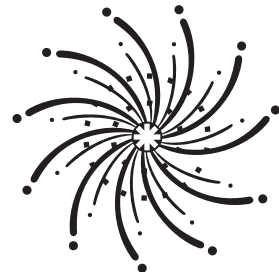
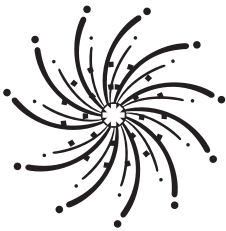
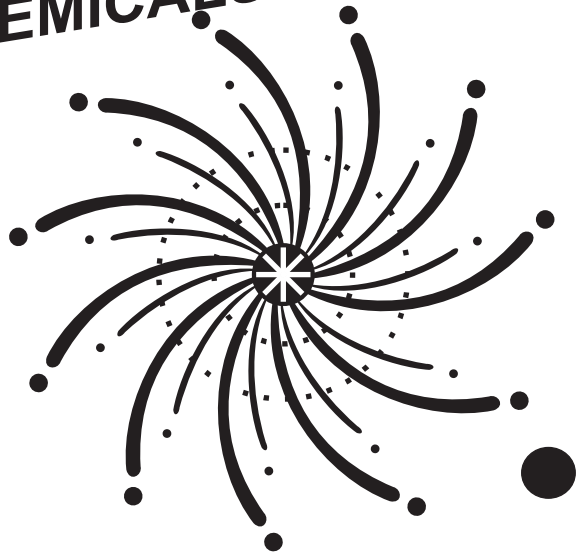


22nd Annual Report 2011-2012

DERA

PAINTS AND CHEMICALS LIMITED



BOARD OF DIRECTORS

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

AUDITORS

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

SOLICITORS & LEGAL ADVISORS

Dhru & Company

REGISTERED OFFICE

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

REGISTRAR & SHARESTRANSFER AGENT

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

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DERA PAINTS & CHEMICALS LTD.



NOTICE

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

1. To receive, consider and adopt the Audited balance-sheet as at 31st March, 2012 & the Statement of Profit and Loss of the Company for the year ended 31st March, 2012 and the Reports of Directors and Auditors thereon.
2. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a director in place of Shri. Hasmukh Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. Special Business

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

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

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

By order of the Board

DERA PAINTS & CHEMICAL LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September 2012

Place: Mumbai

NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used should reach the Registered office of the Company duly completed not less than forty-eight hours before the scheduled time of the meeting.
2. The Register of Members and Share Transfer Register shall remain closed from 26th September,

DERA PAINTS & CHEMICALS LTD.



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

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

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

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

Item No.4

Mr. Kumar V. Shah is a Founder and Chief promoter has been associated with the Company since its incorporation and his valuable experience in the Paints & Chemicals Industry for more than two decades will benefit the business of the Company by his re-appointment. The Board of Directors have felt that it would be in the interest of the Company to re-appoint Mr. Kumar V. Shah as “Managing Director” of the Company. Accordingly, the Board of Directors of the Company (the 'Board') at its meeting held on 3rd September, 2012 has, subject to the approval of Members, re-appointed Mr. Kumar V. Shah as Managing Director for a further period of 5 (five) years from the expiry of his present term, which will expire on 1st August, 2012 on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

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

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

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

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

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

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

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

By order of the Board

DERA PAINTS & CHEMICAL LIMITED

KUMAR V. SHAH

CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September 2012

Place: Mumbai

DERA PAINTS & CHEMICALS LTD.



DIRECTOR'S REPORT

To,

The Members

DERA PAINTS & CHEMICALS LIMITED

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

1. FINANCIAL HIGHLIGHT

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

2. OPERATIONS & OUTLOOK

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

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

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

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

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

3. DIRECTORS :

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

4. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

DERA PAINTS & CHEMICALS LTD.



