



DENIM
DEVELOPERS LIMITED

Annual Report 2022-23

- **BOARD OF DIRECTORS**

Ms. Jaya Singh Rathod: Chairperson, Non-executive Director

Mr. Rajesh Kumar Patil: Whole-time Director & Chief Financial Officer

Ms. Babita Kriplani: Independent Director

Ms. Laxmi Pant: Independent Director

- **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mrs. Ritu Allwani

- **REGISTERED OFFICE**

Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324 005, Rajasthan

- **BANKERS**

ICICI Bank Limited

- **STATUTORY AUDITOR**

Jain Akhil & Co., Chartered Accountants

- **REGISTRAR & SHARE TRANSFER AGENT**

ABS Consultants Private Limited

4, B.B.D. Bag (East), Stephen House, R. No. 99, 6th Floor, Kolkata-700001, West Bengal

- **STOCK EXCHANGES**

Metropolitan Stock Exchange of India Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the Members of Denim Developers Limited will be held on Thursday, the 21st day of September, 2023 at 12 p.m. at registered office of the Company i.e. Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324005, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Director's Report and the Auditor's Report thereon;
2. To appoint a Director in place of Ms. Jaya Singh Rathod, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Rajesh Kumar Patil as Whole-Time Director & CFO

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 161, 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("the Act") the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to all such sanctions, if any, as may be necessary, approval of the members be and hereby accorded to re-appointment of Mr. Rajesh Kumar Patil (DIN: 02333360), as Whole-time Director & CFO for a period of 5 (Five) years w.e.f. 07.01.2024 with liable to retire by rotation, on the terms and conditions including remuneration payable to him as set out below with liberty to the board of directors to alter and vary the term and condition of the said appointment and / or remuneration."

Remuneration:-

1. Salary – Rs. 30,000 per month or Rs. 3,60,000 per annum

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Rajesh Kumar Patil shall be entitled to receive remuneration up to the limit as approved by the members herein above, as minimum remuneration and that the board is further authorized to alter and vary the said remuneration in such and manner or with such modifications as the Board may deem fit and agreed to by the concerned director.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further steps in this regard, as may be considered desirable or expedient in the best interest of the Company.”

4. To re- appoint Mrs. Babita Kriplani as Non Executive Independent Director

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

“RESOLVED THAT pursuant to provisions of sections 149,150, 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder read with schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification Of Directors) Rule, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Mrs. BabitaKriplani (DIN:03420987) as an Independent Director of the Company for a fixed term of five (5) years w.e.f. 10.04.2024, not liable to retire by rotation.”

By Order Of The Board
For Denim Developers Limited

Date: August 28, 2023
Place: Kota

(Ritu Allwani)
Company Secretary and
Compliance Officer

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf and such proxy need not be a member of the company.

Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. Institutional / Corporate Shareholders (i.e., other than Individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body's Resolution/Authorization, authorizing their representative to attend the AGM on their behalf and to vote through remote e-voting, to the Scrutinizer through e-mail at jainsaloni28@gmail.com
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 3 to 4 set out in this Notice.
4. Pursuant to MCA Circular No. 02/2022 dated May 5, 2022 read with Circular 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report for F.Y. 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.denimdevelopersltd.com, websites of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.in
5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from September 15, 2023 to September 21, 2023, both days inclusive.
6. KYC – Members are requested to complete their KYC as mentioned in SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 as amended from time to time. Members may download KYC forms from the Company's website at www.denimdevelopersltd.com
7. In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialized form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to the Company. Members holding shares in electronic form may submit the same to their respective depository participant.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. The Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
11. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or info@denim.org.in
12. The Board of Directors has appointed M/s Jain Saloni & Company, Practicing Company Secretary, as a Scrutinizer to scrutinize the process of remote e-voting and voting at the venue of the meeting in a fair and transparent manner.
13. The Scrutinizer shall after the conclusion of voting at the general meeting, will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairperson of the meeting or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairperson or a person authorized by her in writing. The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Limited.
14. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.denimdevelopersltd.com and on the website of CDSL immediately. The Company shall simultaneously forward the results to the Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.
15. E-voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their votes at the AGM by electronic means and the business may be transacted through e-voting as per instructions below:

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 18.09.2023 at 9.00 A.M. IST and will end on 20.09.2023 at 5.00 P.M. IST. During this period shareholder's of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date 14.09.2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above aid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at |

| | |
|--|--|
| | <p>https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

FACILITY FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS – REMOTE VOTING

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@denim.org.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@denim.org.in/ absconsultant99@gmail.com.
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Chairperson informed the board that Mr. Rajesh Kumar Patil was appointed as Whole-time Director of the company with effect from 07th January, 2019 for the period of five years, accordingly the term of office of Mr. Rajesh Kumar Patil as Whole-Time Director and CFO of the company is going to be completed on 06.01.2024. He has been an immensely contributed in the overall growth and diversification of the company. Taking into account his previous experience, knowledge it is of opinion that it will be of immense value to the Company to re-appoint him for further five year w.e.f. 07.01.2024.

Since, the company is earning net profit from last many year, but still, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration the approval of members is sought that where in any financial year the Company has no profit or inadequacy of profits

in terms of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, the remuneration shall be paid by the Company to its Managerial Personnel as minimum remuneration within the limits arrived at in accordance with the requirements.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Rajesh Kumar Patil. The present proposal is to seek the member's approval for the re-appointment of Mr. Rajesh Kumar Patil as an Whole-Time Director and CFO with effect from 07th January, 2024

Accordingly, the Board recommends the acceptance of the resolution submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives except Mr. Rajesh Kumar Patil, in any way, concerned or interested in the said resolution.

Statement containing the information as required under Section-II, Part-II of Schedule V of the Companies Act, 2013-

I. General Information:

| | | | |
|----|---|--|-------------------------------------|
| 1. | Nature of Industry | The Company is engaged in the business of Real estate. | |
| 2. | Date of commencement of commercial production | The Company carries its business since 15/10/1969. | |
| 3. | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus | Not Applicable | |
| 4. | Financial Performance based on given indicators | | (Rs. in Lakh) |
| | | Particulars | 2022-23 (as per Audited Financials) |
| | | Total Revenue from operations | 3,738.42 |
| | | Total Expenses | 2,984.53 |
| | | Profit/(Loss) before tax | 1,317.44 |
| | | Tax expenses | 331.15 |
| | Profit/(Loss) after tax | 986.29 | |
| 5. | Foreign Investments or collaborations, if any. | Not Applicable | |

II. Information about the Appointee

| | | |
|----|-----------------------|--|
| 1. | Background details | Mr. Rajesh Kumar Patil, aged 55 years has completed his Bachelor's in Commerce. He is also on the Board of Limbo Engineering Private Limited, Emote Finance Private Limited, Royal Crystal Private Limited and Emote Investment Private Limited |
| 2. | Recognition or awards | Not Applicable |

| | | |
|----|--|--|
| 3. | Past Remuneration | Mr. Rajesh Kumar Patil was paid Rs. 3.60 Lakhs as Annual Remuneration for the financial year 2022-23. |
| 4. | Job Profile and his suitability | Mr. Rajesh Kumar Patil as a Whole-time Director devotes his time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company. |
| 5. | Remuneration proposed | Salary – Rs. 30,000 (Rupees Thirty Thousand Only) per month. |
| 6. | Comparative remuneration profile with respect to industry, size, of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration proposed to be paid to Mr. Rajesh Kumar Patil is purely based on merit. |
| 7. | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel , if any | Not Applicable |

III. Other Information

| | | |
|----|---|---|
| 1. | Reasons of loss or inadequate profits | The Company does not envisage any loss or inadequate profits. However, seeing the challenging business environment it may affect the profitability of the company in future. The Company proposes to obtain approval of members as an abundant caution in case the profits are insufficient to pay the managerial remuneration as above. |
| 2. | Steps taken or proposed to be taken for improvement | The Company is always looking forward to take all such steps and measures including expansion, diversification which are in the best interest of the company. |
| 3. | Expected increase productivity and profits measurable terms | The Company is very conscious about improvement and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms. |

Item No.4

The Members of the Company on 30th September, 2019 approved the appointment of Mrs. Babita Kriplani as Independent Director of the Company for a period of five years with effect from 10th April, 2019. Accordingly the term of office of Mrs. Babita Kriplani as Independent Director of the company is going to be completed on 09.04.2024.

The Board of Directors of the Company ('the Board') at the meeting held on 28.08.2023, recommended for the approval of the Members, the re-appointment of Mrs. Babita Kriplani as Independent Director of the Company with effect from 10th April, 2024, in terms of Section 149 read with Schedule IV of the

Companies Act, 2013 ('the Act'), and applicable regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment and also approved extension of their existing term till approval of shareholders in ensuing annual general meeting.

The Board is of the view that, on the basis of the knowledge, experience and performance of Mrs. Babita Kriplani and contribution given to the Board, her continued association would benefit the Company. Declarations have been received from Mrs. Babita Kriplani that she meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mrs. Babita Kriplani fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and She is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mrs. Babita Kriplani, in terms of Section 149 of the Act. The present proposal is to seek the member's approval for the re-appointment of Mrs. Babita Kriplani as an Independent Director with effect from 10th April, 2024.

Accordingly propose the resolution(s) placed at item no(s) 4 to be passed as special resolution(s) by the members, with or without any modification.

Except Mrs. Babita Kriplani being appointee(s), none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**FORM MGT-11
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): _____ E-mail id: _____

Registered Address: _____

Folio/client id: _____ DP id: _____

I/We, being the member (s) of _____ Shares of the above named company, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Members of Denim Developers Limited will be held on Thursday, the 21st day of September, 2023 at 12 p.m. at registered office of the Company i.e. Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324005, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions |
|---------|---|
| | Ordinary Business |
| 1 | To Adoption of Audited Financial Statements for the year ended 31 st March, 2023 |
| 2 | To Appoint a Director in place of Mrs. Jaya Singh Rathod, who retires by rotation |
| | Special Business |
| 3 | To Re-Appoint Mr. Rajesh Kumar Patil as Whole-Time Director & CFO w.e.f. 07.01.2024 |
| 4 | To Re-Appoint Mrs. Babita Kriplani as Non Executive Independent Director w.e.f. 10.04.2024 |

Rs. 1
Revenue
Stamp
here

Signed this _____ day of _____ 2023

Signature of Shareholder

Signature of Proxy Holder

Note:

This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

FORM NO. MGT-12
POLLING PAPER

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of
the Companies (Management and Administration) Rules, 2014]*

| | |
|-----------------------|---|
| Name of the Company : | Denim Developers Limited |
| Registered office : | Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324 005, Rajasthan |

| BALLOT PAPER (53 rd AGM) | | |
|-------------------------------------|---|--------------|
| S. No. | Particulars | Details |
| 1. | Name of the First Named Shareholder (In block letters) | |
| 2. | Postal address | |
| 3. | Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Share |

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

| S. No. | Resolutions | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
|--------|---|--------------------------|----------------------------|-------------------------------|
| 1. | To Adoption of Audited Financial Statements for the year ended 31 st March, 2023 | | | |
| 2. | To Appoint a Director in place of Ms. Jaya Singh Rathod who retires by rotation | | | |
| 3. | To Re-appoint Mr. Rajesh Kumar Patil as Whole-Time Director & CFO w.e.f. 07.01.2024 | | | |
| 4. | To Re-appoint Mrs. Babita Kriplani as Non Executive Independent Director w.e.f. 10.04.2024 | | | |

Date:

Place:

Signature of Member

ATTENDANCE SLIP FOR FIFTY THIRD ANNUAL GENERAL MEETING

Date: 21.09.2023

Time: 12 P.M.

