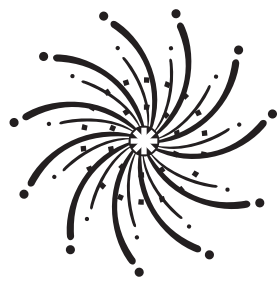
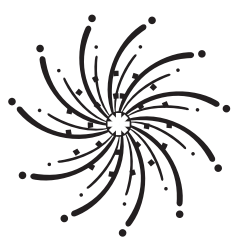



23rd Annual Report 2012-2013

DERA

PAINTS AND CHEMICALS LIMITED



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

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

SOLICITORS & LEGAL ADVISORS

Dhru & Company
Krishna Gopal Tripathi.

REGISTERED OFFICE

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

REGISTRAR & SHARETRANSFER AGENT

Adroit Corporate Services Ltd.
19/20, Jaferbhoy Industrial Estate
Makawana Road, Marol Naka,
Andheri (East), Mumbai-400059.

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DERA PAINTS & CHEMICALS LTD.



IMPORTANT COMMUNICATION TO SHAREHOLDERS

The Ministry of Corporate Affairs (“MCA”) has launched a “Green Initiative in Corporate Governance by allowing paperless compliances by the Companies. In accordance with the circular bearing nos. 17/ 2011 and 18/2011 dated April 21, 2011 and April 29, 2011, issued by the Ministry, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc.) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders and the same is deemed as valid service in terms of Section 53 of the Companies Act, 1956.

Keeping in view the underlying theme and the circular(s) issued by MCA, the Company proposes to send Notices of General Meeting(s), Financial Statements, Annual Reports and other shareholders' communications in electronic mode. This will be sent to the shareholders' e-mail address(es) provided by the depositories and registered with the Company.

E- mail Communications to the shareholders will result in multiple benefits as under:

- Timely receipt of all communications without any transit loss.
- Helping in protecting environment and conservation of resources.
- Easy storage in soft copy, thereby eliminating the requirement of storage of bulky documents for subsequent reference.

The Company will simultaneously display full text of the Annual Report and other shareholders' communications on its website **www.derapaints.net** as soon as the same is emailed to the shareholders and will also be made available for inspection at the Registered office of the Company during the office hours.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no., email-id) on the Company's email-id viz. **mail@derapaints.net**. Members who hold shares in electronic form are requested to get their details updated with the respective depositories.

The shareholders of the Company, receiving the documents in electronic mode, will be entitled to be furnished, free of cost, a printed copy of the Annual Report and other shareholders communications of the Company, upon receipt of a requisition from shareholder, at any time.

Please provide your details in below mentioned format.

Name of share Holder	Folio Numbers	Shares held	Your Email address

Furnish information on the Company mail :- **mail@derapaints.net**

DERA PAINTS & CHEMICALS LTD.



NOTICE

NOTICE is hereby given that 23rd Annual General Meeting of the members of the Company DERA PAINTS & CHEMICALS LIMITED will be held on Saturday, 21st September, 2013 at 9.15 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 to transact the following business.

1. To. Receive, consider and adopt the Audited balance- sheet as at 31st March, 2013 , the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended 31st March, 2013 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 retires 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: 14th August, 2013

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 13th September, 2013 to 14th September, 2013 (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 23rd Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2013

1. FINANCIAL HIGHLIGHT

PARTICULARS	For the year ended 31st March, 2013 (Rs. in. Lacs)	for the year ended 31st March, 2012 (Rs. in. Lacs)
Profit /(Loss) before Depreciation and Tax	(5.90)	(0.82)
Depreciation on fixed Assets	0.50	0.50
Loss before tax	(5.40)	(0.32)
Deferred tax	(0.05)	(0.32)
Excess provision for tax w/back	--	20.84
Net Profit /(Loss) for the year	(5.45)	20.20
Add: Surplus/loss b/f from previous year	(1284.57)	(1304.77)
Balance loss c/f	(1290.02)	(1284.57)

2. OPERATIONS & OUTLOOK

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

During the year company made Loss of Rs.5.45 lacs as compared to previous year's Profit of Rs.20.20 Lacs which was mainly due to write back of excess income-tax provision.

