

# **DERA**

## **PAINTS & CHEMICALS LTD.**



**24th Annual Report  
2013-14**

# DERA PAINTS & CHEMICALS LTD.



## **BOARD OF DIRECTORS**

Shri. Kumar V. Shah	- Chairman & Managing Director
Shri H.A.Salunkhe	- Non Executive / Independent Director
Shri Hasmukh Patel	- Non Executive / Independent Director

## **AUDITORS**

C.K.Patil & Co.  
Chartered Accountants

## **SOLICITORS & LEGAL ADVISORS**

Dhru & Company

## **AUDIT COMMITTEE**

Shri H.A.Salunkhe	- Non Executive / Independent Director
Shri Hasmukh Patel	- Non Executive / Independent Director

## **SHARE TRANSFER COMMITTEE**

Shri. Kumar V. Shah	- Chairman & Managing Director
Shri H.A.Salunkhe	- Non Executive / Independent Director

## **BANK**

Sangali Sahakari Bank

## **REGISTERED OFFICE**

2, Juhu Aradhana CHS Ltd.,  
Juhu Lane, Mumbai 400 058  
Maharashtra.  
INDIA

## **REGISTRAR & SHARES TRANSFER AGENT**

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

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# DERA PAINTS & CHEMICALS LTD.



Dear SHAREHOLDERS,

Re : MOST URGENT Updation / Confirmation of details

We would like to bring to your notice on verification of the Register of Members of the Company. It is revealed that many mandatory details such as full address with PIN Code, Bank account particulars/ECS details, contact Nos., email address, even the signatures are missing or partial. Due to passage of time the details might have undergone some change. To enable us to update the complete/revised details, if any, you are requested to provide the details in the columns provided overleaf.

While returning the communication kindly ensure to attach the following two documents to enable us to verify and comply with the process of "Know your shareholders" .

1. Self attested copy of the PAN Card of the shareholder(s) (including joint holders if any)
2. Copy of the cheque leaf of the first named shareholder.

In case there is a change in your address then you are required to forward a self attested copy of any one of the following document besides the aforesaid two documents:

1. Unique Identification Number (UID) - Aadhar card
2. Passport (relevant page) showing your present address
3. Utility bill (not more than three month old) - Telephone land line, Electricity Bill, Gas Bill, Bank statement

You are requested to return the confirmation/request updation form duly signed by all the shareholders as per the specimen signature recorded with the Company. In case you desire to change your signature and the joint shareholders signature (if any), the same will be taken care of provided the signature(s) is/are attested by your Bank Manager under his/her official seal and signature mentioning your Bank account N/o. besides his/her signature.

**Please treat this as very urgent and return the confirmation/request updation form at the earliest so that the same can be updated before the Book Closure time.**

Thanking you,  
Yours truly,

**For Dera Paints & Chemicals Ltd**

Sd/-

Authorised Signatory

# DERA PAINTS & CHEMICALS LTD.



SCAN COPY AND EMAIL TO [mail@derapaints.net](mailto:mail@derapaints.net) and [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

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

**CONFIRMATION/REQUEST UPDATION FORM UNIT: DERA PAINTS & CHEMICALS LTD**

Folio No. : \_\_\_\_\_

You are requested to make note of the following change(s). The supporting documents are attached herewith.

Address :

Bank Details : As per the copy of cheque leaf attached

Contact No. :

Email address :

I/We hereby confirm that the aforesaid details are correct and the above changes may please be incorporated in Register of Members under intimation to me/us.

Name of the holder(s)

Signature

1)

2)

3)

The aforesaid signature is/are attested under our official stamp and signature. The above person(s) is/are maintaining active Bank account No.....with us.

Signature of the Bank Manager

# DERA PAINTS & CHEMICALS LTD.



## NOTICE

NOTICE is hereby given that 24<sup>th</sup> Annual General Meeting of the members of the Company **DERA PAINTS & CHEMICALS LIMITED** will be held on Saturday, 27<sup>th</sup> September, 2014 at 9.00 am at Ultra Meeting Room, (In the premises of PXL soft office) 3A/3B, 1st floor, Master Mind ii, Aarey colony, Goregaon East, Mumbai - 400065 to transact the following business.

### **ORDINARY BUSINESS:**

1. To Receive, consider and adopt the Audited balance sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2014 and the Reports of Directors and Auditors thereon.
2. To appoint M/s. C. K Patil & Co, Chartered Accountants (Registration No: 107803W), as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s. C.K. Patil & Co., Chartered Accountants, (Firm Registration No. 107803W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 29th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such Remuneration plus service tax, out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

3. To appoint a director in place of Shri. Hasmukh Patel, DIN No. 00103811 who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

1. Article to be amended u/s14 for Electronic voting

To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT** the existing Article No. 101 be and is deleted and following Article be substituted in its place.

