,856
Advances	8,553,704	7,053,704
Deposits	-	-
	8,553,704	7,053,704
Balance with Excise Dept.	-	-
Advance Tax & TDS	212,270	169,632
		8,765,974
TOTAL Rs.	13,557,515	16,712,629
SCHEDULE "G"		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
Sundry Creditors for Goods	25,834,777	23,568,177
Sundry Creditors for Expenses	1,648,970	1,332,498
		27,483,747
Other Liabilities	2,743,403	24,900,675
		2,743,403
		30,227,150
Provisions		
Provision for Taxation	0	0
TOTAL Rs.	30,227,150	27,644,078

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE "H"		
ADMINISTRATIVE & SELLING EXPENSES		
Bad Debts	660,889	-
Postage, Telegram & Telephone	39,700	40,000
Bank Charges	330	470
Printing & Stationary	32,000	31,000
Conveyance	2,700	3,000
Registrar Fees	26,472	26,472
Office Expenses	23,000	22,000
Directors Remuneration		
Salary to Directors	90,000	90,000
Auditors Remuneration		
Audit Fees	10,000	10,000
	<u>885,091</u>	<u>222,942</u>

SCHEDULE "H"

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH. 2011

1. SIGNIFICANT ACCOUNTING POLICIES

- a) Maintenance of Books of Account and Accounting Policies: The Company maintains its Books of Account on accrual basis. The Accounts are prepared on historical cost basis and on the basis of going concern. The Accounting policies not referred to otherwise are consistent with the generally accepted Accounting Policies.
 - b) Sales: The figures of sales are inclusive of sales tax and excise duty.
 - c) Depreciation: Depreciation on Fixed Assets has been provided on Straight Line Method at rates prescribed in Schedule XIV to the Companies Act, 1956.
 - d) Preliminary & Share Issue Expenses: The amount of Preliminary & Share Issue Expenses is being written off over a period of 10 years
 - e) Valuation of Stocks: Raw Materials, Finished Goods & Semi Finished Goods are valued at lower of cost or net realizable value.
 - f) Investment; Investments of the Company, being long-term investments, are stated at cost.
2. In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated. if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of amounts reasonably necessary. No personal expenses have been charged to revenue account.
 3. The debit and credit balances of the Parties including secured and unsecured loans are subject to confirmation from them.
 4. The Company has not constituted the Audit Committee as required by the provisions of Section 292A and does not have a whole time secretary as required by the provisions of section 383-A of the Companies Act, 1956.
 5. No provision for taxation has been made in the absence of taxable income and c/f losses available for set-off under the Income-tax Act, 1961.
 6. In the absence of information regarding status of Suppliers as defined under the Micro Small and Medium Enterprises Development Act, 2006, the amounts overdue and remaining unpaid on account of principal and/or interest at the close of the financial year to the Suppliers could not be determined. Accordingly the disclosures of the amounts due to the Creditors belonging to Micro Small and Medium Enterprises Development Act, 2006 as required under the amended Schedule VI to the Companies Act, 1956 have not been made.
 7. Contingent liabilities/assets not provided for in the accounts:
 - a) Claim of SICOM for recovery of loans with interest-Rs. 227 lacs which is disputed by the Company.
 - b) The matter relating to grant of eligible benefits from the Eligible Certificate issued by SICOM is before the Hon'ble Supreme Court of India which is admitted in Company's favor and if the final order comes in Company's favor then Company will be entitled to claim various benefits/ damages / losses /Interest from the SICOM which is estimated at around Rs.17.0 crores.
 8. The accumulated losses as on 31st March. 2011 exceeds the Net Worth of the Company; However, the Accounts are prepared on the basis that the Company is a going concern.
 9. Previous year figures are regrouped and re-arranged wherever necessary so as to make them comparable with those of the current year.

DERA PAINTS & CHEMICALS LTD.



10. Disclosure of Segment Reporting (Accounting Standard 17):

The business segment has been considered as the primary segment. The main segment of the Company is manufacture and trading of Chemicals & Allied Products namely Paints, Thinners / industrial Solvents, Alkyed Resin & other Chemicals which is the only segment of the Company and hence no separate disclosure of Segment Reporting is required.

11. Disclosure of Related party (Accounting Standard 17):

- a) Relationship
- (i) Subsidiary Company None
- (ii) Associate Concern ShikhalInfina Management Ltd
- (iii) Key Person (Director) 1. Mr. Kumar V. Shah – Managing Director
- b) Transaction
- (i) Associate Concern ShikhalInfina Management Ltd
Loan Recd, & Outstanding Rs. 1795702/-
- (ii) Key Persons (Director) 1. Remuneration
Rs. 90000/- K.V. Shah, M. D.

12. Disclosure of Earning Per Share (Accounting Standard 20)

	2010-11	2009-10
Net Profit for The Year	Rs. (-) 287586	Rs. (-) 190587
No. of Equity Shares of Rs. 10/- each	5760070	5760070
Earnings per share – Basic	Rs. (-) 0.05	Rs. (-) 0.03

13. Disclosure of Taxes on income (Accounting Standard 22):

No recognition of Net Deferred Tax Assets have been made in the Account in view of existence of huge carried forward and unabsorbed depreciation available for set off under the provisions of Income Tax Act, 1961 and non existence of supporting evidence for availability of future taxable Income.

14. Additional information pursuant to the provision of 3, 4C 4D of part II of Schedule VI to the Companies Act, 1956 is furnished to the extent applicable.