Venue: Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324005, Rajasthan

Name and Registered address:
of Sole/First named member

Name(s) of Joint Holders, if any:

Ledger Folio:

Number of Shares held:

Please tick in the box Member Proxy

Member's Signature

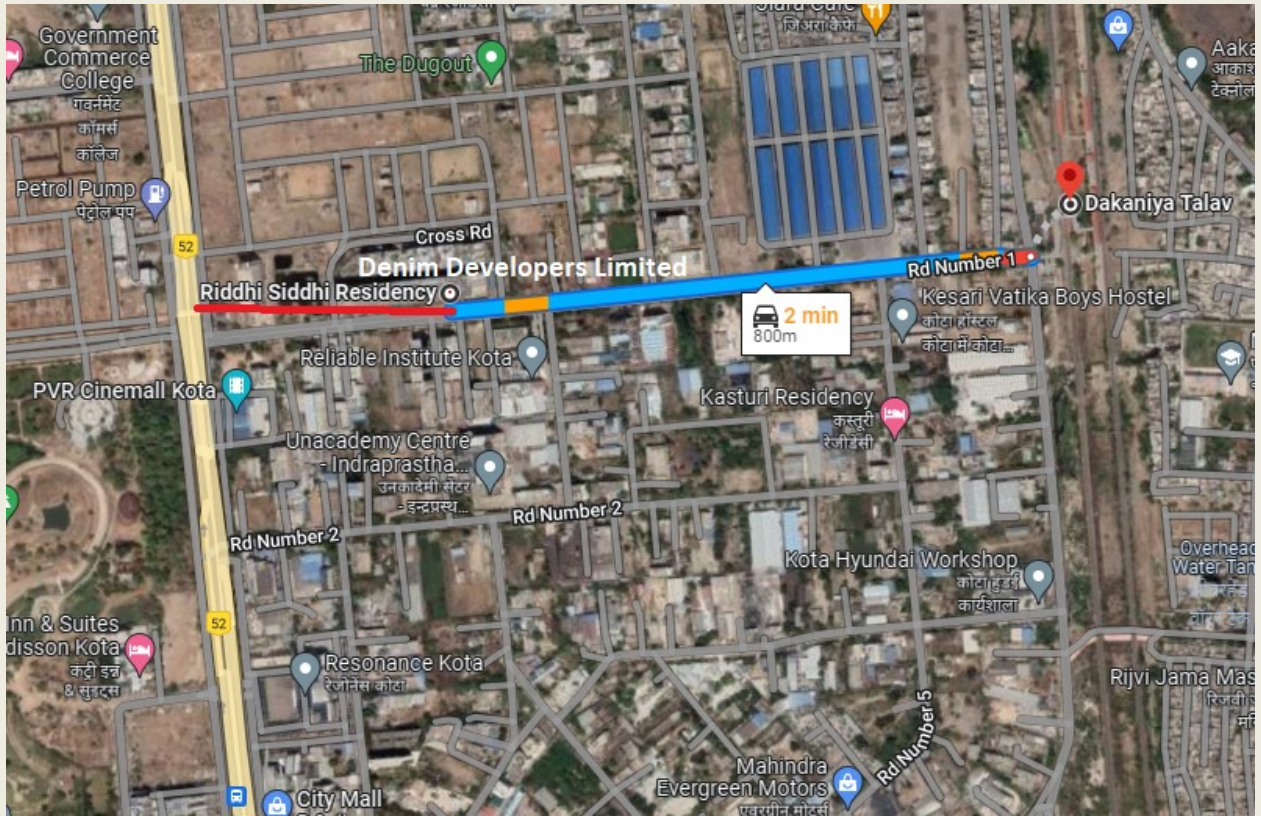
Name of the Proxy in Block Letter

Proxy's Signature

Note:

- 1) Member/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- 2) Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

ROUTE MAP TO VENUE OF AGM



Nearby Places:

- 800 Meters from Dakaniya Railway Station
- 1300 Meters from City Mall
- 4 Km. from Aerodrome Circle

DIRECTOR'S REPORT

Dear Members,

The Board of Directors ("Board") of Denim Developers Limited ("Company") with immense pleasure present their report on the business and operations of your Company for the financial year 2022-23. This Report is being presented along with the audited financial statements for the year.

FINANCIAL HIGHLIGHTS

The financial summary for year ended is as follows:

| | (Rs. in Thousands) | |
|---|---------------------------------------|--|
| | For the current year ended | For the previous year ended |
| Revenue from operations | 3,73,842.27 | 39,383.02 |
| Other Income | 6,354.56 | 2,745.35 |
| Total Income | 3,80,196.83 | 42,128.36 |
| Profit / (Loss) for the year Before Tax | 1,31,743.60 | 23,279.07 |
| Less: Provision for Taxation | 33,114.94 | 907.70 |
| Net Profit/(Loss) After tax | 98,628.66 | 22,371.37 |

NUMBER OF MEETINGS OF THE BOARD

During the year, 10 meetings of the Board were held.

STATE OF COMPANY'S AFFAIRS

The Company actively engaged in real estate activities and complied with all the applicable laws.

THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES

The amount which is carried to any reserves, if any, is duly disclosed in Balance Sheet and Notes to Balance Sheet as part of Financial Statements.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments under the provisions of section 186 of the Companies Act, 2013, are disclosed in Balance Sheet and Notes to Balance Sheet as part of Financial Statements.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has developed a risk management policy and identified risks and taken appropriate steps for their mitigation, for more details, please refer to the Management Discussion and Analysis set out in this Annual Report.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the year.

DIRECTORS AND KEY MANAGERIAL PERSON

Following changes took place on the board of the company during the year:

| Name | Designation | Appointment/Cessation/Change in Designation | Date |
|----------------------|-------------------|---|------------|
| Mr. Aman Kumar Gupta | Company Secretary | Cessation | 08.10.2022 |
| Mrs. Ritu Allwani | Company Secretary | Appointment | 22.10.2022 |

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Auditors has not reported any frauds under sub-section (12) of section 143 other than those which are reportable to the central government.

DEPOSITS

The company has not accepted any deposit during the financial year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by extensive programme of audit, review by management, and documented policies, guidelines and procedures.

INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No application made or no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.

DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The disclosure is not applicable on the Company.

RELATED PARTY TRANSACTIONS/ DISCLOSURE

The particulars of contracts or arrangement with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in form AOC-2 is annexed herewith as **Annexure-1**. The Company has not entered into any related party transaction as provided in sub-section (1) of section 188 of the Companies Act, 2013 which is not in its ordinary course of business or not on arms length basis as per proviso of sub-section (1) of section 188 of the Companies Act, 2013.

Please refer Note 31 for Related Party Disclosure pursuant to Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIVIDEND

The Board regrets to declare any dividend.

WEB ADDRESS

The copy of Annual Return referred to in sub-section (3) of section 92 of the Companies Act, 2013 is placed on website of the Company. The web-link of the Annual Return is www.denimdevelopersltd.com

PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURES

Disclosure pursuant to Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the year.

DENIM DEVELOPERS LIMITED
ANNUAL REPORT 2022-23

| Sl. No. | Name | Designation | Remuneration | Nature of employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement | Age | Last employment | Percentage of equity shares held | Relative of any director or manager |
|---------|------------------------|---|--------------|--|---|----------------------|-----|--|----------------------------------|-------------------------------------|
| 1 | Mr. Abhishek Mathur | Sales Head (PHP Developer) | 4,56,891 | Regular | B.E. 5 Year | 01.05.2022 | 38 | Nil | Nil | No |
| 2 | Mr. Rajesh Kumar Patil | Whole-time Director & Chief Financial Officer | 3,60,000 | Regular | B.Com; 31 Years | 07.01.2019 | 55 | Officer – Kota Dal Mill | 0.00 % (50 Shares) | No |
| 3 | Mr. Prashant pandey | Site-Incharge | 3,38,983 | Regular | B.A. 5 Year | 01.05.2022 | 51 | Nil | Nil | No |
| 4 | Mr. Gurudev Singh | Project-In Charge | 3,33,806 | Regular | B-Tech 5 Year | 01.04.2022 | 35 | Nil | Nil | No |
| 5 | Mr. Aman Kumar Gupta* | Company Secretary & Compliance Officer | 3,30,000 | Regular | FCS, LL.B, M.Com; 7.5 Years | 15.06.2021 | 29 | Company Secretary – Gujarat Agro Nutritions Foods Industries Private Limited | Nil | No |
| 6 | Mr. Sourabh Sharma | Sales Officer | 2,80,725 | Regular | MBA 4 Year | 01.05.2022 | 42 | Nil | Nil | No |
| 7 | Mr. Ajeet Gautam | Project - Coordinator | 2.60,688 | Regular | B.com 3 Year | 01.05.2022 | 37 | Nil | 0.31 % | No |
| 8 | Mr. Chetan Prakash | Site Incharge | 2,43,205 | Regular | Diploma In Civil Engineer 3 Year | 01.05.2022 | 32 | Nil | Nil | No |
| 9 | Mrs. Ritu Allwani | Company Secretary & Compliance Officer | 2,39,500 | Regular | CS, LL.B, MBA, 5 Year | 22.10.2022 | 29 | Compliance Officer-Sumanglam Group | Nil | No |
| 10 | Rohit | Office Boy | 72,000 | Regular | 12 th 2 Year | 01.04.2022 | 22 | Nil | Nil | No |

*Mr. Aman Kumar Gupta, has resigned on dated 08.10.2022

PARTICULARS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for financial year 2022-23 | % Increase/ (Decrease) in Remuneration in the Financial Year 2022-23 | Ratio of remuneration of each Director/ to median remuneration of employees |
|---------|---|--|--|---|
| 1 | Mr. Rajesh Kumar Patil Whole-time Director & Chief Financial Officer | 3,60,000 | 0% | 1:1 |
| 2 | Mrs. Ritu Allwani Company Secretary & Compliance Officer* | 2,39,500 | NA* | NA |
| 3 | Mr. Aman Kumar Gupta Company Secretary & Compliance Officer** | 3,30,000 | 10.00% | NA |

* Mrs. Ritu Allwani, appointed as Company Secretary and Compliance Officer during the year w.e.f. 22.10.2022, therefore increase in remuneration is not application for the FY 2022-23

** Mr. Aman Kumar Gupta, Company Secretary and Compliance has resigned during the year 2022-23 w.e.f. 08.10.2022.

- (a) The median remuneration of employees of the Company during the financial year was Rs. 30,000 per month or Rs. 3,60,000 per year, calculated on the basis of monthly salary, as employees worked for part of the year.
- (b) In the Financial year, there was no increase in the median remuneration of employees;
- (c) There were 9 permanent employees on the rolls of Company as on March 31, 2023;
- (d) In the Financial year, no increment made in the salaries of employees as all the employee joined the company during the financial year 2022-23 except managerial personnel, 10% increment made in Company Secretary's remuneration and further, no increment made in remuneration of Whole Time Director. Hence, there is no increment ratio available of employees, therefore, the comparison between percentile increase in the managerial remuneration and percentile increase in the salaries of employees and their justification is not applicable.

EXPLANATION OR COMMENT BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY AUDITOR IN ITS REPORT

The Statutory Auditor has not made any qualification, reservation or adverse remark or disclaimer in its report.

EXPLANATION OR COMMENT BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY COMPANY SECRETARY IN PRACTICE IN ITS SECRETARIAL AUDIT REPORT

The Secretarial Auditor has not made any qualification, reservation or adverse remark or disclaimer in its report. M/s Jain Saloni & Company, Practicing Company Secretary carried out the Secretarial Audit of the Company and subsidiary of the company i.e. Industrial Tubes Manufacturers Private Limited for the

financial year 2022-23. The Reports given by the Auditor the Company is annexed herewith and forming part of the report as **Annexure-2**.

EXPLANATION OR COMMENT BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY INTERNAL AUDITOR IN ITS REPORT

The Internal Auditor has not made any qualification, reservation or adverse remark or disclaimer in its report.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declaration from each independent director under sub-section (7) of section 149 of the Companies Act, 2013 that they meets the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is available on web-link www.denimdevelopersltd.com

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Consider the business activities of the Company the requirement relating to providing the particulars relating to conservation of energy and technology absorption stipulated in Rule 8 of the Companies (Accounts) Rules 2014 required to be furnished under section 134 (3)(m) of the Companies Act, 2013 is not applicable. Particulars of foreign currency earnings and outgo during the year are Nil.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

However, the same is applicable to the company during the current Financial Year, accordingly the company making compliance in the current financial year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on the end of financial year, the Company has One Subsidiaries i.e. Industrial Tubes Manufacturers Private Limited and Three Associates i.e. Resonant Wealth Consultancy Private Limited, Excellent Dreamestate Private Limited and Expertise Wealth Consultancy Private Limited

Further, during the year, no company ceased to Subsidiaries / Associates of the Company.