5. CORPORATE GOVERNANCE:

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

6. PARTICULAR OF EMPLOYEES:

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

7. DIVIDEND:

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

8. DEPOSITES :

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

9. AUDITORS:

M/S C.K.PATIL & CO. Chartered Accountants, Mumbai, holds office until the conclusion of the forthcoming Annual General Meeting. They signified their willingness to accept re-appointment and have farther confirmed their eligibility under section 224(1-B) of the companies Act, 1956.

10. AUDITORS REPORT :

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

Explanation - Note 17 (3)

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

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

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

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

11. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors Rules, 1988 is given in Annexure – 1 which forms part of this report.

12. STATUS UNDER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISION) ACT, 1985.

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

13. APPRECIATION:

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

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

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September, 2012

Place: Mumbai.

DERA PAINTS & CHEMICALS LTD.



Annexure – 'I'

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

1. CONSERVATION OF ENERGY I

Energy conservation measure taken

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

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

II. TECHNOLOGY ABORPTION ADAPATATION, INNOVATION AND RESEARCH & DEVELOPMENT:

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

By order of the Board of Director
FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September, 2012

Place: Mumbai

DERA PAINTS & CHEMICALS LTD.



CORPORATE GOVERNANCE.

Company's Philosophy on Code of Governance

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

Board of Directors

Composition

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

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

Board Procedures

During the financial year 2011-2012 the Board of Directors have met four times on the following dates : 28th June ,2011, 29th August, 2011, 28th September, 2011, 27th December, 2011, 1st February, 2012, 12th March, 2012, 30th March,2012 The meeting were held as pre the mandatory requirements and the dates of the meetings were generally decided well in advance. ONE RESOLUTION DHRU & CO/NSDL/CDSL/BSE/ADROIT.

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 2011-12, as well as the last Annual General Meeting as also the number of Directorships and Committee Membership held by them other Companies.

Name of Directors		Attendance Particulars		Directorship in companies		Membership/ Chairmanship in committees	
		Board Meeting	Last AGM held on 29/09/10	In Listed Companies	In Unlisted Public Limited Companies	Chairman	Member
Kumar Shah	Promoter – Executive	7	Yes	1	1	-	-
	Non – Independent						
H. A. Salunkhe	Independent	7	Yes	1			1
	Non – Executive						
Hasmukh Patel	Independent	7	Yes	1			
	Non – Executive						

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.

DERA PAINTS & CHEMICALS LTD.



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 2011-12, 26th May, 2011, 10th August, 2011, 9th November, 2011 and 31st January, 2012. 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	4
2. Shri H.A Salunkhe	4

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

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, 2012 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, 2012.

Share Transfer Committee

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

Since there was no quantum of transfers, during the financial year 2011-2012 the Committee had met only twice.

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

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

DERA PAINTS & CHEMICALS LTD.



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

No Transfers/Transmission are pending as on 31st March, 2012.

Communications to Share - holders

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

Share-Holders Information

General Body Meetings:

For the period ended

31st March, 2011

Date, Time and Locations

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

31st March, 2009

29 September, 2009 at 9 15 a:m

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

General Shareholder's Information

Annual General Meeting

Day, Date, Time & Venue

29th September, 2012 at 9 15 a:m

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

Book Closure Date

8th September, 2012 till 9th September, 2012

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,

Panjrampole, 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 2011-12

Registrar & Transfer Agents:

Adroit Corporate Services Ltd.

9, Jaferbhoy Industrial Estate

Makawana Road, Marol Naka,

Mumbai-400059.