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a Committee thereof be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

By order of the Board of Directors  
**DERA PAINTS & CHEMICALS LIMITED**

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

Date : 17<sup>th</sup> May, 2014

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 / herself 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 18<sup>th</sup> September, 2014 to 19<sup>th</sup> September, 2014 (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. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Adroit Corporate Services Pvt. Ltd.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Adroit Corporate Services Pvt. Ltd.
6. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
7. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Adroit Corporate Services Pvt. Ltd., for consolidation into a single folio.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

## EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

That following explanatory statement sets out the material facts referring to Item No. 1 of the Notice convening the Annual General Meeting of the Company.

### ITEM NO. 1

As per provisions of Companies Act, 2013, members are allowed voting by electronic mode. In order to provide members said facility, it is proposed to alter the Articles of Association accordingly.

In view of the above it is proposed to pass special resolutions as given at item No. 1 of the Notice.

The Directors recommend the Special Resolutions for acceptance by the Members.

None of the Company's Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in these resolutions, except to the extent of their shareholdings in the Company.

By order of the Board of Directors  
**DERA PAINTS & CHEMICALS LIMITED**

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

Date : 17<sup>th</sup> May, 2014  
Place: Mumbai

# DERA PAINTS & CHEMICALS LTD.



## DIRECTOR'S REPORT

To,

The Members

### **DERA PAINTS & CHEMICALS LIMITED**

Your Directors have great pleasure in presenting 24th Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2014

#### **1. FINANCIAL HIGHLIGHT**

PARTICULARS	For the year ended 31st March, 2014 (Rs.in. Lacs)	For the year ended 31st March, 2013 (Rs.in. Lacs)
Profit /(Loss) before Depreciation and Tax	(7.79)	(4.90)
Depreciation on fixed Assets	0.50	0.50
Loss before tax	(8.29)	(5.40)
Deferred tax	(0.00)	(0.05)
Net Profit /(Loss) for the year	(8.29)	(5.45)
Add: Surplus/loss b/f from previous year	(1290.02)	(1284.57)
Balance loss c/f	(1298.31)	(1290.02)

#### **2. OPERATIONS & OUTLOOK**

Your Company has already started trading activity to generate revenue and mitigate losses.

During the year company made Loss of Rs. 8.29 lacs as compared to previous year's loss of Rs. 5.45 Lacs.

#### **3. DIRECTORS :**

Shri Hasmukh Patel , DIN No. 00103811 retires by rotation being 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 of affairs of the company at the financial year and of the 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.

#### **5. MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.



## 6. 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.

## 7. PARTICULAR OF EMPLOYEES:

The Company has no employees in respect of whom information under sub-section 2A of section 217 of the Companies Act, 1956 is required to be furnished.

## 8. DIVIDEND:

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

## 9. DEPOSITES :

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

## 10. 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 further confirmed their eligibility under section 141 of the Companies Act, 2013.

## 11. AUDITORS REPORT :

Regarding qualification and remarks in the Auditors Report, your Board offers following explanations. Explanation Note 17 (3) Non Compliance of section 383A of the Companies Act, 1956.

Your company has not appointed a full time Company Secretary considering its financial position. However, your Company will appoint the same in the current financial year after successful relisting of its equity shares on BSE.

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.

## 12. 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 particular in the Report of Board of Directors Rules, 1988 is given in Annexure – 1 which forms part of this report.

## 13. 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.

## 14. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, BSE, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

By order of the Board of Directors  
**DERA PAINTS & CHEMICALS LIMITED**

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

Date : 17<sup>th</sup> May, 2014  
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 ended 31st March, 2014.

### 1. CONSERVATION OF ENERGY

#### 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. Fumace 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 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 EARNING 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 Directors  
**DERA PAINTS & CHEMICALS LIMITED**

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

Date : 17<sup>th</sup> May, 2014  
Place: Mumbai



## Management Discussion and Analysis

### **i. Industry structure and developments**

Sustain of slowdown across almost all major sectors confirming the challenges for financial year 2013 – 2014 ending 31st March, 2014. During the year 2004 to 2011 our country growth was @8% p.a, where as in last two financial years our country's growth is @ 4.9% & 4.5 % which has witnessed/ proved the challenging economy in India.

The Rupee was under pressure against US Dollar during the whole year, especially in April 2013 to September 2013, it had reached Rs. 68/- against US Dollar in August 2013. This has affected badly the economy and especially for petrochemical based products industries.