The final onetime settlement has been arrived at with SICOM Ltd and the Company has already made the payment to SICOM Ltd and obtained No Due Certificate accordingly.

3. DIRECTORS :

Shri H. A. Salunkhe retires by rotation being eligible, offer himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors hereby confirms under section 217 (2AA) of the companies act, 1956.

(i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(ii) That the Directors have selected such accounting policies and applied them consistently and made 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.

(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. 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.

DERA PAINTS & CHEMICALS LTD.



7. SECRETARIAL AUDIT

Mr. Jignesh Pandya, Practicing Company Secretary conducted Secretarial Audit pursuant to provisions of Section 383A of the Companies Act, 1956, for the financial year 2012-13. Mr. Jignesh Pandya has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for corporate law.

8. PARTICULAR OF EMPLOYEES:

There were no employee during the whole or part of the year who were in receipt of remuneration aggregating to Rs. 5, 00,000/- per month of Rs. 60, 00,000/- p.a .

9. DIVIDEND:

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

10. DEPOSITES :

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

11. 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 224(1-B) of the companies Act, 1956.

12. AUDITORS REPORT :

Regarding qualification and remarks in the Auditors Report, your Board is of the opinion that they are self-explanatory & no comments are required from the Board.

Explanation Note 17 (3)

Non Compliance of section 383A of the Companies Act, 1956.

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

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

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

13. 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.

14. 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.

15. APPRECIATION:

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

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

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 30th May, 2013

Place: Mumbai.

DERA PAINTS & CHEMICALS LTD.



Annexure – 'I'

Information pursuant to Section 217 (1)(e) 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 efforts are being made to improve power factor and to effect saving in power and fuel consumption and energy consumption per unit of production (form 'A').

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

II. TECHNOLOGY 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: 30th May, 2013

Place: Mumbai

Management Discussion and Analysis

(i) Industry structure and developments

Since 2011, the world economy is getting scaled down by the financial crises with general slowdown in developed countries including US. However slowdown in India impacted the economy much more. The slow down especially in 2012-13 has been across the board, with no sector of the economy remaining unaffected.

Demand condition has been declining more and more. The impact of weak Indian rupee for most part of the year has also effected badly to industry.

PRODUCTS & MARKETS

Your company is in the field of Manufacturing Automotive, Industrial and Decorative Paints ,Thinners & Synthetic resins with trading of industrial solvents and other raw materials to concerned 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 prestigious clients like Mahindra & Mahindra Ltd, Castrol Ltd, and many others prestigious clients and dealers.

(ii) Opportunities and Threats Risks and Concerns

There is still demand of our products and company has decided to re-commence manufacturing activities by bringing additional funds in the company via arranging preferential / rights issue of additional equity shares. In addition to above company have decided to set up service division in field of Re Painting of interior & exterior for Hotels, Towers, Villas, Factories, and Warehouses etc as well as allied services such as housekeeping

DERA PAINTS & CHEMICALS LTD.



contracts etc. Your Company had also plan to go for franchisee set up for management / vocational courses and for the implementation plan for tie up with AICET or NAC-MIT or equal ant approved university Certify Courses 'Education Training Centers' for training to 8th or 10th std + student for re-painting and operating computer system in colure matching etc.. All these will depend upon availability of funds to your company and re-listing of your company on BSE.

(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 sooner management is expecting re-listing of your company on BSE as all the compliances have been complied with and awaiting permission for additional equity by way of preferential or rights or as agreed by the concerned authorities – soon thereafter 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

During the year company made Loss of Rs.5.45 lacs as compared to previous year's Profit of Rs.20.20 Lacs which was mainly due to write back of excess income-tax provision. The ongoing dispute with SICOM Ltd has been amicably settled by onetime settlement with SICOM Ltd and the Company has already made the payment to SICOM Ltd accordingly.

(vii) Material developments in Human Resources/Industrial Relations front, including number of people employed.

After re-start and re-listing, 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

I, the undersigned, in my capacity as Managing Director of the Company, to the best of my knowledge and belief certify that;

A) I have reviewed the Financial Statements for the Financial Year ended March 31, 2013 and based on my 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) I 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) I 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) I am 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 I am aware and the steps I have taken or propose to take to rectify these deficiencies.

E) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

- i) Significant changes, if any, in the internal control over the Financial Reporting during the year;
- ii) 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
- iii) Instances of significant fraud of which I 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.

By order of the Board of Director

FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 30th May, 2013

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 and are 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, 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 executive 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 2012-2013 the Board of Directors have met five times on the following dates : 14th May, 2012, 14th August, 2012, 3rd September, 2012, 15th November, 2012 and 14th February, 2013. The meetings 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 four Board meetings held during the financial year 2012-13, 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 27/09/12	In Listed Companies	In Unlisted Public Limited Companies	Chairman	Member
Kumar Shah	Promoter – Executive Non – Independent	5	Yes	1	1	-	1
H. A. Salunkhe	Independent Non – Executive	5	Yes	1	-	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:

Constitution and Composition

DERA PAINTS & CHEMICALS LTD.



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 five times during the Financial Year 2012-13; 14th May, 2012, 30th May, 2012, 3rd September, 2012, 15th November, 2012 and 15th February, 2013. The meetings were scheduled well in advance.

In addition to the members of the Audit Committee these meetings were attended by Statutory Auditors and those executives of the Company who were considered necessary for providing inputs to the Committee.

Names of the Directors	No. of Meetings attended
1. Shri Hasmukh Patel	5
2. Shri H.A Salunkhe	5

Remuneration Committee

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. 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, 2013 is given below: -Constitution and Composition

Remuneration of Directors

- a. Remuneration of Rs. 90,000/- paid to the Promoter Director (CMD) of your company, including ail perquisite
- b. No Sitting Fees paid to the independent Non-Executive Directors for the financial year ended 31s March, 2013.

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.

During the financial year 2012-2013 the Committee had met on monthly basis depending on share transfer received by the Company.

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	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.

DERA PAINTS & CHEMICALS LTD.



No Transfers/Transmission are pending as on 31st March, 2013.

Communication to the 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

31st March, 2012

Date, Time and Locations

27 September, 2012 at 9 15 a.m.

F111, Prime Mall, Irla, Vile-parle (west)
Mumbai - 400 054

31st March, 2011

29 September, 2011 at 9 15 a.m.

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

31st March, 2010

29 September, 2010 at 9 15 a.m.

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

General Shareholder's Information

Annual General Meeting

21st September, 2013 at 9 15 a.m.

Book Closure Date

13th September, 2013 till 14th September, 2013

Listing on Stock Exchanges

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The Stock Exchange, Ahmedabad

Kamdhenu Complex Opp. Sahajanand College,

Panjrappole, 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 2012-13

Registrar & Transfer Agents:

Adroit Corporate Services Ltd.

19/20, Jaferbhoy Industrial Estate

Makawana Road, Marol Naka,

Andheri (East), Mumbai-400059.

Distribution of Shareholding

Table 2 gives details about the pattern of Share-holdings among various categories as on 31st March, 2013, while table 3 gives the data according to size classes:-

Table 2: Distribution of shareholdings across categories

	As on 31st March 2013		As on 31st March 2012	
	No. of Shares	% to Total Capital.	No. of Shares	% to Total Capital.
Promoters and persons acting in concert	847460	14.71	847460	14.71
Directors and Relatives	771770	13.40	771770	13.40
Foreign Institutional investors				
LIC of India				
Mutual funds				
Nationalized and Other banks	1200	0.02	1200	0.02
Private Corporate Bodies	124000	2.15	124000	2.15
NRIs and OCBs	303900	5.28	303900	5.28
Others (Public)	3711740	64.44	3711740	64.44
Total	5760070	100.00	5760070	100.00

DERA PAINTS & CHEMICALS LTD.



Table 3: Distribution of shareholdings according to size class as on 31st March, 2013

No. of Shares Share Holding of Nominal Value (Rs)	Number of shareholders		Number	Shares held	
	Number	%		%	
Up to 500	20292	96.39	2879440	49.99	
501 to 1000	518	2.46	426600	7.41	
1001 to 2000	128	0.61	191050	3.32	
2001 to 3000	39	0.19	97400	1.69	
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	
Total				100	

Dematerialization of Shares

CDSL 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 or any Convertible instruments

Address Correspondence

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

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, 2013.