Distribution of Shareholding

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

Table 2: Distribution of shareholdings across categories

	As on 31st March 2012		As on 31st March 2011	
	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, 2012

No. of Shares Share Holding of Nominal Value (Rs)	Number of shareholders		Number	Shares held	
	Number	%		%	
Up to 500	20306	96.30	2880740	50.01	
501 to 1000	518	2.46	426400	7.40	
1001 to 2000	129	0.61	194000	3.37	
2001 to 3000	39	0.18	97400	1.69	
3001 to 4000	12	0.06	44700	0.78	
4001 to 5000	21	0.10	99200	1.72	
5001 to 10,000	26	0.12	207200	3.60	
10,001 and above	36	0.17	1810430	31.43	
Total				100	

Dematerialization of Shares

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

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

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

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under Clause 49 of the Listing Agreement

The Board of Directors
Dera Paints & Chemicals Limited

We certify that:

- We have reviewed the financial statement, read with the cash flow statement of **Dera Paints & Chemicals Limited** (company) for the year ended 31st March, 2012 and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements and other financial information included in this report present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
- We have disclosed to the Company Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- We have indicated to the Auditors and the Audit Committee:
 - significant changes in the Company's internal control over financial reporting during the year.
 - significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

FOR DERA PAINTS & CHEMICALS LIMITED

KUMAR V. SHAH
CHAIRMAN & MANAGING DIRECTOR

Date: 3rd September, 2012

Place: Mumbai

DERA PAINTS & CHEMICALS LTD.



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, 2012,

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.

Place: Mumbai

Date: 3rd September, 2012

For C.K.PATIL & CO
Chartered Accountants
(FR No. 107803W)

C.K.Patil
PROPRIETOR
M. No. 033243

DERA PAINTS & CHEMICALS LTD.



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

To

The Members of
Dera Paints & Chemicals Limited
Mumbai

1. We have audited the attached Balance Sheet of M/s. Dera Paints & Chemicals limited as at 31st March 2012 and also the statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.
4. Subject to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of account.
 - c. The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the statement of Profit & Loss, the Balance Sheet and the Cash Flow Statement of the Company comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. As per the information and explanations given to us

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

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts particularly subject to Note No.17(3) Re.: Non-compliance of sections 383A of the Companies Act, 1956 and Note No.17(6) Re.: Preparation of Accounts on going concern basis and read with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. In the case of the statement of Profit and Loss of the Loss of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date

For C.K.PATIL & CO
Chartered Accountants
(F. R. No. 107803W)
C.K.Patil
PROPRIETOR
M. No. 033243

Place: Mumbai
Date: 3rd September, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date on the accounts for the year ended 31st. March, 2012 of Dera Paints & Chemicals Limited. Reported on the basis of verification of records of the Company and as per the information and explanations given by the Company.)

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

DERA PAINTS & CHEMICALS LTD.



- 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 as covered in the register maintained under section 301 of the Act. The number of parties are 2 and the amounts outstanding as on 31.03.2012 were Rs. 1371027/-.
- (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. During the year, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) There are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 which are required to be entered in the register required to be maintained under that Section.
- (vi) During the year the Company has not accepted any deposits from the public as defined under the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) The Company did not have an internal audit system.
- (viii) Maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act u/s 209 has not been prescribed by the Central Government for any of the activity of the Company
- (ix) (a) The Company has not paid the undisputed statutory dues. The arrears of outstanding statutory dues as at the last day of the current financial year for a period of more than six months from the date they became payable were as under:
- | | |
|----------------|-------------|
| A. Excise Duty | Rs.429206/- |
|----------------|-------------|
- (b) There are no dues of Income tax/ Sales tax /Wealth tax/ Service tax/ Custom duty/ Excise duty/ cess which have not been deposited on account of any dispute.
- (x) The accumulated losses as at the end of the current financial year exceeds its entire net worth and the Company has incurred cash losses during the current financial year, and the Company had incurred cash losses in the immediately preceding financial year.
- (xi) There are no dues payable to financial institution or banks
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund company or a nidhi/ mutual benefit fund/societies and hence the question of our reporting on the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 does not arise.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments, and hence the question of our reporting on the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 does not arise.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not availed any term loan during the year.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and hence question of creation of security or charge in respect of the same does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) No fraud on or by the Company has been noticed or reported during the year.