### **PRODUCTS & MARKETS**

Your company was in the field of Manufacturing automotive, Industrial and Decorative paints, thinners & Synthetic resins with trading of industrial solvents and other raw materials to concern and allied industry. After the huge fire in the company's plant at Vasai – Mumbai in 1998, your company had to stop the manufacturing activity. Your Company had faced lot of challenges and due to short fall of capital, your company could not re – commence the manufacturing activity to cater to prestigious clients like Mahindra & Mahindra Ltd, Castrol Ltd, and many other prestigious industries and dealers through out country.

### **ii. Opportunities and Threats Risks and concerns**

There are still demands and scope for our products and company has decided to re-commence manufacturing activities by bringing additional funds, either from institution, Bank, NBFC or in the company by arranging preferential / rights issue for additional equity shares after relisting of its equity shares on BSE. In addition to above company has decided to set up service division in field of Re Painting of interior & exterior for Hotels, Towers, Villas, Factories, Warehouses etc as well as allied services such as housekeeping contracts etc. Implementation of the said activities depends upon availability of the funds to your company.

### **iii. Segment-wise or product-wise performance**

During the year, your company has carried out trading in chemicals to mitigate losses.

### **iv. Outlook**

After facing lot of challenges, the management has decided to revive your company and it intends to relist your Company with BSE Ltd. Management intends to approach institutions, Banks, NBFC etc. for raising funds and/or planning for preferential / rights issue for additional equity shares as per approval by the concern authorities / share holders. Such additional funds will help your company to start functioning in manufacturing sector as well in all respects. Your company is optimistic and hopeful of overall growth.

### **v. Internal control systems and their adequacy**

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business and has not observed any continuing failure to correct major weaknesses in internal control system.

### **vi. Discussion on financial performance with respect to operational performance**

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

During the year company made Loss of Rs.8.29 lacs as compared to previous year's loss of Rs.5.45 Lacs

### **viii. Material developments in Human Resources/Industrial Relations front, including number of people employed.**

After re-start, your company will employ sizeable people to look after the various activities for all round development of your company.



## Chief Executive Officer (CEO) Certification

To, **The Board of Directors,**

**Dera Paints & Chemicals Limited**

We certify that:

- A) We have reviewed the Financial Statements of Dera Paints & Chemicals Ltd. for the Financial Year ended March 31, 2014 and based on our knowledge and belief state that:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C) We hereby declare that all the members of the Board of Directors and the senior Management employees have confirmed compliance with the Code of Conduct as adopted by the Company.
- D) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- E) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:  
Significant changes, if any, in the internal control over the Financial Reporting during the year;
  - i) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over Financial Reporting.

For and on behalf of Board of Directors  
**DERA PAINTS & CHEMICALS LIMITED**

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

Date : 17<sup>th</sup> May, 2014

Place: Mumbai



## 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. The Company recognizes value and commitments policy and is committed to an ethical treatment of all employees, customers, share-holders, lenders, 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 2013 – 2014 the Board of Directors have met four times on the following dates : 30th May, 2013, 14th August, 2013, 9th November, 2013 and 25th January, 2014. The meeting were held as per 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 four Board meetings held during the financial year 2013 2014, 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 21/09/2013	In Listed Companies	In Unlisted Public Limited Companies	Chairman	Member
Kumar Shah	Promoter-Chairman	4	Yes	1	-	1	-
H.A Salunkhe	Independent Non - Executive	4	Yes	1	-	-	2
Hasmukh Patel	Independent Non - Executive	4	Yes	1	-	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 provided on various critical items such as : (a) Production, Sales and Capital Expenditure Budget, (b) Sales and financial performance statistics (c) Such transfer compliance (d) Quarterly financial results (e) Significant labor and human relation (f) statutory compliance reporting system and any other matters.

## Audit Committee:

### Constitution and Composition

The Audit Committee of the Company comprises of Shri Hasmukh Patel and H.A. Salunkhe, the Independent directors. All members of the Audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is having accounting and financial management expertise.

### Terms of reference

In compliance with Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement, the terms of reference of Audit Committee are as under:

1. Oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re- appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fees.
3. Compliance with Listing and other legal requirements relating to financial statements.
4. Disclosures of any related party transactions
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of Statutory Auditors, adequacy of Internal Control systems and recommending improvements to the management.
7. Discussion with Auditor on any significant findings and follow-up thereon.
8. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The minutes of the Audit Committee Meetings are circulated to the Board, discussed and taken note of.