The particulars of subsidiaries, joint ventures and associate companies are furnished in Form AOC-1 and are attached to this report as **Annexure-3**.

OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTOR

In the opinion of the Board all the Independent Directors including Independent Directors appointed during the year, if any, are person of integrity and has expertise and experience in relevant field. Further, all the independent directors has cleared proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of performance of the board, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

MAINTAINANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

DISCLOSURE ON AUDIT COMMITTEE

Composition of Audit Committee under section 177 of the Companies Act, 2013 is as follows:

| Name | Designation |
|------------------------|--------------------|
| Ms. Babita Kriplani | Chairperson |
| Ms. Laxmi Pant | Member |
| Mr. Rajesh Kumar Patil | Member |

CHANGE IN THE REGISTERED OFFICE OF THE COMPANY

There is no change in the registered office address of the Company during the year.

CHANGE IN THE CORPORATE OFFICE , WHERE BOOKS AND ACCOUNTS ARE KEPT OF THE COMPANY

There is no change in the address of corporate office, where the book and accounts are kept of the Company during the year.

CHANGE IN SHARE CAPITAL OF THE COMPANY

There is no change in the share capital of the Company during the year.

DISCLOSURE OF APPLICABILITY OF SECRETARIAL STANDARD

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of sub-section (5) of section 134 of the Companies Act, 2013 the Board hereby state that-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate counting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis pursuant to Part B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure-4**.

COMPLIANCE CERTIFICATE BY CHIEF FINANCIAL OFFICER

Compliance Certificate by Chief Financial Officer pursuant to regulation 17(8) and Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure-5**.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

The Company has received confirmations from all the Board of Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review. A declaration by the Chief Financial Officer affirming compliance of Board Members and Senior Management Personnel to the Code is attached to this report as **Annexure-6**.

CORPORATE GOVERNANCE REPORT

Corporate Governance Report pursuant to Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure-7**.

COMPLIANCE CERTIFICATE BY PRACTISING COMPANY SECRETARY

Compliance Certificate regarding compliance of conditions of Corporate Governance by Practising Company Secretary pursuant to Part E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure-8**.

On Behalf of the Board of Directors
For Denim Developers Limited

Rajesh Kumar Patil
Whole-time Director
(DIN: 02333360)

Jaya Singh Rathod
Director
(DIN: 05358463)

Date: 30.05.2023
Place: Kota

FORM AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis –NIL
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts/arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) Date of approval by the Board
 - g) Amount paid as advances, if any
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

| S. No. | Name of Related Party | Nature of Relationship | Duration of the contracts/ Arrangements/transactions | Salient terms of the contracts or arrangements or transactions | Amount in Rs. (Thousand) | Date(s) of approval by the Board/Member | Amount paid as advances, if any |
|--------|--|------------------------|--|--|--------------------------|---|---------------------------------|
| 1. | Excellent Dreamestate Private Limited | Associate Company | 2022-23 | Rental Income | 61.08 | 23.04.2022 | NIL |
| 2. | Resonant Wealth Consultancy Private Limited | Associate Company | 2022-23 | Interest Income | 4,216.03 | 16.09.2022 | NIL |
| | | | 2022-23 | Loan Repayment Received | 92,456.16 | 16.09.2022 | NIL |
| | | | 2022-23 | Loan Given | 87,500.00 | 16.09.2022 | NIL |
| 3. | Expertise Wealth Consultancy Private Limited | Associate Company | 2022-23 | Rental Income | 61.08 | 23.04.2022 | NIL |
| 4. | Industrial Tubes Manufacturers Private Limited | Subsidiary Company | 2022-23 | Interest Income | 319.21 | 16.09.2022 | NIL |
| | | | 2022-23 | Loan given | 88,500.00 | 16.09.2022 | NIL |

DENIM DEVELOPERS LIMITED
ANNUAL REPORT 2022-23

| | | | | | | | |
|----|------------------------|-------------------------------------|---------|---------------------|--------|------------|-----|
| 5. | Track BPO Services | A firm in which director is partner | 2022-23 | Rental Income | 180.00 | 23.04.2022 | NIL |
| | | | 2022-23 | Professional Fees | 6.00 | 23.04.2022 | NIL |
| 6. | Mr. Rajesh Kumar Patil | Key Managerial Personnel | 2022-23 | Remuneration to KMP | 360.00 | 23.04.2022 | NIL |
| 7. | Mr. Aman Kumar Gupta | Key Managerial Personnel | 2022-23 | Remuneration to KMP | 330.00 | 23.04.2022 | NIL |
| 8. | Mrs. Ritu Allwani | Key Managerial Personnel | 2022-23 | Remuneration to KMP | 239.50 | 22.10.2022 | NIL |

Annexure-2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Denim Developers Limited
Flat No 1273, SuwalkaRiddhi Siddhi Residency,
Plot No 1-4, Rajeev Gandhi Nagar Ext,
Road No.1, IPIA, Kota-Rajasthan-324005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Denim Developers Limited, (CIN: L36101RJ1969PLC076649) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers and records, minutes books, forms and returns filed with various authorities and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with various provisions of statutory enactments listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - *Not Applicable for the period under review;*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;-

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - *Not Applicable for the period under review;*
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not Applicable for the period under review;*
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- *Not Applicable for the period under review;*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - *Not Applicable for the period under review;*
- (vi) There are no other Sector specific laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while no instance taken place during the year where dissenting members' views are required to captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

We further report that during the audit period the company no events / actions took place which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: New Delhi
Date: 30.05.2023

For Jain Saloni & Co.
Company Secretaries

Saloni Jain
CP: 17115
M. No: A43092
UDIN: A043092E000416531

Note: This report is to be read with 'Annexure' attached herewith and forms an integral part of this report.

Annexure

To,
The Members,
Denim Developers Limited

Our Secretarial Audit Report is subject to the following:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: New Delhi
Date: 30.05.2023

For Jain Saloni & Co.
Company Secretaries

Saloni Jain
CP: 17115
M. No: A43092
UDIN: A043092E000416531

SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY COMPANY

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Industrial Tubes Manufacturers Private Limited
Aswini CHS Ltd., Flat No. 7, 1st Floor, S. V. Nagar,
Katrap Road, Badlapur,
East Dist-Thane Badlapur Thane MH-421503

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Industrial Tubes Manufacturers Private Limited, (CIN: U25191MH1969PTC014290) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers and records, minutes books, forms and returns filed with various authorities and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with various provisions of statutory enactments listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - *Not Applicable for the period under review;*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - *Not Applicable for the period under review;*

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - *Not Applicable for the period under review;*
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - *Not Applicable for the period under review;*
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - *Not Applicable for the period under review;*
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not Applicable for the period under review;*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - *Not Applicable for the period under review;*
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - *Not Applicable for the period under review;*

(vi) There are no other Sector specific laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while no instance taken place during the year where dissenting members' views are required to captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company no events / actions took place which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: New Delhi
Date: 25.05.2023

For Jain Saloni & Co.
Company Secretaries

Saloni Jain
CP: 17115
M. No: A43092
UDIN: A043092E000372960

Note: This report is to be read with 'Annexure' attached herewith and forms an integral part of this report.

Annexure

To,
The Members,
Industrial Tubes Manufacturers Private Limited

Our Secretarial Audit Report is subject to the following:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: New Delhi
Date: 25.05.2023

For Jain Saloni & Co.
Company Secretaries

Saloni Jain
CP: 17115
M. No: A43092
UDIN: A043092E000372960

Annexure-3

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts **Rs. In Thousand**)

| S. No. | Name of the subsidiary | Reporting period, if different | Reporting currency and Exchange rate (foreign subsidiaries) | Share capital | Reserve and surplus | Total assets | Total Liabilities | Investments | Turn over | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | Percentage of share holding |
|--------|--|--------------------------------|---|---------------|---------------------|--------------|-------------------|-------------|-------------|------------------------|------------------------|-----------------------|-------------------|-----------------------------|
| 1 | Industrial Tubes Manufacturers Private Limited | N.A. | N.A. | 14,000 | 99,807.18 | 2,11,178.98 | 97,371.80 | Nil | 1,62,532.55 | 23,107.77 | (2,541.92) | 25,649.70 | Nil | 99.9964% |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- N.A.
- Names of subsidiaries which have been liquidated or sold during the year. - N.A.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs in Thousand)

| S. No. | Name of Associates | Latest audit | Shares of Associate held by the company on the year end | Description of | Reason why the | Net worth attrib | Profit/Loss for the year |
|--------|--------------------|--------------|---|----------------|----------------|------------------|--------------------------|
|--------|--------------------|--------------|---|----------------|----------------|------------------|--------------------------|

DENIM DEVELOPERS LIMITED
ANNUAL REPORT 2022-23

| | | ed Bala nce Shee t Date | No. of Shares | Amount of Investme nt in Associate s (face value) | Extent of Holdin g perce ntage | how ther e is signi fican t influ ence | associ ate/ is not consol idated | utable to share holdin g as per latest audite d Balanc e Sheet | Conside red in Consoli dation | Not Conside red in Consoli dation |
|---|--|--|------------------|---|---|---|--|---|--|---|
| 1 | Excellent Dreamestate Private Limited | 31.03. 2023 | 14,90,0 00 | 14,900.00 | 48.06% | Associ ate | NA | 8,041.2 8 | 1,422.08 | 1,536.89 |
| 2 | Resonant Wealth Consultancy Private Limited | 31.03. 2023 | 27,59.9 99 | 27,599.99 | 48.17% | Associ ate | NA | 92,894. 70 | 68,180.87 | 73,361.32 |
| 3 | Expertise Wealth Consultancy Private Limited | 31.03. 2023 | 4,50,00 0 | 4500.00 | 49.45% | Associ ate | NA | 3,062.3 9 | (245.86) | (251.32) |

1. Names of associates or joint ventures which are yet to commence operations.-NA
2. Names of associates or joint ventures which have been liquidated or sold during the year.-NA

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's real estate market is booming at an exponential rate. After the slowdown for two consecutive years caused by the global Covid-19 outbreak, the sector is making a phenomenal comeback – registering unprecedented growth. Currently, real estate is one of India's most prominent industries in terms of generating revenue and employment opportunities. Industry experts view 2023-24 as a boom year for India's property market. Various reports suggest that 2023 year is a very good year in respect of real estate market and 10% to 15% hike is expected in total sale across the India. Further, the other factor is that Housing finance companies, banks which are lending to retail home loans have increased their amount of lending by also about 12% to 15% on an average, this itself indicates that there is a buying. We hope that the system will change so 2023-2024 is going to see a boom year for real estate as concerned a 15% growth across the board. And housing finance companies are very interested to lend more to retail home loans because the NPAs in retail home loans have fallen to less than 1.5% across the board of all the companies which is the lowest NPA in any sector whatsoever of lending that takes place in the financing sector. So all in all looks like a positive boom year in the financial year 2023-24.

OPPORTUNITIES AND THREATS

Opportunities

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels.

Threats

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- Unanticipated delays in project approvals
- Availability of accomplished and trained labour force
- Concerns due to ongoing pandemic situation
- Increased cost of manpower
- Rising cost of construction lead by increase in commodity prices
- Growth in auxiliary infrastructure facilities
- Increasing Lending Interest Rates day by day

PERFORMANCE

The Company has launched commercial and residential projects and the Company's turnover highly increased by selling of plots in existing projects. Few other projects are also in pipeline.

BUSINESS OUTLOOK

Leading experts in the Indian property market is viewing 2023 as a booming year for the industry. According to them, in the next some months, there will be great hike in sales collectively in residential, commercial, and retail segments.

In 2023, we expect the sector to leverage the government's continued focus on infrastructure development and industrial growth. Capital values across both the mid-end and high-end residential segments are expected to witness an uptick in 2023 due to factors such as robust sales momentum and rising input material cost that could force developers to pass on the increase to homebuyers. With the elongated period of remote working and home schooling likely to continue, factors such as larger homes, plotted developments with flexibility on configurations and ancillary amenities are likely to remain key focus areas for developers. Continued policy push, a revival in economic activity coupled with a low mortgage rate regime is some of the key factors driving residential growth.