For C.K.PATIL & CO
Chartered Accountants
(F.R. No.107803W)

Place: Mumbai

C.K.Patil
Date: 3rd September, 2012
PROPRIETOR
M. No. 033243

DERA PAINTS & CHEMICALS LTD.



BALANCE SHEET AS AT 31ST MARCH 2012

	Note No.	As at 31.03.2012 Amount (Rs.)	As at 31.03.2011 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	(85,579,017)	(87,598,809)
		(27,978,317)	(29,998,109)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	12,712,574	13,862,574
(b) Deferred tax liabilities (Net)	4	31,776	0
(c) Other Long term liabilities	5	27,745,082	27,559,078
		40,489,432	41,421,652
(3) Current Liabilities			
(a) Trade payables		3,836,772	2,668,072
TOTAL Rs		16,347,887	14,091,615
II.Assets			
(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		477,421	510,000
(b) Non-current investments	7	24,100	24,100
(c) Long term loans and advances	8	7,155,663	7,265,974
(d) Other Non Current assets	9	4,187,908	1,573,548
		11,845,092	9,373,622
(2) Current assets			
(a) Trade receivables	10	4,001,200	2,414,360
(b) Cash and cash equivalents	11	501,595	803,633
(c) Short-term loans and advances	12	0	1,500,000
		4,502,795	4,717,993
TOTAL Rs.		16,347,887	14,091,615
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
Place: Mumbai
Dated: 3rd September, 2012

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

DERA PAINTS & CHEMICALS LTD.



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Note No.	As at 2011-12 Amount (Rs.)	As at 2010-11 Amount (Rs.)
INCOME:			
I. Revenue from Operations	13	3,900,200	2,414,360
II. Other Income	14	265,189	524,745
III. Total Revenue		<u>4,165,389</u>	<u>2,939,105</u>
IV. Expenses			
Purchases of Stock in Trade	15	3,793,300	2,341,600
Depreciation	6	49,579	0
Other Expenses	16	354,523	885,091
		<u>4,197,402</u>	<u>3,226,691</u>
Loss before Extraordinary item & tax		(32,013)	(287,586)
Extraordinary item			
Excess income tax provision w/back		2,083,581	0
Profit/(Loss) before tax		<u>2,051,568</u>	<u>(287,586)</u>
Tax Expenses			
Deferred Tax		(31,776)	0
Net Profit (Loss) for the year		<u><u>2,019,792</u></u>	<u><u>(287,586)</u></u>
Basic/Diluted EPS		0.35	-0.05
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: 3rd September, 2012

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 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.

Details of shareholder holding more than 5% shares in the company (For 2011-12 and 2010-11)

Name of Shareholder	No of Shares	% of Holding
1 Deepa Kumar Shah	562710	9.77
2 Kumar Vasantlal Shah	847360	14.71
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 Balance Sheet	39,801,754	39,801,754
2. Investment Allowance Reserve		
Balance as per last Balance Sheet	31,444	31,444
3. General Reserve		
Balance as per last Balance Sheet	45,000	45,000
4. State Subsidy.		
Balance as per last Balance Sheet	3,000,000	3,000,000
5. Surplus/(Deficit) in the statement of profit and loss		
Opening Balance	(130,477,007)	(130,189,421)
Add: Profit/(loss) for the year	2,019,792	(287,586)
Closing Balance	<u>(128,457,215)</u>	<u>(130,477,007)</u>
TOTAL Rs.	<u>(85,579,017)</u>	<u>(87,598,809)</u>

NOTE NO. 3 LONG TERM BORROWINGS (Unsecured)

From Director and his Relative	1,371,027	1,221,027
From Company	495,702	1,795,702
(Above loans payable after 2 years on demand. Rate of interest NIL)		
Sales Tax Defferal Liability	10,845,845	10,845,845
TOTAL Rs.	<u>12,712,574</u>	<u>13,862,574</u>

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 Rs.
--	----------------------------	----------------------------