### Meetings and attendance

The Audit Committee met four times during the Financial Year 2013 – 2014 30th May, 2013, 14th August, 2013, 9th November, 2013 and 25th January, 2014. The meetings were scheduled well in advance. In addition to the members of the Audit Committee these meetings were attended by Statutory Auditors for providing inputs to the Committee.

### Names of the Directors

### No. of Meetings attended

- |                       |   |
|-----------------------|---|
| 1. Shri Hasmukh Patel | 4 |
| 2. Shri H.A Salunkhe  | 4 |



## (IV) Remuneration Committee

### Constitution and Composition

The Board has constituted Remuneration Committee comprising Shri Hasmukh Patel and H.A. Salunkhe, the Independent directors.

Meeting of this committee are held only when required.

Terms of Reference: The Remuneration Committee has been constituted to recommend/ review remuneration of the Managing Director.

### Remuneration of Directors

- a. The remuneration paid to the Whole-time Director is within the ceiling as per resolution approved by the shareholders. Details of the remuneration paid to the whole-time Director for the Financial Year ended 31st March, 2014 is given below:  
- Constitution and Composition

### Remuneration of Directors

- a. Remuneration of Rs. 90,000/- p.a paid to the Promoter Director (CMD) of your company, including all perquisite  
b. No Sitting Fees paid to the independent Non-Executive Directors for the financial year ended 31s March, 2014.

### Share Transfer Committee

#### Constitution and Composition

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.

#### Committee had met only 12 times.

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

Name of Director	No. of meeting attended during the year.
Shri Kumar V Shah	12
Shri.H.A.Salunkhe	12

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 31<sup>st</sup> March, 2014.

### Communications to Share - holders

Dera Paints & Chemicals Limited recognizes communication as a key element in 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	Date, Time and Locations
31 <sup>st</sup> March, 2013	21 <sup>st</sup> September, 2013 at 9.15 a.m at Utra Meeting room (In the Premises of PXL Soft Office) 3A/3B, 1 <sup>st</sup> Floor, Master Mind II, Opp Moroccon Building, Royal Palms, Aarey Colony, Goregaon East, Mumbai – 400 065.
31 <sup>st</sup> March, 2012	27 <sup>th</sup> September, 2012 at 9.15 a.m F111, Prime Mall, Irla, Vile-parle (west) Mumbai – 400 056.
31 <sup>st</sup> March, 2011	29 September, 2011 at 9 15 a.m B-53/54, NandBhuvan industrial Estate, 81, Yamuna Vihar, Linking Road, Santacruz(West) Mumbai - 400 054.

During the last three years no resolution was passed under the Postal Ballot.

## General Shareholder's Information

Annual General Meeting	27 <sup>th</sup> September, 2014 at 9.00 a.m
Book Closure Date	18 <sup>th</sup> September, 2014 till 19 <sup>th</sup> September, 2014
Listing on Stock Exchanges	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Dividend Payment Date:	Not applicable since dividend not declared
Stock Code:	
The Stock Exchange, Mumbai	523782
Market Price Data:	No rates are quoted during the Financial Year 2013-2014
Registrar & Transfer Agents:	Adroit Corporate Services Ltd. 9, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Mumbai - 400 059.

# DERA PAINTS & CHEMICALS LTD.



## Distribution of Shareholding

Table 2 gives details about the pattern of Share-holdings among various categories as on 31<sup>st</sup> March 2014, while table 3 gives the data according to size classes:-

**Table 2: Distribution of shareholdings across categories**

	As on 31 <sup>st</sup> March 2014		As on 31 <sup>st</sup> March 2013	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Resident individuals	3713940	64.48	3713640	64.48
Non resident Indians (Individuals)	301400	5.23	301800	5.23
Corporate Bodies	124200	2.16	124200	2.16
Banks	1200	0.02	1200	0.02
Directors (Promoter)	847460	14.71	847460	14.71
Directors Relative (Promoter)	771770	13.40	771770	13.40
Corporate Body - Broker	100	0.00	-	-
<b>Total</b>	<b>5760070</b>	<b>100.00</b>	<b>5760070</b>	<b>100</b>

**Table 3: Distributional shareholdings according to size class as on 31st March, 2014**

No. of Shares	Number of shareholders		Shares held	
	Number	%	Number	%
Share Holding of Nominal Value (Rs.)				
Up to 500	20278	96.38	2877640	49.96
501 to 1000	518	2.46	426400	7.40
1001 to 2000	129	0.61	192450	3.34
2001 to 3000	39	0.19	98000	1.70
3001 to 4000	12	0.06	44700	0.78
4001 to 5000	15	0.07	69700	1.21
5001 to 10,000	24	0.11	190200	3.30
10,001 and above	24	0.11	1860980	32.31
<b>Total</b>				<b>100</b>





## Dematerialization of Shares

CDSL & NSDL have approved for dematerialization of shares.