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
(FR No. 107803W)

C.K.Patil
PROPRIETOR
M. No. 033243

Place: Mumbai
Date: 30th May, 2013

DERA PAINTS & CHEMICALS LTD.



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, 2013, 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 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. 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 31st March, 2013 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, 2013;
- (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:

- 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 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For C.K.PATIL & CO

Chartered Accountants

(F. R. No. 107803W)

C.K.Patil

PROPRIETOR

M. No. 033243

Place: Mumbai

Date: 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date on the accounts for the year ended 31st March, 2013 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.

DERA PAINTS & CHEMICALS LTD.



- (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 loans from a director and a relative of the director covered in the register maintained under section 301 of the Act. The number of parties are 2 and the amounts outstanding as on 31.03.2013 were Rs.49,31,027/-.
- (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.
- (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 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.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 as well as in the immediately preceding financial year.
- (xi) There are no over-dues 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
(F.R. No.107803W)
C.K.Patil
PROPRIETOR
M. No. 033243

Place: Mumbai
Date: 30th May, 2013

DERA PAINTS & CHEMICALS LTD.



BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	As at 31.03.2013 Amount (Rs.)	As at 31.03.2012 Amount (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	57,600,700	57,600,700
(b) Reserves and Surplus	2	(87,523,480)	(85,579,017)
		(29,922,780)	(27,978,317)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	16,972,574	12,712,574
(b) Deferred tax liabilities (Net)	4	36,412	31,776
(c) Other Long term liabilities	5	27,519,438	27,745,082
		44,528,424	40,489,432
(3) Current Liabilities			
(a) Trade payables		2,502,250	3,836,772
TOTAL Rs		17,107,894	16,347,887
II. Assets			
(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		427,034	477,421
(b) Non-current investments	7	24,100	24,100
(c) Long term loans and advances	8	7,159,411	7,155,663
(d) Other Non Current assets	9	4,189,108	4,187,908
		11,799,653	11,845,092
(2) Current assets			
(a) Trade receivables	10	2,525,000	4,001,200
(b) Cash and cash equivalents	11	558,241	501,595
(c) Short-term loans and advances	12	2,225,000	0
		5,308,241	4,502,795
TOTAL Rs.		17,107,894	16,347,887
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: 30th May 2013

DERA PAINTS & CHEMICALS LTD.



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note No.	As at 31.03.2013 Amount (Rs.)	As at 31.03.2012 Amount (Rs.)
INCOME:			
I. Revenue from Operations	13	2,525,000	3,900,200
II. Other Income	14	37,479	265,189
III. Total Revenue		<u>2,562,479</u>	<u>4,165,389</u>
IV. Expenses			
Purchases of Stock in Trade	15	2,448,250	3,793,300
Employee's / Director's Salary		125,000	90,000
Depreciation	6	50,387	49,579
Other Expenses	16	478,669	264,523
		<u>3,102,306</u>	<u>4,197,402</u>
Loss before Extraordinary item & tax		(539,827)	(32,013)
Extraordinary item			
Excess income tax provision w/back		0	2,083,581
Profit/(Loss) before tax		(539,827)	2,051,568
Tax Expenses			
Deferred Tax		(4,636)	(31,776)
Net Profit (Loss) for the year		<u>-544,463</u>	<u>2,019,792</u>
Basic/Diluted EPS		-0.09	0.35
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: 30th May 2013

DERA PAINTS & CHEMICALS LTD.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Current Year 2012-13 Rupees	Previous Year 2011-12 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(539,827)	2,051,568
<u>Adjusted for:</u>		
Depreciation	50,387	49,579
Interest Income	(37,479)	(93,205)
Operating Profit before Working Capital Changes	(526,919)	(2,007,942)
<u>Adjusted for:</u>		
Trade Receivables	1,475,000	(4,201,200)
Loans & Advances	(2,228,748)	1,610,311
Trade Payables	(1,560,166)	1,354,704
Cash generated from/(used in) Operations	<u>(2,840,833)</u>	<u>771,757</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	37,479	93,205
Fixed Assets purchased	-	(17,000)
Cash generated from/(used in) Investing Activity	<u>37,479</u>	<u>76,205</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Acceptance/(Repayment) of Borrowings	2,860,000	(1,150,000)
Cash generated from/(used in) Financing Activity	<u>2,860,000</u>	<u>(1,150,000)</u>
Net Increase/(Decrease) in Cash & Cash equivalents	56,646	(302,038)
Cash & Cash equivalents at beginning of the year	501,595	803,633
Cash & Cash equivalents at end of the year	<u>558,241</u>	<u>501,595</u>

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: 30th May 2013

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
NOTE NO. 1		
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.		
TOTAL Rs.	<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.

