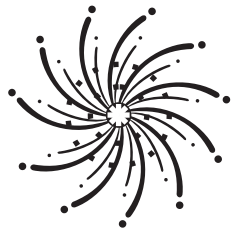
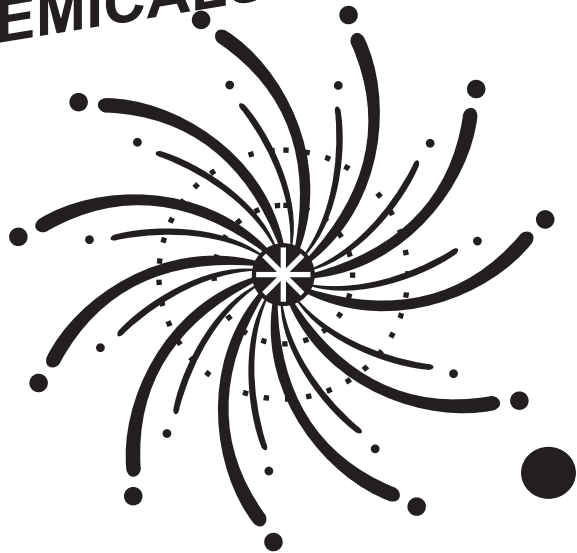


23rd Annual Report 2012-2013

DERA

PAINTS AND CHEMICALS LIMITED



BOARD OF DIRECTORS

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