Outstanding GDRs./ADRs./Warrants or any convertible instruments, conversions date and likely impact on equity      The Company has not issued GDRs/ADRs Warrants convertible instruments, conversions date or any Convertible instruments

Address For Correspondence      701, New Virendra Apartment, Khar Road No.1, Khar (West),  
Mumbai – 400 052

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, 2014.

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.

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.

**For C. K. Patil & Co.**  
**Chartered Accountants**  
Firm Regn. No.107803W

**C. K. Patil**  
**Proprietor**  
M. No. 033243

Place : Mumbai  
Date : 17th May, 2014



## INDEPENDENT AUDITORS' REPORT

The Members of  
Dera Paints & Chemicals Limited  
Mumbai

### Report on the Financial Statements

We have audited the accompanying financial statements of Dera Paints & Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements

in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

1. The Company does not have a whole time secretary as required by the provisions of section 383-A of the Companies Act, 1956 and hence has not complied with the provisions of the said section.
2. The accumulated losses as on 31<sup>st</sup> March, 2014 exceeds the Net Worth of the Company; however, the Accounts are prepared on the basis that the Company is a going concern.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

# DERA PAINTS & CHEMICALS LTD.



- 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 appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs)of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (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 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 loan from a director covered in the register maintained under section 301 of the Act. The number of party was 1 and the amounts outstanding as on 31.03.2014 was Rs. 40,30,522/-.
    - (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) No principal amounts were due for repayment during the year.
  - (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 and we have not observed any continuing failure to correct major weaknesses in internal control system.

**For C. K. Patil & Co.**  
**Chartered Accountants**  
Firm Regn. No.107803W

**C. K. Patil**  
**Proprietor**  
M. No. 033243

Place : Mumbai

Date : 17th May, 2014

## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our Report of even date on the accounts for the year ended 31st March, 2014 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.)

# DERA PAINTS & CHEMICALS LTD.



- (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) The Company is not required to maintain cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) 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. Excise Duty Rs.4,98,054/-
- (b) There are no dues of Income 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 as well as in the immediately preceding financial year.
- (xi) There are no amounts repayable 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**  
Firm Regn. No.107803W

**C. K. Patil**  
**Proprietor**  
M. No. 03324

Place : Mumbai  
Date : 17th May, 2014

# DERA PAINTS & CHEMICALS LTD.



## BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 Amount (Rs.)	As at 31.03.2013 Amount (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	57,600,700	57,600,700
(b) Reserves and Surplus	2	(88,353,073)	(87,523,480)
		<b>(30,752,373)</b>	<b>(29,922,780)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	15,372,069	16,972,574
(b) Deferred tax liabilities (Net)	4	35,981	36,412
(c) Other Long term liabilities	5	22,985,036	27,519,438
		<b>38,393,086</b>	<b>44,528,424</b>
<b>(3) Current Liabilities</b>			
(a) Trade payables		1,815,916	2,502,250
<b>TOTAL Rs.</b>		<b>9,456,629</b>	<b>17,107,894</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	6		
(i) Tangible assets		376,647	427,034
(b) Non-current investments	7	24,100	24,100
(c) Long term loans and advances	8	7,105,625	7,159,411
(d) Other Non Current assets	9	-	4,189,108
		<b>7,506,372</b>	<b>11,799,653</b>
<b>(2) Current assets</b>			
(a) Trade receivables	10	1,569,108	2,525,000
(b) Cash and cash equivalents	11	156,149	558,241
(c) Short-term loans and advances	12	225,000	2,225,000
		<b>1,950,257</b>	<b>5,308,241</b>
<b>TOTAL Rs.</b>		<b>9,456,629</b>	<b>17,107,894</b>
Significant Accounting Policies & Additional Notes	17		

Notes referred to above form an integral part of the financial statements,

As per our report of even date.

**For C.K. Patil & Co.**  
Chartered Accountants

For and On Behalf of the Board.