RISKS AND CONCERNS

Market price fluctuation - The performance of your Company may be affected by the sales and rental realizations of its projects. These prices are driven by prevailing market conditions, the nature and location of the projects and other factors such as brand and reputation and the design of the projects. Your Company follows a prudent business model and tries to ensure steady cash flow even during adverse pricing scenario.

Sales Volume - The volume of bookings depends on the ability to design projects that will meet customer preferences, getting various approvals in time, general market factors, project launch and customer trust in entering into sale agreements well in advance of receiving possession of the projects. Your Company sells its projects in phases from the time it launches the project, based on the type and scale of the project and depending on market conditions.

Pandemic Risk- The outbreak of a novel strain of coronavirus (i.e. COVID-19), which commenced in December 2019 had spread across the world and India being no exception. The COVID-19 outbreak became more severe and result in a more widespread health crisis and/or result in a global recession because of disruptions of economic activity. Any of these type of factors may have a material adverse effect on your Company's financial condition and results of operations.

ADEQUACY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by extensive programme of audit, review by management, and documented policies, guidelines and procedures.

FINANCIAL PERFORMANCE OVERVIEW

The Revenue from Operations has increased by 849.25% to 3,73,842.27 Thousands in comparison to Rs. 39,383.02 Thousands in last financial Year and Net profit is also increased by 340.87 % to Rs. 98,628.66 Thousands against Rs. 22,371.37 Thousands in last financial year.

(Rs. In Thousands)

| | For the current year ended | For the previous year ended |
|---|---------------------------------------|--|
| Revenue from operations | 3,73,842.27 | 39,383.02 |
| Other Income | 6,354.56 | 2,745.35 |
| Total Income | 3,80,196.83 | 42,128.36 |
| Profit / (Loss) for the year Before Tax | 1,31,743.60 | 23,279.07 |
| Less: Provision for Taxation | 33,114.94 | 907.70 |
| Net Profit/(Loss) After tax | 98,628.66 | 22,371.37 |

HUMAN RESOURCE

The Company enhanced its no of employee and is looking to expand its working force in year 2023 by employing more suitable candidates to accelerate its projects planning, execution and sales.

KEY FINANCIAL RATIO

Please refer Point No. 14 of Note 43 of financial statement for the year ended 31.03.2023 for Key Financial Ratio.

NETWORTH

The net worth of the Company increased to Rs. 9,98,409.89 Thousand against Rs. 8,99,756.07 Thousand in last year.

ACCOUNTING TREATMENT

No different treatment is followed to prepare financial statements other than from that prescribed in an Accounting Standard.

CAUTIONARY STATEMENT

This management discussion and analysis contain forward looking statements that reflects your Company's current views with respect to future events and financial performance. The actual results may differ materially from those anticipated in the forwardlooking statements as a result of many factors.

Annexure-5

COMPLIANCE CERTIFICATE BY CHIEF FINANCIAL OFFICER

In accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Rajesh Kumar Patil, Chief Financial Officer of the Company, to the best of my knowledge and belief, certify that:

- A. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my 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.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which I am aware and also of the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee about the following:
 - (1) There are no significant changes in internal control over financial reporting during the year;
 - (2) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) I am not aware of any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kota
Date: 30.05.2023

Rajesh Kumar Patil
Chief Financial Officer

Annexure-6

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2023.

For Denim Developers Limited

Place: Kota
Date: 30.05.2023

Rajesh Kumar Patil
Whole Time Director & Chief Financial Officer

CORPORATE GOVERNANCE REPORT

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a systemic process by which organization is directed, administered, managed and controlled. It is a process to manage the business affairs of the Company towards enhancing business prosperity and accountability with the objective of realizing long term Shareholder value, while taking into account the interest of the other stakeholders. In this dynamic environment, Shareholders across the globe evince keen interests in the performance of the Companies and thus good Corporate Governance is of paramount importance for companies seeking to distinguish themselves in the global footprint.

The Company's Philosophy on Corporate Governance is aimed at enhancing long term shareholder value through assisting the top management in taking sound business decisions and prudent financial management achieving transparency and professionalism in all decisions and activities of the Company. To achieve excellence in Corporate Governance by conforming to prevalent guidelines on Corporate Governance and reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

- The details of composition of the Board as at March 31, 2023, the attendance record of the Directors at the Board Meetings held during financial year 2022-23 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairpersonships and Memberships held by them in other Public Companies, the names of other listed entities where they have Directorship (if any) and their category of directorship in such listed entities, the number of Board Meetings and dates on which held and the number of shares and convertible instruments held by non-executive directors are given here below:

| Name of Director | Category | No. of Board Meetings held | No. of Board Meetings attended | Attendance at last AGM | No. of Directorships in other indian Public limited Cos. | No. of Chairpersonship(s) of Committee in other indian Public limited Cos. | No. of Membership(s) of Committees in other indian Public limited Cos. | No. of shares and convertible instruments held by Non-executive Directors |
|------------------|------------|----------------------------|--------------------------------|------------------------|--|--|--|---|
| Mr. Rajesh | Whole-time | 10 | 10 | Yes | - | - | - | NA |

| | | | | | | | | |
|-----------------------|-------------------------------------|----|----|-----|----|---|---|---|
| Kumar Patil | Director | | | | | | | |
| Ms. Jaya Singh Rathod | Chairperson, Non-executive Director | 10 | 10 | Yes | 1* | - | - | - |
| Ms. Babita Kriplani | Non-executive Independent Director | 10 | 10 | Yes | 1 | - | - | - |
| Ms. Laxmi Pant** | Non-executive Independent Director | 10 | 10 | Yes | 1* | - | - | - |

*Ms. Jaya Singh Rathod is a director of Industrial Tubes Manufacturers Private Limited (Deemed Public Company), which is subsidiary of Listed Public Company of Denim Developers Limited.

*Ms. Laxmi Pant is a director of Industrial Tubes Manufacturers Private Limited (Deemed Public Company), which is subsidiary of Listed Public Company of Denim Developers Limited.

**Ms. Laxmi Pant has resigned as a Director as well as from Audit and Nomination & Remuneration Committee from Hadoti Punji Vikas Limited w.e.f. 01.09.2022.

2. During the Financial Year 2022-23, Ten (10) Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on 23.04.2022, 30.05.2022, 09.08.2022, 16.08.2022, 22.10.2022, 01.11.2022, 03.11.2022, 14.11.2022, 23.01.2023 and 09.02.2023.
3. There is no relationship between directors.
4. The details of familiarization programmes imparted to independent director is available at www.denimdevelopersltd.com
5. Skills/ Expertise/ Competence of the Board of Directors:

| Skills/ Expertise/ Competence | Mr. Rajesh Kumar Patil | Ms. Jaya Singh Rathod | Ms. Babita Kriplani | Ms. Laxmi Pant |
|--|------------------------|-----------------------|---------------------|----------------|
| Industry Knowledge/ Experience | | | | |
| Industry Experience | • | • | • | • |
| Knowledge of Sector | • | • | • | • |
| Knowledge of Government/ Public Policy | • | • | • | • |
| Technical Skills/ Experience | | | | |
| Accounting | • | | • | |
| Finance | • | | • | • |
| Law | • | • | • | |
| Marketing Experience | • | • | • | |
| Public Relations | • | • | • | |

| | | | | |
|---|---|---|---|---|
| Risk Management System | • | • | • | • |
| Human Resources Management | • | | | • |
| Strategy Development and implementation | • | • | • | • |
| Governance Competencies | | | | |
| Strategic Thinking/Planning from governance perspective | • | • | • | • |
| Compliance focus | • | • | • | • |
| Profile/Reputation | • | • | • | • |
| Behavioral Competencies | | | | |
| Ability and willingness to challenge and probe | • | • | • | • |
| Sound Judgment | • | • | • | • |
| Integrity and High ethical standards | • | • | • | • |
| Interpersonal relations | • | • | • | • |
| Listening skills | • | • | • | • |
| Verbal Communication Skills | • | • | • | • |
| Willingness and ability to devote time and energy to the role | • | • | • | • |

6. Fulfillment of the independence criteria by the Independent Directors: Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and that they are Independent of the management. In terms of Regulation 25(8) of SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have declared that they have complied with Rule 6(1) & (2) of the Companies (Appointment of Directors) Rules, 2014.
7. Resignation of Independent Director: None of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

AUDIT COMMITTEE

1. Brief Description of term of reference: The Audit Committee comprises of two Non-Executive Directors, all of whom are Independent Directors and one Executive Director. Ms. Babita Kriplani is the Chairperson of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations. The Broad terms of reference of Audit Committee are:
- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- b) Reviewing with the management the financial statements and auditor’s report thereon before submission to the Board, focusing primarily on:
 - i. Matters to be included in the Directors Responsibility Statement to be included in the Board’s report in terms of Clause (c) of subsection 3 of Section 134 of the Companies Act, 2013.
 - ii. Changes, if any, to any accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgement by Management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirement, relating to Financial Statements.
 - vi. Disclosure of any related party transactions.
 - vii. Modified opinion (s) in the draft audit report.
 - c) Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.
 - d) To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.
 - e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company’s statement on the same prior to endorsement by the Board.
 - f) Evaluation of the internal financial controls and risk management systems.
 - g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
 - i) In addition, the powers and role of Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013.
2. Composition, Meeting and attendance during the year: Five Audit Committee Meetings were held during the year on 23.04.2022, 30.05.2022, 09.08.2022, 14.11.2022 and 09.02.2022. The composition of the Committee as at 31.03.2023, name of members and Chairperson and the attendance of each member at the Committee Meetings are as given below:

| Name of Member | Designation | Executive, Non - Executive/Independent | Meeting Held | Meeting Attended |
|------------------------|--------------------|---|---------------------|-------------------------|
| Ms. BabitaKriplani | Chairperson | Independent Director | 5 | 5 |
| Ms. Laxmi Pant | Member | Independent Director | 5 | 5 |
| Mr. Rajesh Kumar Patil | Member | Whole-time Director & CFO | 5 | 5 |

NOMINATION AND REMUNERATION COMMITTEE

1. Brief Description of Terms of Reference: The Nomination & Remuneration Committee’s constitution and terms of reference are in compliance with the provisions of the Companies Act,

2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR) Regulations. The terms of reference of the Committee, inter alia, includes the following:

- a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- b) Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- c) Formulating criteria for evaluation of performance of Independent Directors and the Board.
- d) Devising a policy on diversity of Board of Directors.
- e) Recommending whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of Independent Directors.
- f) Recommending to the Board, all remuneration, in whatever form, payable to Senior Management.

2. Composition, Meeting and attendance during the year: Three meeting of Nomination and Remuneration Committee were held on 23.04.2022, 16.08.2022 and 22.10.2022. The composition of the Nomination & Remuneration Committee as at 31.03.2023 and the attendance of each member at the Committee Meetings are as given below:

| Name of Member | Designation | Executive, Non - Executive/Independent | Meeting Held | Meeting Attended |
|-----------------------|--------------------|---|---------------------|-------------------------|
| Ms. Laxmi Pant | Chairperson | Independent Director | 3 | 3 |
| Ms. BabitaKriplani | Member | Independent Director | 3 | 3 |
| Ms. Jaya Singh Rathod | Member | Non-executive Director | 3 | 3 |

3. Performance Evaluation Criteria for Independent Directors: Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board in its meeting. The policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, as amended from time to time. The Company adopted the following criteria to carry out the evaluation of Independent Directors, in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations:

- a) The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- b) In addition, the evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, which shall include Performance of the directors and Fulfillment of the independence criteria as specified in 16(1)(b) of SEBI (LODR), Regulations and their independence from the management.

This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

4. The Evaluation process of Independent Directors and the Board will consist of:
- a) Board Member Peer Evaluation - Each Board member is encouraged to rate his/her Peer's personal contribution/performance/conduct as a director with reference to a questionnaire.
 - b) In the Overall Board and Committees Performance Evaluation, each Board member will be asked to provide inputs on questions designed to elicit responses from the directors.
 - c) The performance of the Chairperson of the Company shall be reviewed after taking into account the views of executive and non-executive directors on the Board with reference to a questionnaire.

Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Chairperson's Office or to the Company Secretary or the Board nominee or a consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she will suitably intimate the Chairperson of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, reappointments, and removal of the non-performing Directors of the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

1. The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, in which two members are Independent Directors. The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D (B) of Schedule II of the SEBI (LODR) Regulations.
2. One meeting of Stakeholders Relationship Committee was held on 09.02.2023. The composition of the Stakeholders Relationship Committee as at 31.03.2023 and the attendance of each member at the Committee Meetings are as given below:

| Name of Member | Designation | Executive, Non - Executive/Independent | Meeting Held | Meeting Attended |
|-----------------------|--------------------|---|---------------------|-------------------------|
| Ms. Jaya Singh Rathod | Chairperson | Non-executive Director | 1 | 1 |
| Ms. BabitaKriplani | Member | Independent Director | 1 | 1 |

| | | | | |
|----------------|--------|----------------------|---|---|
| Ms. Laxmi Pant | Member | Independent Director | 1 | 1 |
|----------------|--------|----------------------|---|---|

3. Further the details of the Compliance Officer designated for handling of the Investor grievances is provided as under:

Ms. Ritu Allwani
Company Secretary & Compliance Officer
Denim Developers Limited
Flat No. 1273, Suwalka'sRidhiSidhi Residency,
Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1,
IPIA, Kota-324005, Rajasthan
E-mail: info@denim.org.in

4. Investor Grievance Redressal: Number of complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break-up is as under:

| | |
|---|-----|
| Number of Shareholders' Complaints received during the financial year | Nil |
| Number of complaints not solved to the satisfaction of Shareholders | Nil |
| Number of pending Complaints as on 31.03.2023 | Nil |

RISK MANAGEMENT COMMITTEE

The Company does not require constituting Risk Management Committee.

REMUNERATION OF DIRECTORS

- No remuneration paid/payable to the Non-Executive Directors for the period 01.04.2022 to 31.03.2023. Further, the criteria of making payments to non-executive directors is available on website of the Company i.e. www.denimdevelopersltd.com
- The details of Remuneration paid / payable to the Whole-time Directors for the financial year 2022-23 are as given below:

| Name of Director and Designation | Salary including provident fund | Perks | Profit linked commission | Total | Period of contract | Notice Period |
|---|---------------------------------|-------|--------------------------|----------|--------------------------|---------------|
| Mr. Rajesh Kumar Patil, Whole-time Director & CFO | 3,60,000 | Nil | Nil | 3,60,000 | 07/01/2019 to 06/01/2024 | 30 days |

GENERAL BODY MEETING

- Annual General Meetings: The details of date, time and venue of the Annual General Meetings

(AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at, are as under:

| AGM | Date | Time | Venue | Special Resolution Passed |
|----------------------|------------|---------|---|---------------------------|
| 52 st AGM | 16.09.2022 | 12 P.M. | Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324005 | YES |
| 51 st AGM | 09.09.2021 | 12 P.M. | Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) | NO |
| 50 th AGM | 30.11.2020 | 12 P.M. | Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) | YES |

- Special Resolutions passed through Postal Ballot during 2022-23: No special resolution was passed through Postal Ballot during the financial year 2022-23. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through Postal Ballot.

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance towards this end:

- Quarterly Results: The Quarterly Results of the Company are intimated to the Stock Exchanges immediately after they are approved by the Board.
- Newspapers wherein results normally published: The Indian Express and Jannayak
- Website: www.denimdevelopersltd.com
- News Releases: press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.
- Presentations made to institutional investors or to the analysts: The presentations (if any) are available on the Company's website.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting is scheduled on Thursday, the 21st day of September, 2023 at registered office of the Company i.e. Flat No. 1273, Suwalka's Riddhi Siddhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext, Road No.1, IPIA, Kota-324005, Rajasthan
- Financial Year – 2022-23
- Dividend Payment Date – Not Applicable
- The equity shares of the Company are listed on the Metropolitan Stock Exchange of India Limited and the Stock Code of the Company is 'DENIMDL'. The Company has paid annual listing fee for the financial year 2023-24.
- Market Price Data - During the financial year 2022-23, no trading in the shares of the Company took place on the stock exchange, hence the requisite information is Nil.
- Performance in comparison to broad-based indices – As there occurs no change in last traded price of share during the year, hence the comparison is not applicable.

7. Registrar to an Issue and Share Transfer Agent - ABS Consultants Private Limited, Regd. Office: 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002, E-mail Id - absconsultant99@gmail.com.
8. Share Transfer System - Transfer of securities held in physical mode has been discontinued w.e.f. April 01, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. In compliance with the circular, Re-lodgement of transfer requests was carried out till the validity period of Circular. Further, effective from April 1, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders.
9. Distribution of Shareholding –

| Grouping of Shares | No. of Shareholders | % of total Shareholders | No. of Shares per Category | % of total Shares |
|--------------------|---------------------|-------------------------|----------------------------|-------------------|
| 1 – 5000 | 538 | 91.81 | 26,430 | 0.25 |
| 5001 - 10000 | 2 | 0.34 | 19,000 | 0.18 |
| 10001– 50000 | 31 | 5.29 | 9,34,234 | 8.80 |
| 50001– 100000 | 1 | 0.17 | 58,512 | 0.55 |
| 100001– above | 14 | 2.39 | 95,75,980 | 90.22 |
| Total | 586 | 100.00 | 1,06,14,156 | 100.00 |

10. Dematerialization of Shares and Liquidity - The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

| | | |
|--------------------------------|--------------------|----------------|
| Shares held in Demat with NSDL | 72,40,807 | 68.22% |
| Shares held in Demat with CDSL | 32,42,876 | 30.55% |
| Physical | 1,30,473 | 1.23% |
| Total | 1,06,14,156 | 100.00% |

11. Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity – Not Applicable
12. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities – Not Applicable
13. Plant Locations – Not Applicable
14. Address for Correspondence - Denim Developers Limited, Flat No. 1273, Suwalka's Ridhi Sidhi Residency, Plot No. 1-4, Rajeev Gandhi Nagar Ext., Road No. 1, IPIA, Kota-324005, Rajasthan, E-mail: info@denim.org.in
15. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad – Not Applicable

OTHER DISCLOSURES

1. Related Party Transactions: All transactions entered into with Related Parties as defined under the Companies Act, 2013, and Regulation 23 of the SEBI (LODR) Regulations during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest

of the Company. All the transactions are approved by Board of Director, Audit Committee and member of the company as required. Suitable disclosures as required by the Indian Accounting Standard (Ind AS 24) have been made in the notes to the Financial Statements. The Board approved policy for related party transactions is available on the Company's website www.denimdevelopersltd.com

2. There has been no instance of non-compliance by the Company on any matter related to capital markets and no strictures or penalties have been imposed on the Company by the Stock Exchange or by the SEBI or by any statutory authority on any matters related to capital markets during the last three (3) years.
3. Whistle Blower Policy/Vigil Mechanism: The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counselor /Chairperson of the Audit Committee of the Board to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements and incidents of leak or suspected leak of unpublished price sensitive information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. No personnel have been denied access to audit committee during the year.
4. Policy for determining 'material' subsidiaries is available on the Company's website www.denimdevelopersltd.com
5. Policy on dealing with related party transactions is available on the Company's website www.denimdevelopersltd.com
6. Disclosure of commodity price risks and commodity hedging activities is not applicable on the Company.
7. No funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A), hence, disclosure of utilization of fund is not applicable.
8. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this report as **Annexure-7A**.
9. There are no cases where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2022-23.
10. Total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

| | |
|---|-----------------------|
| Statutory Audit Fees (Including Limited Review) | Rs. 565.60 (Thousand) |
|---|-----------------------|

11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) No. of complaints filed during the financial year 2022-23 : 0
- b) No. of complaints disposed of during the financial year 202-23 : 0
- c) No. of complaints pending as on 31.03.2023 : 0

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-para (2) to (10) of Para (C) of Schedule V. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (LODR) Regulations, 2015.

ADOPTION OF DISCRETIONARY REQUIREMENTS

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR) Regulations 2015 is provided below:

- 1. Ms. Jaya Singh Rathod, non-executive chairperson is entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of her duties. However, she has not maintained any office separately and also not claimed any reimbursement of expenses.
- 2. Shareholder's Rights: The Quarterly, Half Yearly, Nine Monthly and Annual financial performance including summary of significant events are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website.
- 3. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2022-23 does not contain modified audit opinion.
- 4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Ms. Jaya Singh Rathod is Non-executive Chairperson of the Company and is not related to any executive KMP or Director of the Company.
- 5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

DISCLOSURE OF COMPLIANCE

Your Company confirms the compliance of corporate governance requirements specified in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure-7A

CERTIFICATE FOR NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Denim Developers Limited
Flat No 1273, SuwalkaRiddhi Siddhi Residency,
Plot No 1-4, Rajeev Gandhi Nagar Ext,
Road No.1, IPIA, Kota-Rajasthan-324005

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Denim Developers Limited having CIN: L36101RJ1969PLC076649 and having registered office at Flat No 1273, SuwalkaRiddhi Siddhi Residency, Plot No 1-4, Rajeev Gandhi Nagar Ext, Road No.1, IPIA, Kota-RJ 324005 hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Designation | Date of Appointment |
|---------------|-------------------------|------------|------------------------------------|----------------------------|
| 1 | Mr. Rajesh Kumar Patil | 02333360 | Whole Time Director | 07.01.2019 |
| 2 | Ms. Jaya Singh Rathod | 05358463 | Non-Executive Director | 02.11.2019 |
| 3 | Ms. BabitaKriplani | 03420987 | Non-Executive Independent Director | 10.04.2019 |
| 4 | Ms. Laxmi Pant | 03526990 | Non-Executive Independent Director | 21.01.2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: 30.05.2023

For Jain Saloni & Co.
Company Secretaries

Saloni Jain
ACS: 43092
CP No. 17115
UDIN:A043092E000416520

Annexure-8

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Denim Developers Limited
Flat No 1273, SuwalkaRiddhi Siddhi Residency,
Plot No 1-4, Rajeev Gandhi Nagar Ext,
Road No.1, IPIA, Kota-Rajasthan-324005

We have examined the compliance of conditions of corporate governance by the Company for the year ended March 31, 2023, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Bank 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.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI Listing Regulations.

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

Place: New Delhi
Date: 30.05.2023

For Jain Saloni & Co.

Saloni Jain
Proprietor
ACS: 43092
COP No. 17115
UDIN:A043092E000416511

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DENIM DEVELOPERS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **DENIM DEVELOPERS LIMITED** (“the company”), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive income), Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2023, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in the auditor’s professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and the auditor does not provide a separate opinion on these matters. *We have determined that there are no key audit matters to communicate in our report.*

Emphasis of Matter

We draw attention to **note no. 36** of the accompanying standalone financial statement, in respect of advancement of money against revenue sharing project, under which the company would be entitled to receive 7% share of rental revenue from such project. Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the "Annual Report", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors of the company as on 31 March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in

"Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note 30 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not proposed, declared and paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Jain Akhil & Co.

Chartered Accountants

Firm Registration No.: 030283N

Akhil Jain

Proprietor

Membership No.: 521647

UDIN : 23521647BGYFKO5645

Place: Kota

Date: 30th May, 2023

Annexure – ‘A’ to the Independent Auditor’s Report

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31 March 2023, to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

- 1) In respect of the company’s Property, Plant & Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The company does not have any intangible assets.
 - b) The Company has a regular programme of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased manner over a period of regular intervals. In accordance with the programme, Property, Plant & Equipment were verified during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us and the books of accounts and records examined by us in the normal course of audit, company does not have freehold immovable property of land and building as Property, Plant & Equipment. However, company has the possession of few flats which is shown in financial statement as “advances other than capital advance” under the head “Other non current assets”. Registration is pending as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2) (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate. No material discrepancy was noticed on physical verification by the Management.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) The Company has made investments in companies and granted unsecured loans or provided advances to other parties, during the year, in respect of which:
 - a) The company has provided loan or advances in the nature of loans to any other entity {not applicable to companies whose principal business is to give loans}, in respect of which:

- i) The company has given unsecured loan during the year to subsidiary and associate company, the details which is shown below :

| Particulars | Amount (in thousands) |
|---|------------------------------|
| Aggregate amount granted during the year to Associate company | 87,500.00 |
| Aggregate amount granted during the year to Subsidiary company | 88,500.00 |
| Balance outstanding as at balance sheet date in respect of above cases : Associate Company | 25,720.77 |
| Balance outstanding as at balance sheet date in respect of above cases : Subsidiary Company | 88,787.29 |
| Balance outstanding as at balance sheet date in respect of purchase of Debentures : Associate Companies | 1,10,390.00 |

- ii) The company has given Unsecured business advance, during the year, to Rustic Urban Food Park Pvt Ltd (an entity other than subsidiary, joint venture and associate) amounting to Rs 16.50 crores and balance outstanding at the balance sheet date is Rs 25.18 crores (refer note 5 & 36 of Standalone Financial Statement).
- b) In our opinion, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans, during the year are, prima facie, not prejudicial to the Company's interest. However, with respect to the business advances made during the year (refer note 5 of Standalone Financial Statement), we have provided the details in "Emphasis of matter" paragraph of our audit report.
- c) In respect of loans and advances granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans and advances granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. However, the company has renewed a loan agreement of Resonant Wealth Consultancy Private Limited on 01.04.2022 whereby the loan shall be repaid on demand by the company or within 12 months.
- f) The Company has granted loan or advances in the nature of loans repayable on demand or without specifying any terms or period of repayment during the year. The aggregate amount of such loans or business advances is Rs 11.45/- crores which constitutes 31.26% of the total loans or advances granted. The aggregate amount of loans granted to promoters is NIL and to related parties as defined in clause (76) of section 2 of Companies Act, 2013 is Rs 11.45/- crores which constitutes 31.26% of the total loans or advances granted.

The Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. However, with respect to the unsecured business advances made during the year, the company has given an unsecured business advance to an entity amounting to Rs 16.50 crores against a revenue sharing project, under which the company would be entitled to receive 7% share of rental revenue from such project. If there is no income from the project in any year, the company will have the right to withdraw its amount but this will take atleast an year to recover. The company has received its share of contractual income amounting to Rs 18.01 Lakhs which constitutes 2.06% p.a. (refer note 5 of the standalone financial statements).
- 5) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public covered under section 73 to 76 of the Companies Act 2013. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the business activities carried out by the company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- 7) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, custom duty, value added tax, excise duty, cess and other statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, goods & service tax, service tax, custom duty, value added tax, excise duty, cess and other statutory dues and the same were not in arrear as at 31 March, 2023 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Nature of the statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount (Rs in Thousands) |
|------------------------------|-----------------------|---------------------------------------|---|---------------------------------|
| Income Tax Act, 1961 | Income Tax | High Court | Assessment Year 2013-14 | 12,377.77 |

- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender. However, the company has obtained non-interest-bearing loan from companies whereby the loan shall be repaid upon demand by the lender, which is not demanded as at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any lender or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- 10) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 11) (a) According to the information and explanations given to us and based on our examination of the records of the company, no fraud by the company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year.

- 12) The company is not a nidhi company and therefore paragraph 3(xii) of the Order is not applicable.
- 13) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- 14) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) The company does not fall under the requirements of the provisions of section 135 of the Companies Act, 2013, and accordingly reporting under clause 3(xx)(a) & (b) of the Order is not applicable.

21) According to the information and explanations given to us, and based on the CARO report of the Company, its subsidiary and its associates included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For Jain Akhil & Co.

Chartered Accountants

Firm Registration No.: 030283N

Akhil Jain

Proprietor

Membership No.: 521647

UDIN : 23521647BGYFKO5645

Place: Kota

Date: 30/05/2023

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **DENIM DEVELOPERS LIMITED** as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jain Akhil& Co.

Chartered Accountants
Firm Registration No.: 030283N

Akhil Jain
Proprietor
Membership No.: 521647
UDIN :23521647BGYFKO5645

Place: Kota
Date: 30/05/2023

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Balance Sheet as at 31st March, 2023

(Rs in thousand)

| Particulars | Note | As at 31st March, 2023 | As at 31st March, 2022 |
|---|-------|---------------------------|---------------------------|
| <u>ASSETS</u> | | | |
| <u>Non Current Assets</u> | | | |
| Property, Plant and Equipment | 3 | 70.69 | 100.12 |
| Financial Assets | | | |
| Investments | 4 | 313,442.96 | 308,206.05 |
| Loans | 5 | 251,765.28 | 85,000.00 |
| Other Non Current Financial Assets | 6 | 2,658.04 | 1,020.92 |
| Deferred tax assets (net) | 7 | 150.92 | 3.11 |
| Other Non Current Assets | 8 | 7,786.95 | 7,786.95 |
| Total Non- Current Assets | | 575,874.84 | 402,117.16 |
| <u>Current Assets</u> | | | |
| Inventories | 9 | 285,509.93 | 431,715.10 |
| Financial Assets | | | |
| Trade Receivables | 10 | 10,574.88 | 6,539.00 |
| Cash and Cash Equivalents | 11 | 8,405.32 | 2,991.54 |
| Loans | 12 | 114,508.06 | 27,456.16 |
| Other Current Financial Assets | 13 | 76,084.14 | 75,518.52 |
| Other Current Assets | 14 | 765.70 | 3,839.74 |
| Total Current Assets | | 495,848.03 | 548,060.06 |
| Total Assets | | 1,071,722.87 | 950,177.22 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Equity</u> | | | |
| Equity Share Capital | 15(a) | 106,141.56 | 106,141.56 |
| Other Equity | 15(b) | 905,910.60 | 793,614.51 |
| Total Equity | | 1,012,052.16 | 899,756.07 |
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| Financial Liabilities | | | |
| Current Borrowings | 16 | 5,020.00 | 23,565.91 |
| Trade Payables | 17 | | |
| (A) total outstanding dues of micro and small enterprises; and | | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | | 9,225.95 | 1,574.22 |
| Other Current Financial Liabilities | 18 | 310.26 | - |
| Other Current Liabilities | 19 | 12,415.23 | 21,485.67 |
| Current Tax Liabilities (net) | 20 | 32,699.27 | 3,795.34 |
| Total Current Liabilities | | 59,670.71 | 50,421.15 |
| Total Equity and Liabilities | | 1,071,722.87 | 950,177.22 |

See accompanying notes to the financial statements

1 & 2

As per our Report of even date attached

For and on behalf of the Board of Directors

For Jain Akhil & Co

Chartered Accountants
Firm Regn No.030283NJaya Singh Rathod
DIN : 05358463
DirectorRajesh Kumar Patil
DIN : 02333360
Director

Akhil Jain

Proprietor
Membership No. 521647
UDIN : 23521647BGYFKO5645
Kota
May 30, 2023Ritu Allwani
Company Secretary

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Statement of Profit and Loss for the period ending 31st March, 2023

(Rs in thousand)

| Particulars | Note | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---|------|--------------------------------|--------------------------------|
| (I) Revenue from Operations | 21 | 373,842.27 | 39,383.02 |
| (II) Other Income | 22 | 6,354.56 | 2,745.35 |
| (III) Total Income (I+II) | | 380,196.83 | 42,128.36 |
| (IV) Expenses | | | |
| Purchase of stock-in-trade | 23 | 33,525.17 | 601.66 |
| Changes in Inventories of Stock-in-trade and finished goods | 24 | 146,205.17 | (34,058.85) |
| Employee Benefits Expense | 25 | 2,915.80 | 967.00 |
| Finance Costs | 26 | - | - |
| Depreciation and Amortization Expenses | 3 | 29.43 | 30.03 |
| Other Expenses | 27 | 115,777.67 | 51,309.46 |
| Total Expenses (IV) | | 298,453.23 | 18,849.30 |
| (V) Profit / (Loss) before exceptional items and tax (III-IV) | | 81,743.60 | 23,279.07 |
| (VI) Exceptional Items / (Income) | 28 | (68,545.91) | - |
| (VII) Profit / (Loss) before tax (V+VI) | | 150,289.51 | 23,279.07 |
| (VIII) Tax expense : | | | |
| Current Tax | | 38,188.82 | 4,068.19 |
| MAT | 7 | 3,171.95 | (3,171.95) |
| Previous Year Tax | 7 | (3,337.64) | 14.57 |
| Deferred Tax | 7 | (4.55) | (3.11) |
| Total Tax Expenses (VIII) | | 38,018.58 | 907.70 |
| (IX) Profit / (Loss) for the period from continuing operations | | 112,270.93 | 22,371.37 |
| (X) Profit/(loss) from discontinued operations | | - | - |
| (XI) Tax expenses of discontinued operations | | - | - |
| (XII) Profit/(loss) from Discontinued operations (after tax) (X-XI) | | - | - |
| (XIII) Profit/(loss) for the period (IX+XII) | | 112,270.93 | 22,371.37 |
| (XIV) Other comprehensive income | | | |
| <i>A. Items that will not be reclassified to profit or loss</i> | | | |
| Equity Instruments through Other Comprehensive Income | | (118.09) | (21.99) |
| <i>Income tax relating to items that will not be reclassified to profit or loss</i> | | 143.25 | - |
| Other Comprehensive Income / (Loss) for the year, Net of Tax | | 25.16 | (21.99) |
| (XV) Total comprehensive Income / (Loss) for the year (XIII+XIV) | | 112,296.09 | 22,349.38 |
| (XVI) Earnings per equity share | | | |
| Basic and Diluted (face value of Rs 10 each) | 29 | 10.58 | 2.11 |
| Number of Shares Used in Computing Earnings Per Share | | | |
| Basic and Diluted (face value of Rs 10 each) | | 10,614,156 | 10,614,156 |

Significant Accounting Policies

1 & 2

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our Report of even date

For and on behalf of the Board of Directors

For Jain Akhil & Co

Chartered Accountants

Firm Regn No.030283N

Jaya Singh Rathod

DIN : 05358463

Director

Rajesh Kumar Patil

DIN : 02333360

Director

Akhil Jain

Proprietor

Membership No. 521647

UDIN : 23521647BGYFKO5645

Kota

May 30, 2023

Ritu Allwani

Company Secretary

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Cash Flow Statement for the year ended 31st March, 2023

(Rs in thousand)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|---------------------|------------------|
| A Cash Flow from operating activities | | |
| Profit before income tax | 150,289.51 | 23,279.07 |
| Adjustments for non cash and non operating items | | |
| Interest received | (6,354.56) | (2,745.35) |
| Finance costs | - | - |
| Depreciation | 29.43 | 30.03 |
| Operating Cash Profit before Working Capital Changes | 143,964.38 | 20,563.74 |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in Other Non Current Assets | - | - |
| (Increase)/decrease in other current assets | (97.92) | (3,513.95) |
| (Increase)/decrease in Trade Receivables | (4,035.88) | (6,539.00) |
| (Increase)/decrease in Non Current Financial Assets | (1,637.11) | (982.87) |
| (Increase)/decrease in Current Financial Assets | (565.61) | (18.52) |
| (Increase)/decrease in inventories | 146,205.17 | (34,058.84) |
| Increase/(decrease) in Other current financial liabilities | 310.26 | - |
| Increase/(decrease) in trade payables | 7,651.73 | 1,561.93 |
| Increase/(decrease) in other current liabilities | (9,070.44) | 20,712.59 |
| Increase/(decrease) in provisions | - | 3,765.22 |
| Cash outflow from operations | 282,724.57 | 1,490.30 |
| Income taxes paid | 5,947.25 | 910.81 |
| Net cash outflow from operating activities (A) | 276,777.31 | 579.49 |
| B Cash inflow from investing activities: | | |
| (Acquisition of Investments) / Sale of Investment | (5,355.00) | (3,406.59) |
| Loan (given)/ received back | (87,051.90) | 87,547.78 |
| Other Business Advances given | (166,765.28) | (85,000.00) |
| Sale/(Purchase) of property, plant and equipment(net) | - | - |
| Interest received | 6,354.56 | 2,745.35 |
| Net cash inflow from investing activities (B) | (252,817.62) | 1,886.53 |
| C Cash outflow from financing activities | | |
| Proceeds from / (Repayment of) Borrowings | (18,545.91) | - |
| Interest paid | - | - |
| Net cash outflow from financing activities (C) | (18,545.91) | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 5,413.78 | 2,466.03 |
| Add: Cash and cash equivalents at the beginning of the financial year | 2,991.54 | 525.51 |
| Cash and cash equivalents at the end of the year | 8,405.32 | 2,991.54 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Cash Flow Statement for the year ended 31st March, 2023