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 2012-13 and 2011-12)

Name of Shareholder	No of Shares	% of Holding
1 Kumar Vasantlal Shah	847360	14.71
2 Deepa Kumar Shah	562710	9.77
Total	1410070	24.48

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 BalanceSheet	39,801,754	39,801,754
Less : Loan from SICOM w/back reversed	1,400,000	0
Closing Balance	<u>38,401,754</u>	<u>39,801,754</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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5. Surplus/(Deficit) in the statement of profit and loss

Opening Balance	(128,457,215)	(130,477,007)
Add: Profit/(loss) for the year	(544,463)	2,019,792
Closing Balance	<u>(129,001,678)</u>	<u>(128,457,215)</u>
TOTAL Rs.	<u>(87,523,480)</u>	<u>(85,579,017)</u>

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
NOTE NO. 3		
LONG TERM BORROWINGS		
(Unsecured)		
From Director and his Relative	4,931,027	1,371,027
From Company	495,702	495,702
From SICOM	700,000	-
Sales Tax Defferal Liability (Above loans payable after 2 years on demand. Rate of interest NIL)	10,845,845	10,845,845
TOTAL Rs.	<u>16,972,574</u>	<u>12,712,574</u>

NOTE NO. 4		
DEFERRED TAX LIABILITY		
On Account of Depreciation	<u>36,412</u>	<u>31,776</u>

NOTE NO. 5		
OTHER LONG TERM LIABILITIES		
Trade Payables	27,090,232	27,315,876
Duties & Taxes	429,206	429,206
	<u>27,519,438</u>	<u>27,745,082</u>

NOTE NO. 6

FIXED ASSETS AS AT 31ST MARCH, 2013

ASSETS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS ON 31.03.2012	ADDITIONS	AS ON 31.03.2013	AS ON 31.03.2012	FOR THE YEAR	AS ON 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
OFFICE EQUIPMENT	87,000	-	87,000	3,325	4,133	7,458	79,542	83,675
COMPUTER	90,000		90,000	14,589	14,589	29,178	60,822	75,411
FURNITURE & FIXTURE	50,000		50,000	3,165	3,165	6,330	43,670	46,835
MOTORCAR	3,00,000		3,00,000	28,500	28,500	57,000	243,000	271,500
TOTAL	527,000	0	527,000	49,579	50,387	99,966	427,034	477,421
PREVIOUS YEAR	510,000	17,000	527,000	-	49,579	49,579	477,421	

NOTE NO. 7		
NON CURRENT INVESTMENTS		
NON TRADE-UNQUOTED		
Investment in Equity Instrument		
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>

NOTE NO. 8		
LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Office Deposit paid	50,000	50,000
Advances to other parties	7,053,704	7,053,704
Advance Tax & TDS	55,707	51,959
	<u>7,159,411</u>	<u>7,155,663</u>

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
NOTE NO. 9		
OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Long Term Trade Receivables	4,189,108	4,187,908
NOTE NO. 10		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months.	0	0
Others	2,525,000	4,001,200
	<u>2,525,000</u>	<u>4,001,200</u>
NOTE NO. 11		
CASH & CASH EQUIVALENTS		
Cash In Hand	513,511	430,011
Balance with Bank		
a) In Current Accounts	44,730	71,584
	<u>558,241</u>	<u>501,595</u>
NOTE NO. 12		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good.),		
Advances to other parties	2,225,000	0
NOTE NO. 13		
REVENUE FROM OPERATIONS		
Sale of Products- Chemicals	2,525,000	3,900,200
NOTE NO. 14		
OTHER INCOME		
Interest Income	37,479	93,205
Miscellaneous Income	-	171,984
	<u>37,479</u>	<u>265,189</u>
NOTE NO. 15		
PURCHASES OF STOCK IN TRADE		
Purchases- Chemicals	2,448,250	3,793,300
NOTE NO. 16		
OTHER EXPENSES		
Administrative Expenses		
Rent	132,000	5,500
Professional & Legal Fees	70,000	25,000
Postage, Telegram & Telephone	126,273	44,561
Bank Charges	959	480
Printing & Stationary	50,500	41,800
Conveyance	10,000	8,500
Listing Fees	20,787	74,710
Registrar Fees	28,000	26,472
Office Expenses	25,500	27,500
Electricity	4,650	-
Auditors Remuneration		
Audit Fees	10,000	10,000
	<u>478,669</u>	<u>264,523</u>