**C.K.Patil**  
Proprietor  
M.No.033243

**Kumar V. Shah**  
Chairman & Managing Director

**H.A. Salunkhe**  
Director

Place : Mumbai  
Dated : 17<sup>th</sup> May, 2014

# DERA PAINTS & CHEMICALS LTD.



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Current Yr. 2013-14 Amount (Rs.)	Previous Yr. 2012-13 Amount (Rs.)
<b>INCOME:</b>			
I. Revenue from Operations	13	2,055,000	2,525,000
II. Other Income	14	62,137	37,479
III. Total Revenue		<u>2,117,137</u>	<u>2,562,479</u>
IV. Expenses			
Purchases of Stock in Trade	15	1,931,000	2,448,250
Employee's / Director 's Salary		189,000	125,000
Depreciation	6	50,387	50,387
Other Expenses	16	672,926	478,669
		<u>2,843,313</u>	<u>3,102,306</u>
Loss before Extraordinary item & tax		(726,176)	(539,827)
<b>Prior period Expenses</b>			
Excise Duty of earlier year		(103,848)	-
Profit/(Loss) before tax		(830,024)	(539,827)
<b>Tax Expenses</b>			
Deferred Tax		431	(4,636)
Net Profit (Loss) for the year		<u>-829,593</u>	<u>(544,463)</u>
Basic/Diluted EPS		-0.14	-0.09
Significant Accounting Policies & Additional Notes	17		

Notes referred to above form an integral part of the financial statements,

As per our report of even date.

**For C.K. Patil & Co.**  
Chartered Accountants

For and On Behalf of the Board.

**C.K.Patil**  
*Proprietor*  
M.No.033243

**Kumar V. Shah**  
*Chairman & Managing Director*

**H.A. Salunkhe**  
*Director*

Place : Mumbai

Dated : 17<sup>th</sup> May, 2014

# DERA PAINTS & CHEMICALS LTD.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Current Year	Previous Year
	2013-14 Rupees	2012-13 Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(830,024)	(539,827)
<u>Adjusted for:</u>		
Depreciation	50,387	50,387
Interest Income	(62,137)	(37,479)
Operating Profit before Working Capital Changes	(841,774)	(526,919)
<u>Adjusted for:</u>		
Trade Receivables	5,145,000	1,475,000
Loans & Advances	2,053,786	(2,228,748)
Trade Payables	(5,220,736)	(1,560,166)
Cash generated from/(used in) Operations	<u>1,136,276</u>	<u>(2,840,833)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	62,137	37,479
Fixed Assets purchased	-	-
Cash generated from/(used in) Investing Activity	<u>62,137</u>	<u>37,479</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acceptance/ (Repayment) of Borrowings	(1,600,505)	2,860,000
Cash generated from/(used in) Financing Activity	<u>(1,600,505)</u>	<u>2,860,000</u>
Net Increase/(Decrease) in Cash & Cash equivalents	(402,092)	56,646
Cash & Cash equivalents at beginning of the year	558,241	501,595
Cash & Cash equivalents at end of the year	156,149	558,241

Notes referred to above form an integral part of the financial statements,

As per our report of even date.

**For C.K. Patil & Co.**  
Chartered Accountants

For and On Behalf of the Board.

**C.K.Patil**  
Proprietor  
M.No.033243

**Kumar V. Shah**  
Chairman & Managing Director

**H.A. Salunkhe**  
Director

Place : Mumbai  
Dated : 17<sup>th</sup> May, 2014

# DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
<b>NOTE NO. 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
70,00,000 Equity, Shares of par value of Rs. 10/- each	<u>70,000,000</u>	<u>70,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
57,60,070 (P.Y. 57,60,070) Equity Shares of Rs.10/- each fully paid up	<u>57,600,700</u>	<u>57,600,700</u>

### Terms/rights attached to equity shares

The company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

### Details of shareholder holding more than 5% shares in the company

(For 2013-14 and 2012-13)

Name of Shareholder	No of Shares	% of Holding
1. Kumar Vasantlal Shah	847360	14.71
2. Deepa Kumar Shah	562710	9.77
	<u>1410070</u>	<u>24.48</u>

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### NOTE NO. 2

#### RESERVES & SURPLUS

##### 1. Capital Reserve

Balance as per last Balance Sheet	38,401,754	39,801,754
Less: Loan from SICOM w/back reversed	-	1,400,000
	<u>38,401,754</u>	<u>38,401,754</u>

##### 2. Investment Allowance Reserve

Balance as per last Balance Sheet	31,444	31,444
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##### 3. General Reserve

Balance as per last Balance Sheet	45,000	45,000
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##### 4. State Subsidy.