NOTE NO. 4 OTHER LONG TERM LIABILITIES

Trade Payables	27,315,876	24,876,659
Duties & Taxes	429,206	2,682,419
	<u>27,745,082</u>	<u>27,559,078</u>

NOTE NO. 5 DEFERRED TAX LIABILITY On Account of Depreciation

	<u>31,776</u>	<u>0</u>
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NOTE NO. 6

FIXED ASSETS AS AT 31ST MARCH, 2012

ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	AS ON 31.03.2011	ADDITIONS	AS ON 31.03.2012	AS ON 31.03.2010	FOR THE YEAR	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
OFFICE EQUIPMENT	70,000	17,000	87,000	-	3,325	3,325	83,675	70,000
COMPUTER	90,000		90,000	-	14,589	14,589	75,411	90,000
FURNITURE & FIXTURE	50,000		50,000	-	3,165	3,165	46,835	50,000
MOTORCAR	3,00,000		3,00,000	-	28,500	28,500	271,500	3,00,000
TOTAL	510,000	17,000	527,000	-	49,579	49,579	477,421	510,000
PREVIOUS YEAR	-	510,000	510,000	-	-	0	510,000	

NOTE NO. 7

INVESTMENTS

NON TRADE-UNQUOTED

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	0
Advances to other parties	7,053,704	7,053,704
Advance Tax & TDS	51,959	212,270
	<u>7,155,663</u>	<u>7,265,974</u>

NOTE NO. 9

OTHER NON CURRENT ASSETS

(Unsecured, considered good)

Long Term Trade Receivables	<u>4,187,908</u>	<u>1,573,548</u>
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NOTE NO. 10

TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months.	0	0
Others	4,001,200	2,414,360
	<u>4,001,200</u>	<u>2,414,360</u>

DERA PAINTS & CHEMICALS LTD.



	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 Rs.
NOTE NO. 11		
CASH & CASH EQUIVALENTS		
Cash In Hand	430,011	396,811
Badance with Scheduled Banks		
a) In Current Accounts	71,584	406,822
	<u>501,595</u>	<u>803,633</u>
NOTE NO. 12		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good.),		
Advances to other parties	0	1,500,000
	<u>0</u>	<u>1,500,000</u>
NOTE NO. 13		
REVENUE FROM OPERATIONS		
Sale of Products- Chemicals	3,900,200	2,414,360
	<u>3,900,200</u>	<u>2,414,360</u>
NOTE NO. 14		
OTHER INCOME		
Interest Income	93,205	521,612
Dividend Income	0	3,133
Miscellaneous Income	171,984	0
	<u>265,189</u>	<u>524,745</u>
NOTE NO. 15		
PURCHASES OF STOCK IN TRADE		
Purchases- Chemicals	3,793,300	2,341,600
	<u>3,793,300</u>	<u>2,341,600</u>
NOTE NO. 16		
OTHER EXPENSES		
Administrative Expenses		
Rent	5,500	-
Bad Debts	-	660,889
Professional & Legal Fees	25,000	-
Postage, Telegram & Telephone	44,561	39,700
Bank Charges	480	330
Printing & Stationary	41,800	32,000
Conveyance	8,500	2,700
Listing Fees	74,710	-
Registrar Fees	26,472	26,472
Office Expenses	27,500	23,000
Directors Remuneration:		
Salary to Directors	90,000	90,000
Auditors Remuneration		
Audit Fees	10,000	10,000
	<u>354,523</u>	<u>885,091</u>

DERA PAINTS & CHEMICALS LTD.



NOTE NO. 17

SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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 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 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 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. 227 lacs which is disputed by the Company.
 - b) The matter relating to grant of eligible benefits from the Eligible Certificate issued by SICOM is 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 SICOM which is estimated at around Rs. 20.0 crores.
 6. The accumulated losses as on 31st March, 2012 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. During the year ended 31 March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. It has significant impact on presentation and disclosures made in the financial statements. Previous year figures are regrouped and re-arranged so as to make them comparable with those of the current year's figures as per the revised Schedule VI.