- A. i) Licensed Capacity Not Applicable
- ii) Installed Capacity 2100 M.T.P.A. Paints
5400 M.T.P.A Thinner / Industrial Solvent
1200 M.T.P.A Alkyed Resin
15000 M.T.P.A Cold Pre-treatment Chemical

B. Turnover

	2010-11		2009-10	
	Qty.	Value-Rs.	Qty.	Value-Rs.
Trading - Chemicals	36500 Ltrs.	2414360	21950 Ltrs.	1415000

C. Purchase

	Qty.	Value-Rs.	Qty.	Value-Rs.
Trading - Chemicals	36500 Ltrs.	2341600	21950 Ltrs.	1372550

For C. K. PATIL & CO.

Chartered Accountants

C.K.PATIL
PROPRITOR
M.No:033243

Place: Mumbai
Dated: 29th August, 2011

For and on behalf of the Board

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

DERA PAINTS & CHEMICALS LTD.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Current Year 2010-11 Rupees	Previous Year 2009-10 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(287,586)	(190,587)
<u>Adjusted for:</u>		
Dividend Income	(3,133)	(3,133)
Interest Income	(521,612)	(11,072)
Operating Profit before Working Capital Changes	(812,331)	(204,792)
<u>Adjusted for:</u>		
Inventories	-	-
Sundry Debtors	2,346,529	7,711,850
Loans & Advances	(1,542,638)	24,300
Trade Payables	2,583,072	1,399,022
Cash generated from/(used in) Operations	2,574,632	8,930,380
B CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	3,133	3,133
Interest Income	521,612	11,072
Fixed Assets purchased	(510,000)	-
Cash generated from/(used in) Investing Activity	14,745	14,205
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Charges	-	-
Acceptance of Borrowings	0	-
Repayment of Borrowings	(4,940,600)	(6,209,500)
Cash generated from/(used in) Financing Activity	(4,940,600)	(6,209,500)
Net Increase/(Decrease) in Cash & Cash equivalents	(2,351,223)	2,735,085
Cash & Cash equivalents at beginning of the year	3,154,856	419,771
Cash & Cash equivalents at end of the year	803,633	3,154,856

As per our report of even date.

For C. K. PATIL & CO.
Chartered Accountants

For and on behalf of the Board

C.K.PATIL
PROPRITOR
M.No:033243
Place: Mumbai
Dated: 29th August, 2011

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

DERA PAINTS & CHEMICALS LTD.



Information pursuant to Part IV to Schedule VI to the Companies Act 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration NO	11-57373-1990	State Code	11
Balance Sheet Date	31-03-2011		

II. Capital raised during year (Amount Rs. in thousands)

Public issue (issue) through the Prospectus)	NIL	Right issue:	NIL
Bonus issue	NIL	Private Placement:	NIL

III. Position of Mobilization and Deployment of Funds (Amount Rs. in thousands)

Total Liabilities	144569
Total Assets	144569
Sources of Funds:	
Paid up Capital	57601
Reserves & Surplus	42878
Secured Loan	-
Unsecured Loan	13863

Application of Funds

Net Fixed Assets	510
Investments	24
Net Current Assets	(16669)
Miscellaneous Expenditure	-
Accumulated Losses	130477

IV. Performance of the Company (Amount Rs in thousands)

Turnover (Gross)	2939
Total Expenditure	3227
Loss Before Tax	-288
Loss After Tax	-288
Earning Per Share (Note No. 12 of Notes to Account)	-0.05
Dividend Rate	NIL

V. Generic items of Three Principal Products (As per monetary terms)

Item Code No. (ITC Code)	Product Description
1) 32091001	PAINTS
2) 381400	THINNERS & INDUSTRIAL SOLVENTS
3) 39075000	ALKYD RESINS

For and on behalf of the Board

KUMAR V, SHAH
Chairman & Managing Director

H.A.Salunkhe
Director

PLACE: MUMBAI

DATE: 29TH AUGUST, 2011

DERA PAINTS & CHEMICALS LTD.

Regd. Off: 81, Yamuna Vihar, Linking Road, Santacruz (West) Mumbai - 400 054.

Attendance Slip

I, We hereby record my/our presence at the 21st Annual General Meeting held on 29 September, 2011 at 9.15 a.m. at 81, Yamuna Vihar, Linking Road, Santacruz (West) Mumbai - 400 054.

Shareholder/Proxy:

(Surname) (First Name) (Second Name)

Reg. Folio No.: No. of Shares held.....

Signature of Shareholder/Proxy

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

DERA PAINTS & CHEMICALS LTD.

Regd. Off: 81, Yamuna Vihar, Linking Road, Santacruz (West) Mumbai - 400 054.

Form of Proxy

I/We _____ of _____
_____ Being Member/Members of Dera Paints Chemicals

Ltd. hereby appoint _____

_____ of _____

or falling him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Thursday, 29th September, 2011 at 9.15 am. at Regd. Off: 81, Yamuna Vihar, Linking Road, Santacruz (West) Mumbai - 400 054. or at any adjournment thereof.

Signed this the _____ day of _____ 2011.

Affix
1 Rupee
Revenue
stamp

Signature of the shareholder(s)

Note: This Proxy form duly completed must be deposited at the Company's Registered Office not less than 48 hours before the time of holding the aforesaid meeting.

BOOK-POST

If undelivered please return to:

DERA PAINTS & CHEMICALS LTD.
Regd. Off: 81, YamunaVihar,
Linking Road, Santacruz (West)
Mumbai - 400 054.