Balance as per last Balance Sheet	3,000,000	3,000,000
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# DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
<b>5. Surplus/(Deficit) in the statement of profit and loss</b>		
Opening Balance	(129,001,678)	(128,457,215)
Add: Profit/(loss) for the year	<u>(829,593)</u>	<u>(544,463)</u>
Closing Balance	<u>(129,831,271)</u>	<u>(129,001,678)</u>
TOTAL Rs.	<u><u>(88,353,073)</u></u>	<u><u>(87,523,480)</u></u>

## NOTE NO. 3

### LONG TERM BORROWINGS

#### (Unsecured)

From Director	4,030,522	4,931,027
From Company	495,702	495,702
From SICOM	-	700,000
Sales Tax Defferal Liability	10,845,845	10,845,845
(Above loans payable after 2 years on demad. Rate of interest NIL)	-	-
TOTAL Rs.	<u><u>15,372,069</u></u>	<u><u>16,972,574</u></u>

## NOTE NO. 4

### DEFERRED TAX LIABILITY

On Account of Depreciation	<u>35,981</u>	<u>36,412</u>
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## NOTE NO. 5

### OTHER LONG TERM LIABILITIES

Trade Payables	22,486,982	27,090,232
Duties & Taxes	<u>498,054</u>	<u>429,206</u>
	<u><u>22,985,036</u></u>	<u><u>27,519,438</u></u>

## NOTE NO. 6

FIXED ASSETS AS AT 31<sup>ST</sup> MARCH, 2014

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 31.03.2013	ADDITIONS	AS ON 31.03.2014	AS ON 31.03.2013	FOR THR YEAR	AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
<b>TANGIBLE ASSETS</b>								
OFFICE EQUIPMENTS	87,000	-	87,000	7,458	4,133	11,591	75,409	79,542
COMPUTER	90,000	-	90,000	29,178	14,589	43,767	46,233	60,822
FURNITURE & FIXURE	50,000	-	50,000	6,330	3,165	9,495	40,505	43,670
MOTORCAR	300,000	-	300,000	57,000	28,500	85,500	214,500	243,000
TOTAL	<u>527,000</u>	<u>0</u>	<u>527,000</u>	<u>99,966</u>	<u>50,387</u>	<u>150,353</u>	<u>376,647</u>	<u>427,034</u>
PREVIOUS YEAR	527,000	0	527,000	49,579	50,387	99,966	427,034	

# DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
<b>NOTE NO. 7</b>		
<b>NON CURRENT INVESTMENTS</b>		
NON TRADE-UNQUOTED		
In Equity Instruments		
2,410 Equity Shares of New India Co-op. Bank Ltd. of Rs.10/- each fully paid up.		
	24,100	24,100
	<u>24,100</u>	<u>24,100</u>
<b>NOTE NO. 8</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Office Deposit paid		
	-	50,000
Advances to other parties		
	7,043,704	7,053,704
Advance Tax & TDS		
	61,921	55,707
	<u>7,105,625</u>	<u>7,159,411</u>
<b>NOTE NO. 9</b>		
<b>OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good)		
Long Term Trade Receivables		
	-	4,189,108
	<u>-</u>	<u>4,189,108</u>
<b>NOTE NO. 10</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months.		
	534,108	-
Others		
	1,035,000	2,525,000
	<u>1,569,108</u>	<u>2,525,000</u>
<b>NOTE NO. 11</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash In Hand		
	135,011	513,511
Balance with Scheduled Banks		
a) In Current Accounts		
	21,138	44,730
	<u>156,149</u>	<u>558,241</u>
<b>NOTE NO. 12</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good.),		
Loans & Advances to other parties		
	225,000	2,225,000
	<u>225,000</u>	<u>2,225,000</u>

# DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
<b>NOTE NO. 13</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products- Chemicals	<u>2,055,000</u>	<u>2,525,000</u>
<b>NOTE NO. 14</b>		
<b>OTHER INCOME</b>		
Interest Income	62,137	37,479
Miscellaneous Income	-	-
	<u>62,137</u>	<u>37,479</u>
<b>NOTE NO. 15</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Purchases- Chemicals	<u>1,931,000</u>	<u>2,448,250</u>
<b>NOTE NO. 16</b>		
<b>OTHER EXPENSES</b>		
<b>Administrative Expenses</b>		
Rent	66,000	132,000
Repairs & Maintenance	1,500	-
Professional & Legal Fees	95,000	70,000
Postage, Telegram & Telephone	105,320	126,273
Bank Charges	145	959
Printing & Stationary	51,425	50,500
Conveyance	15,200	10,000
Filing Fees	25,000	-
Listing Fees	219,871	20,787
Registrar Fees	28,000	28,000
Office Expenses	50,565	25,500
Electricity	4,900	4,650
<b>Auditors Remuneration</b>		
Audit Fees	<u>10,000</u>	<u>10,000</u>
	<u>672,926</u>	<u>478,669</u>