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
Rs. 90000/- K.V. Shah, M. D. |
|----------------------------|---|

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

	2011-12	2010-11
Net Profit for The Year	Rs. 2019792	Rs. (-) 287586
No. of Equity Shares of Rs. 10/- each	5760070	5760070
Earnings per share – Basic	Rs. 0.35	Rs. (-) 0.05

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 supporter y convincing evidence for availability of future taxable Income.

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

Chartered Accountants

C.K.PATIL

Proprietor

M.No:033243

Place: Mumbai

Dated: 3rd September, 2012

For and on behalf of the Board

Kumar V. Shah

Chairman & Managing Director

H.A.Salunkhe

Director

DERA PAINTS & CHEMICALS LTD.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Current Year 2011-12 Rupees	Previous Year 2010-11 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,051,568	(287,586)
<u>Adjusted for:</u>		
Depreciation	49,579	
Dividend Income	-	(3,133)
Interest Income	(93,205)	(521,612)
Operating Profit before Working Capital Changes	(2,007,942)	(812,331)
<u>Adjusted for:</u>		
Inventories	-	-
Sundry Debtors	(4,201,200)	2,346,529
Loans & Advances	1,610,311	(1,542,638)
Trade Payables	1,354,704	2,583,072
Cash generated from/(used in) Operations	<u>771,757</u>	<u>2,574,632</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	-	3,133
Interest Income	93,205	521,612
Fixed Assets purchased	(17,000)	(510,000)
Cash generated from/(used in) Investing Activity	<u>76,205</u>	<u>14,745</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowing	(1,150,000)	(4,940,600)
Cash generated from/(used in) Financing Activity	<u>(1,150,000)</u>	<u>(4,940,600)</u>
Net Increase/(Decrease) in Cash & Cash equivalents	(302,038)	(2,351,223)
Cash & Cash equivalents at beginning of the year	803,633	3,154,856
Cash & Cash equivalents at end of the year	<u>501,595</u>	<u>803,633</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: 3rd September, 2012

Kumar V. Shah
Chairman & Managing Director

H.A.Salunkhe
Director

DERA PAINTS & CHEMICALS LTD.



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

I. Registration Details

Registration NO	11-57373-1990	State Code	11
Balance Sheet Date	31-03-2012		

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

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

III. Position of Mobilization and Deployment of Funds {Amount Rs. in thousands}

Total Liabilities	16347
Total Assets	16347
Sources of Funds:	
Paid up Capital	57601
Reserves & Surplus	(85579)
Secured Loan	-
Unsecured Loan	12712

Application of Funds

Net Fixed Assets	510
Investments	24
Net Current Assets	(666)
Miscellaneous Expenditure	-
Accumulated Losses	128457

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

Turnover (Gross)	4165
Total Expenditure	4197
Loss Before Tax	-32
Loss After Tax	2019
Earning Per Share (Note No. 12 of Notes to Account)	0.35
Dividend Rate	NIL

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

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

For and on behalf of the Board

KUMAR V, SHAH
Chairman & Managing Director

H.A.Salunkhe
Director

PLACE: MUMBAI

DATE: 3rd September, 2012

DERA PAINTS & CHEMICALS LTD.

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

Attendance Slip

I, We hereby record my/our presence at the 22nd Annual General Meeting held on 27th September, 2012 at 9.15 a.m. at F111, 1st Floor, Prime Mall, Irla, Vile Parle (West) Mumbai - 400 056.

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) MumbaJ - 400 056.

Form of Proxy

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

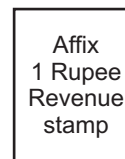
Ltd. hereby appoint _____

_____ of _____

or falling him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Thursday, 27th September, 2012 at 9.15 am. at Regd. Off: F111, 1st Floor, Prime Mall, Irla, Vile Parle (West) Mumbai - 400 056. or at any adjournment thereof.

Signed this the _____ day of _____ 2011.



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:

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