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flows

2. Cash and Cash Equivalent as per above comprises of the following

| | 31st March, 2023 | 31st March, 2022 |
|---|-------------------------|-------------------------|
| Cash and Cash Equivalentents (Note 11) | 8,405.32 | 2,991.54 |
| Balance as per statement of Cash Inflows | 8,405.32 | 2,991.54 |

As per our Report of even date attached

For Jain Akhil & Co

Chartered Accountants

Firm Regn No.030283N

For and on behalf of the Board

Jaya Singh Rathod

DIN : 05358463

Director

Rajesh Kumar Patil

DIN : 02333360

Director

Akhil Jain

Proprietor

Membership No. 521647

UDIN : 23521647BGYFKO5645

Kota

May 30, 2023

Ritu Allwani

Company Secretary

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Statement of Change in Equity as at 31st March, 2023

A. Equity Share Capital

| <i>(Rs in thousand)</i> | | | |
|---|------------|--|------------|
| 1. For the year ended 31 March, 2023 | | | |
| Balance as at April 01, 2022 | 106,141.56 | Restated balance as at April 01, 2022 | 106,141.56 |
| | | Changes in equity share capital during the current year | - |
| | | Changes in Equity Share Capital due to prior period errors | - |
| | | Balance as at March 31, 2023 | 106,141.56 |
| 2. For the year ended 31 March, 2022 | | | |
| Balance as at April 01, 2021 | 106,141.56 | Restated balance as at April 01, 2021 | 106,141.56 |
| | | Changes in equity share capital during the current year | - |
| | | Changes in Equity Share Capital due to prior period errors | - |
| | | Balance as at March 31, 2022 | 106,141.56 |

B. Other Equity

(1) For the year ended 31 March, 2023

| Particulars | <i>(Rs in thousand)</i> | | | Equity instruments through Other Comprehensive Income | Total |
|---|---|----------------------------|-------------------|---|-------------------|
| | Share application money pending allotment | Reserves & Surplus | Retained Earnings | | |
| | | Capital Redemption Reserve | Other Reserve | | |
| Balance as at 01 April, 2022 | - | 2,428.10 | 225.32 | (451.10) | 793,614.51 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | 2,428.10 | 225.32 | (451.10) | 793,614.51 |
| Total Comprehensive Income for the current year | - | - | - | 25.16 | 112,296.09 |
| Dividends | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - |
| Any other change | - | - | - | - | - |
| Balance as at 31st March, 2023 | - | 2,428.10 | 225.32 | (425.94) | 905,910.60 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Statement of Change in Equity as at 31st March, 2023

| Particulars | (Rs in thousand) | | | | | Total |
|---|---|--------------------|----------------------------|----------------------|-------------------|------------|
| | Share application money pending allotment | Securities premium | Capital Redemption Reserve | Other Equity Reserve | Retained Earnings | |
| Balance as at 01 April, 2021 | - | 839,312.20 | 2,428.10 | 225.32 | (70,271.38) | 771,265.13 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | 839,312.20 | 2,428.10 | 225.32 | (70,271.38) | 771,265.13 |
| Total Comprehensive Income for the current year | - | - | - | - | 22,371.37 | (21.99) |
| Dividends | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - |
| Any other change | - | - | - | - | - | - |
| Balance as at 31st March, 2022 | - | 839,312.20 | 2,428.10 | 225.32 | (47,900.01) | 793,614.51 |

The above statement of changes in Equity should be read in conjunction with the accompanying notes.
As per our Report of even date attached

For Jain Akhil & Co
Chartered Accountants
Firm Regn No.030283N

For and on behalf of the Board of Directors

Akhil Jain
Proprietor
Membership No. 521647
UDIN : 23521647BGYFKO5645
Kota
May 30, 2023

Jaya Singh Rathod
DIN : 05358463
Director

Ritu Allwani
Company Secretary

Rajesh Kumar Patil
DIN : 02333360
Director

Denim Developers Limited
Notes for Balance Sheet and Statement of Profit & Loss
CIN : L36101RJ1969PLC076649

NOTE NO. 3 : Property, Plant and Equipment

(Rs in thousand)

| Description | Gross Block | | Accumulated Depreciation | | Net Block | | | |
|---------------------------------|---------------------|--------------------------------|---------------------------------|---------------------|---------------------|---------------------------------|---------------------|---------------------|
| | As at 01.04.2022 | Addition during the year | Deduction during the year | As at 31.03.2023 | As at 01.04.2022 | Deduction during the year | As at 31.03.2023 | As at 31.03.2022 |
| (a) Land | - | - | - | - | - | - | - | - |
| (b) Buildings | - | - | - | - | - | - | - | - |
| (c) Plant and Equipment | - | - | - | - | - | - | - | - |
| (d) Furniture and Fixtures | 41.75 | - | - | 41.75 | 9.90 | 3.97 | 13.87 | 27.88 |
| (e) Vehicles | - | - | - | - | - | - | - | - |
| (f) Office equipment | - | - | - | - | - | - | - | - |
| - Computers & Other machineries | 41.48 | - | - | 41.48 | 39.41 | - | 39.41 | 2.07 |
| - Air Conditioners | 134.00 | - | - | 134.00 | 67.80 | 25.46 | 93.26 | 66.20 |
| Total Current year | 217.23 | - | - | 217.23 | 117.11 | 29.43 | 146.53 | 100.12 |
| Total Previous year | 217.23 | - | - | 217.23 | 87.08 | 30.03 | 117.11 | 130.15 |

Denim Developers Limited
Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Note 4 : Financial Assets : Non Current Investments

(Rs in thousand)

| Particulars | Face Value / Issue Price per share/ security | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|--|--|------------------------|-----------------------|-------------------|------------------------|-----------------------|-------------------|
| | | No. of Units | Percentage of holding | Amount | No. of Units | Percentage of holding | Amount |
| (A) Investments in Equity Instruments | | | | | | | |
| - Investment in Subsidiary at cost | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| - Industrial Tubes Manufacturers Pvt Ltd | 100 | 139,995 | 100.00% | 110,847.16 | 131,495 | 93.93% | 105,492.16 |
| Total investment in subsidiary | | | | 110,847.16 | | | 105,492.16 |
| - Investment in Associates at cost | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| - Excellent Dreamestate Private Limited | 10 | 1,490,000 | 48.06% | 14,900.00 | 1,490,000 | 48.06% | 14,900.00 |
| - Expertise Wealth Consultancy Pvt. Ltd | 10 | 450,000 | 49.45% | 4,500.00 | 450,000 | 49.45% | 4,500.00 |
| - Resonant Wealth Consultancy Pvt Ltd. | 10 | 2,759,999 | 48.17% | 27,599.99 | 2,759,999 | 48.17% | 27,599.99 |
| Total investment in associates | | | | 46,999.99 | | | 46,999.99 |
| - Investment in Others at fair value (OCI) | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| - Skylink Infratech Private Limited | 10 | 4,000,000 | 19.71% | 39,430.81 | 4,000,000 | 19.71% | 39,548.90 |
| Total investment in Others | | | | 39,430.81 | | | 39,548.90 |
| Total investment in Equity (A) | | | | 197,277.96 | | | 192,041.05 |
| (B) Investment in Preference Shares | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| 1% Non Cumulative Redeemable Preference Share of Expertise Wealth Consultancy Pvt. Ltd | 10 | 577,500 | 100.00% | 5,775.00 | 577,500 | 100.00% | 5,775.00 |
| Total investment in preference shares (B) | | | | 5,775.00 | | | 5,775.00 |
| (C) Investment in Debentures or Bonds | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| 1% Unsecured Non Convertible Debentures of Excellent Dreamestate Private Limited | 10,000 | 4,665 | - | 46,650.00 | 4,665 | - | 46,650.00 |
| 1% Unsecured Non Convertible Debentures of Resonant Wealth Consultancy Private Limited | 10,000 | 6,374 | - | 63,740.00 | 6,374 | - | 63,740.00 |
| Total investment in Debentures (C) | | | | 110,390.00 | | | 110,390.00 |
| Total Non Current Investments (A+B+C) | | | | 313,442.96 | | | 308,206.05 |

Notes :

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|--|-----------------------|--------------|------------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| (a) Aggregate amount of quoted investment and market value thereof | Not Applicable (N.A.) | N.A. | N.A. | N.A. |
| (b) Aggregate amount of unquoted investment | 313,442.96 | N.A. | 308,206.05 | N.A. |
| (c) Aggergate amount of impairment in value of investment | NIL | NIL | NIL | NIL |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

| Note 5: Financial Assets - Loans | | <i>(Rs in thousand)</i> | |
|--|-----------------------------------|-----------------------------------|--|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 | |
| At Amortised cost | | | |
| (a) Loans to related parties | - | - | |
| (b) Others | | | |
| Loans Receivables considered good - Unsecured | | | |
| - Rustic Urban Food Park Pvt Ltd (1) | 251,765.28 | 85,000.00 | |
| Total Financial Assets - Loans | 251,765.28 | 85,000.00 | |

Notes :

1. The company has given a business advance of Rs 8.50 crore in financial year 2021-22 and Rs 16.50 crore in financial year 2022-23 to Rustic - Urban Food Park Private Limited against a revenue sharing project, under which the company would be entitled to receive 7% share of rental income from such project. During the year, the company has received 7% share of income till 28.02.2023 and in the month of march 2023, 9.50% (Refer note 36).

2. There are no loans due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

| Note 6: Other Non Current Financial Assets | | <i>(Rs in thousand)</i> | |
|---|-----------------------------------|-----------------------------------|--|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 | |
| (i) Security Deposits (at Amortised cost) | 1,040.32 | 987.22 | |
| (ii) Bank deposits with more than 12 months maturity | | | |
| <i>(Unsecured unless otherwise stated)</i> | | | |
| Deposit with Bank (Under lien against bank guarantee) | 1,599.70 | 20.00 | |
| Interest accrued on Bank Deposit | 18.01 | 13.70 | |
| Total Other Non Current Financial Assets | 2,658.04 | 1,020.92 | |

Notes :

1. Security Deposits represents the amount deposited to the vendors of the company in the ordinary course of business. In our case, security deposit given to Rajasthan State Gas authority and electricity deposit.

2. Deposits with banks referred above represents 4 compulsory deposits as bank guarantee to sales tax department and to UIT, Kota for more than 12 months.

Note 7: Deferred tax assets (net)

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

| | | <i>(Rs in thousand)</i> | |
|---|-----------------------------------|-----------------------------------|--|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 | |
| Deferred Tax Assets | | | |
| - Property, Plant & Equipment | 7.66 | 3.11 | |
| - Equity Instruments through Other Comprehensive Income | 143.25 | - | |
| Total Deferred Tax Assets (net) | 150.92 | 3.11 | |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2023 is as follows:

(Rs in thousand)

| Particulars | As at 31st March, 2022 | Recognised in OCI | Recognised in statement of profit and loss | As at 31st March, 2023 |
|---|---------------------------|----------------------|---|---------------------------|
| Deferred Tax Assets | | | | |
| - Property, Plant & Equipment | 3.11 | - | 4.55 | 7.66 |
| - Equity Instruments through Other Comprehensive Income | - | 143.25 | - | 143.25 |
| Total Deferred Tax Assets | 3.11 | 143.25 | 4.55 | 150.92 |

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2022 is as follows:

(Rs in thousand)

| Particulars | As at 31st March, 2021 | Recognised in OCI | Recognised in statement of profit and loss | As at 31st March, 2022 |
|----------------------------------|---------------------------|----------------------|---|---------------------------|
| Deferred Tax Assets | | | | |
| - Property, Plant & Equipment | - | - | 3.11 | 3.11 |
| Total Deferred Tax Assets | - | - | 3.11 | 3.11 |

Notes :

(a) The effective tax rate for the financial year 2022-23 is 25.168% as per section 115BAA and for the financial year 2021-22 is 16.692% as tax was payable under MAT provisions.

(b) In Financial year 2021-22, while preparing the financials the management was of the opinion to pay tax under MAT provisions but while filing incometax return the company has opted section 115BAA and paid taxes accordingly. Due to such change, the company has reversed the MAT credit entitlement during FY 2022-23 which is reflected in statement of profit & loss as reversal in Tax expenses of Rs 31.72 Lakhs.