## NOTE NO. 17

### SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

- a) Basis of Preparation: The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006(as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.
- 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) Valuation of Stocks: Raw Materials, Finished Goods & Semi Finished Goods are valued at lower of cost or net realizable value.
- e) Investment; Investments of the Company, being non current investments, are stated at cost.
- f) Taxes on Income: Tax expenses comprises of current and deferred tax. Provision for Current tax is made based on the liability computed in accordance with the Indian Income Tax Act, 1961.The tax rates and tax laws used to compute the tax liability are those that are enacted or substantively enacted at the reporting date. Deferred tax is recognized on the basis of timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each balance sheet date.
- g) Cash flows Statement : Cash flows are reported using the indirect method, whereby profit/(loss) loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.
- h) Earning Per Share : Basic earnings per share is computed by dividing the profit/(loss) after tax (including post tax effect of extraordinary items if any) by the weighted average number of equity shares outstanding during the year.
- i) Provisions, Contingent Liabilities and Contingent Assets: Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes after careful evaluation of facts and legal aspects of the matter involved. Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.
- j) Impairment of Assets: The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying



k) cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account

l) in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

2. The debit and credit balances of the Parties including are subject to confirmation from them.
3. The Company does not have a whole time secretary as required by the provisions of section 383-A of the Companies Act, 1956.
4. As per the information available with the Company, there are no overdue principal and/or interest amounts payable to the Suppliers under the Micro Small and Medium Enterprises Development Act, 2006 at the close of the financial year.
5. Contingent liabilities not provided for in the accounts: NIL
6. The accumulated losses as on 31<sup>st</sup> March 2014 exceeds the Net Worth of the Company; however, the Accounts are prepared on the basis that the Company is a going concern.
7. 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.
8. Previous year figures are regrouped and re-arranged wherever necessary so as to make them comparable with those of the current year's figures.
9. 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.

#### 10. Disclosure of Related party (Accounting Standard 18):

a) Relationship

(i) Subsidiary Company

None

Associate Concern

None

(iii) Key Person (Director)

1. Mr. Kumar V. Shah – Managing Director

b) Transaction

(i) Key Persons (Director)

1. Remuneration

M. D. K.V. Shah - Rs. 90000/- (P.Y. Rs. 90000/-)



## 11. Disclosure of Earning Per Share (Accounting Standard 20)

	2013-14	2012-13
Net ( Loss) Profit for The Year	(Rs. 829593)	(Rs. 544463)
No. of Equity Shares of Rs. 10/- each	5760070	5760070
Earnings per share – Basic	(Rs. 0.14)	(Rs.0.09)

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

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

## 13. Disclosure of Leases ( Accounting Standard 19):

The Company as a Lessee had taken office premises at Vile Parle, Mumbai on operating lease for 11 months which expired during the year. The lease rent for the year Rs.66000 (PY Rs.132000) has been recognized in the profit & loss account.

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Notes referred to above form an integral part of the financial statements,

As per our report of even date.

**For C.K. Patil & Co.**  
Chartered Accountants

For and On Behalf of The Board.

**C.K.Patil**  
*Proprietor*  
M.No.033243

**Kumar V. Shah**  
*Chairman & Managing Director*

**H.A. Salunkhe**  
*Director*

Place : Mumbai  
Dated : 17<sup>th</sup> May, 2014

# DERA PAINTS & CHEMICALS LTD.



## DERA PAINTS & CHEMICALS LTD.

Regd. Off: 2, Juhu Aradhana CHS Ltd., Juhu Lane, Mumbai 400 058, Maharashtra.

### Attendance Slip

I, We hereby record my/our presence at the 24th Annual General Meeting held on Saturday, 27th September, 2014 at 9.00 A.M. at Ultra Meeting Room (In the Premises of PXL soft office), 3A/3B, 1st Floor, Master Mind II, Opp Moroccon Building, Royal Palms, Aarey Colony, Goregaon East, Mumbai – 400 065.

#### 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: 2, Juhu Aradhana, CHS Ltd, Juhu Lane, Mumbai – 400 058, Maharashtra

### Form of Proxy

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ Being Member/Members of Dera Paints & Chemicals Ltd.

herby appointed \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Saturday, 27th September, 2014 at 9.00 a.m. at the Ultra Meeting Room (In the Premises of PXL soft office), 3A/3B, 1st Floor, Master Mind II, Opp Moroccon Building, Royal Palms, Aarey Colony, Goregaon East, Mumbai – 400 065 or at any adjournment thereof.

Signed this the \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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.**

2, Juhu Aradhana, CHS Ltd.

Juhu lane, Mumbai - 400 058.