DERA PAINTS & CHEMICALS LTD.



NOTE NO. 17

SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH. 2013.

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: Stock-in-Trade 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) 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 not recognized. 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 cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account 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 debtors, creditors and loans & advances 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 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/assets not provided for in the accounts:
 - a) Claim of SICOM for recovery of loans with interest Rs. NIL (Previous year-Rs. 227 lacs) which was disputed by the Company.
 - b) The matter relating to grant of eligible benefits from the Eligible Certificate issued by Maharashtra State Government (SICOM) is pending before the Hon'ble Supreme Court of India which is admitted in Company's favour and if the final order comes in Company's favour then Company will be entitled to claim various benefits/damages/losses/Interest from the Maharashtra State Government (SICOM) which is estimated at around Rs. 23.60 crores (Previous year Rs. 20 crores).
 6. The accumulated losses as on 31st March. 2013 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.

DERA PAINTS & CHEMICALS LTD.



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 17):
- a) Relationship
- (i) Subsidiary Company None
- (ii) 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)
- | | 2012-13 | 2011-12 |
|---------------------------------------|--------------|-------------|
| Net Profit for The Year | (Rs. 544463) | Rs. 2019792 |
| No. of Equity Shares of Rs. 10/- each | 5760070 | 5760070 |
| Earnings per share – Basic | (Rs. 0.09) | Rs. 0.35 |
12. Disclosure of Taxes on income (Accounting Standard 22):
No recognition of Net Deferred Tax Assets have been made in the Accounts related to carried forward losses available for set off under the provisions of Income Tax Act, 1961 due to non existence of virtual certainty supported by convincing evidence for availability of future taxable Income.
13. Disclosure of Leases (Accounting Standard 19):
The Company as a Lessee has taken office premises at Vile Parle, Mumbai on operating lease for 11 months. The lease rent for the year Rs.132000 (PY Rs.5500) has been recognized in the profit & loss account.

For C . K. PATIL & CO.

Chartered Accountants

C.K.PATIL

Proprietor

M.No:033243

Place: Mumbai

Dated: 30th May, 2013

For and on behalf of the Board

Kumar V. Shah

Chairman & Managing Director

H.A.Salunkhe

Director

DERA PAINTS & CHEMICALS LTD.

Regd. Off: F111, 1st Floor, Prime Mall, Irla, Vile Parle (West) Mumbai - 400 056.

Attendance Slip

I, We hereby record my/our presence at the 23rd Annual General Meeting held on Saturday 21st September, 2013 at 9.15 am at Ultra Meeting room (In the Premises of PXL soft office) 3A/3B, 1st floor, Master Mind II, Opp Moroccan 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: F111, 1st Floor, Prime Mall, Irla, Vile Parle (West) Mumbai - 400 056.

Form of Proxy

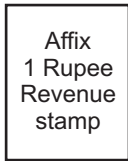
I/We _____ of _____
_____ Being Member/Members of Dera Paints Chemicals

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 23rd Annual General Meeting of the Company to be held on Saturday, 21st September, 2013 at 9.15 am at Ultra Meeting room (In the Premises of PXL soft office) 3A/3B, 1st floor, Master Mind II, Opp Moroccan Building ,Royal Palms Aarey colony, Goregaon East Mumbai – 400 065 or at any adjournment thereof.

Signed this the _____ day of _____ 2013.



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: F-111, 1st Floor, Prime Mall, Irla
Vile Parle(West), Mumbai - 400 056.