Note 8: Other Non Current Assets

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| (a) Capital advance | - | - |
| (b) Advances other than Capital Advances | | |
| - Other advances | | |
| - Advances against Property | 6,222.40 | 6,222.40 |
| (c) Others | | |
| - Balances with Government Authorities | | |
| - Income tax refundable | 1,564.55 | 1,564.55 |
| Total Other Non Current Assets | 7,786.95 | 7,786.95 |

Notes :

1. Company gave advance against property in financial year 2018-19 to Suwalka & Suwalka Properties & Builders Pvt Ltd. for purchase of flats and the company has possession but sale deed is still pending.

2. As per Ind AS -1 "Presentation of Financial Statements", Income tax refund under dispute shall be classified as non current as it generally takes more than 12 months.

Note 9 : Inventories

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------|---------------------------|---------------------------|
| (a) Others | | |
| - Land | 285,509.93 | 431,715.10 |
| Total Inventories | 285,509.93 | 431,715.10 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

| Note 10 : Trade Receivables | <i>(Rs in thousand)</i> | |
|--|-----------------------------------|-----------------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| (a) Trade Receivables considered good - Secured | - | - |
| (b) Trade Receivables considered good - Unsecured | 10,574.88 | 6,539.00 |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - |
| (d) Trade Receivables - credit impaired | - | - |
| Total Trade Receivables | 10,574.88 | 6,539.00 |

Notes :

1. A receivable shall be classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.
2. There are no debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
3. There are no allowance for bad and doubtful debts.

(4) Trade Receivables ageing schedule as at March 31, 2023 is as follows *(Rs in thousand)*

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|---|------------------------------|----------------------|------------------|--------------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables — considered good | 10,574.88 | - | - | - | - | 10,574.88 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables—considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |

(5) Trade Receivables ageing schedule as at March 31, 2022 is as follows *(Rs in thousand)*

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|---|------------------------------|----------------------|------------------|------------------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables — considered good | 6,539.00 | - | - | - | - | 6,539.00 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables—considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |

Note 11 : Cash and Cash Equivalents *(Rs in thousand)*

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|-----------------------------------|-----------------------------------|
| Cash in hand | 395.92 | 269.64 |
| Balances with Banks | | |
| In current accounts | 8,009.40 | 2,721.89 |
| Total Cash and Cash Equivalents | 8,405.32 | 2,991.54 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Note 12 : Current Financial Assets - Loans

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| (a) Loans to Related Parties (Unsecured, considered good) | | |
| - Resonant Wealth Consultancy Private Limited (1) | 25,720.77 | 27,456.16 |
| - Industrial Tubes Manufacturers Private Limited (2) | 88,787.29 | - |
| Total Current Financial Assets - Loans | 114,508.06 | 27,456.16 |

Notes :

1. Company has given loan to Resonant Wealth Consultancy Private Limited in accordance with the agreement dated 21 January 2020 which was later renewed on 01 April 2020, 01.04.2021 and on 01.04.2022 whereby the loan shall be repaid upon demand by the lender or within 12 months. The interest shall be paid annually @ 7.00% p.a. or such other rate the company may fix from time to time. Later on, the interest rate is revised to 7.50% p.a. from 01.01.2023 to 31.03.2023. The company may require the borrower to furnish such securities including guarantee from third party as may deemed fit in its sole discretion. In such event the borrower has agreed to provide such additional security and in this regard execute such agreements, undertakings, documents and power of attorney that may be required by the company.

2. Company has given loan to Industrial Tubes Manufacturers Private Limited in accordance with the agreement dated 28 February 2023 whereby the loan shall be repaid upon demand by the lender or within 2 months. The interest shall be paid annually @ 7.50% p.a. or such other rate the company may fix from time to time. The company may require the borrower to furnish such securities including guarantee from third party as may deemed fit in its sole discretion. In such event the borrower has agreed to provide such additional security and in this regard execute such agreements, undertakings, documents and power of attorney that may be required by the company.

3. There are no Loans due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. However, the company gave loans to Resonant Wealth Consultancy Private Limited and Industrial Tubes Manufacturers Private Limited for business purpose, as stated above, which shares common directors.

Note 13 : Other Current Financial Assets

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Receivables under agreement | 75,500.00 | 75,500.00 |
| Recoverables | 10.48 | - |
| Income receivable | 573.66 | 18.52 |
| Total Other Current Financial Assets | 76,084.14 | 75,518.52 |

Note 14: Other Current Assets

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|-----------------------------------|---------------------------|---------------------------|
| GST Input | 205.46 | 563.91 |
| Advance to suppliers | 551.01 | 102.54 |
| MAT Credit Entitlement | - | 3,171.95 |
| Prepaid Expenses | 9.24 | 1.33 |
| Total Other Current Assets | 765.70 | 3,839.74 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

| Note 15(b): Other Equity | <i>(Rs in thousand)</i> | |
|---|-----------------------------------|-----------------------------------|
| | As at 31st March, 2023 | As at 31st March, 2022 |
| Particulars | | |
| (a) Securities Premium | 839,312.20 | 839,312.20 |
| (b) Capital Redemption Reserve | 2,428.10 | 2,428.10 |
| (c) Other Reserves | 225.32 | 225.32 |
| (d) Equity Instruments-Fair Value through Other Comprehensive Income (OCI) | (425.94) | (451.10) |
| (e) Retained Earnings | 64,370.92 | (47,900.01) |
| | 905,910.60 | 793,614.51 |
| Securities Premium | | |
| Opening Balance | 839,312.20 | 839,312.20 |
| Addition during the Year | - | - |
| Closing Balance | 839,312.20 | 839,312.20 |
| Other Reserves | | |
| Opening Balance | 225.32 | 225.32 |
| Addition during the Year | - | - |
| Closing Balance | 225.32 | 225.32 |
| Capital Redemption Reserve | | |
| Opening Balance | 2,428.10 | 2,428.10 |
| Addition during the Year | - | - |
| Closing Balance | 2,428.10 | 2,428.10 |
| Retained Earnings | | |
| Opening Balance | (47,900.01) | (70,271.38) |
| Net Profit / (Loss) during the year | 112,270.93 | 22,371.37 |
| Items of other comprehensive income recognized directly in retained earnings | | |
| Remeasurements of post-employment benefit obligation, net of tax | - | - |
| Closing Balance | 64,370.92 | (47,900.01) |
| Equity Instruments-Fair Value through OCI | | |
| Opening Balance | (451.10) | (429.11) |
| Change during the Year | 25.16 | (21.99) |
| Closing Balance | (425.94) | (451.10) |

NOTES :

1. Capital Redemption Reserve : As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

2. Equity Instruments through Other Comprehensive Income : The company has elected to recognise changes in the fair value of investment in equity instruments (except those acquired for trading purpose, if any) in other comprehensive income. These changes in equity instruments are accumulated through other comprehensive income within equity.

3. Retained Earnings represents the amount earned by the company as at the end of the financial year and that can be distributed by the company as dividends considering the requirements of the Companies Act, 2013. During the year, no dividends are distributed to the equity shareholders by the company.

4. Securities Premium : The company recognises the difference (i.e the premium on issue of shares) between the nominal value of the shares and the offer price to securities premium. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

5. Other Reserve : Other reserve is referred to as the reserve fund that is created by keeping aside a part of profit earned by the business during the course of an accounting period for fulfilling various business needs.

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

| Note 16 : Financial Liabilities - Current Borrowings | | <i>(Rs in thousand)</i> | |
|---|-------------------------------|-------------------------------|--|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 | |
| (a) Loans repayable on demand | | | |
| - From others (Unsecured) | | | |
| - Others | 5,020.00 | 23,565.91 | |
| Total Current Borrowings | 5,020.00 | 23,565.91 | |

Notes :

1. No loans have been guaranteed by Directors or others as at Balance Sheet date.
2. There is no default as on the balance sheet date in repayment of borrowings and interest.
3. Company has borrowed funds from Prime Capital Market Ltd and other companies whereby the loan shall be repaid upon demand by the company. This is a non-interest bearing loan. There is no security against these loans.

| Note 17 : Trade Payables | | <i>(Rs in thousand)</i> | |
|--|-------------------------------|-------------------------------|--|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 | |
| Outstanding dues of micro enterprises and small enterprises (Refer Note (i)) | - | - | |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 9,225.95 | 1,574.22 | |
| Total Trade Payables | 9,225.95 | 1,574.22 | |

Notes :

- (i) Based on the available information with the management, the Company does not owe any sum to suppliers who are registered as Micro, Small, Medium Enterprise as at March 31, 2023 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".

- (ii) A payable shall be classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.

(iii) Trade payables ageing schedule for the year ended as on March 31, 2023:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---|------------------|------------------|--------------------------|-----------------|
| | Less Than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 9,225.95 | - | - | - | 9,225.95 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total Trade Payable | 9,225.95 | - | - | - | 9,225.95 |

(iv) Trade payables ageing schedule for the year ended as on March 31, 2022:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---|------------------|------------------|--------------------------|-----------------|
| | Less Than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 1,574.22 | - | - | - | 1,574.22 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total Trade Payable | 1,574.22 | - | - | - | 1,574.22 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(v) Details of due to micro and small enterprises

On the basis of the information and records available with management, details of dues to micro enterprise and small enterprises as defined under the MSMED Act, 2006 are as below :

| | <i>(Rs in thousand)</i> | |
|--|-----------------------------------|-----------------------------------|
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| 1. Principal amount remaining unpaid to any supplier at the end of the year | - | - |
| 2. Interest due thereon | - | - |
| 3. Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| 4. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| 5. Amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| 6. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note 18 : Other Current Financial Liabilities

(Rs in thousand)

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--|-----------------------------------|-----------------------------------|
| Particulars | | |
| Expenses Payables | 310.26 | - |
| Total Other Current Liabilities | 310.26 | - |

Note 19 : Other Current Liabilities

(Rs in thousand)

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--|-----------------------------------|-----------------------------------|
| Particulars | | |
| Revenue received in advance | | |
| Advance from debtors | 12,045.32 | 20,508.00 |
| Others | | |
| Statutory dues | 356.41 | 276.77 |
| Liabilities for Expenses | 13.50 | 304.00 |
| Other Payables | - | 396.90 |
| Total Other Current Liabilities | 12,415.23 | 21,485.67 |

Note 20 : Current Tax Liabilities (net)

(Rs in thousand)

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--|-----------------------------------|-----------------------------------|
| Particulars | | |
| Provision for Income Tax | 38,188.82 | 4,068.19 |
| Less : TDS | 5,489.55 | 272.85 |
| Less : Advance Tax | - | - |
| Total Current Tax Liabilities (net) | 32,699.27 | 3,795.34 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the standalone financial statements for the year ended 31st March, 2023

Note 15(a) : Equity Share Capital

(Rs in thousand)

| Particulars | As at | As at |
|---|----------------------|----------------------|
| | 31st March, 2023 | 31st March, 2022 |
| Equity Share capital | | |
| Authorized | | |
| 1,22,50,000 [31st March, 2023: 1,22,50,000 and [31st March, 2022: 1,22,50,000] Equity Shares of Rs 10 each. | 122,500.00 | 122,500.00 |
| 25,000 [31st March, 2023: 25,000 and 31st March, 2022: 25,000] 9.5% Preference shares of Rs 100/- each. | 2,500.00 | 2,500.00 |
| Issued, subscribed and fully paid up | | |
| 1,06,14,156 [31st March, 2023: 1,06,14,156 and 31st March, 2022: 1,06,14,156] Equity Shares of Rs 10 each | 106,141.56 | 106,141.56 |
| Total Equity Share Capital Issued, Subscribed and Fully Paid Up | 106,141.56 | 106,141.56 |
| b) Reconciliation of the number of shares outstanding at the beginning and at the end of the period | | |
| Particulars | 31-Mar-23 | 31-Mar-22 |
| Equity Shares : | | |
| Balance as at the beginning of the year | 10,614,156.00 | 10,614,156.00 |
| Add: Shares issued during the year | - | - |
| Less: Shares buyback during the year | - | - |
| Balance as at the end of the year | 10,614,156.00 | 10,614,156.00 |

c) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|--------------|------------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Prime Capital Market Limited | 1,200,000 | 11.31 % | 1,200,000 | 11.31 % |
| Aparna Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Jyoti Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Indra Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Malti Agrawal | 601,980 | 5.67 % | 601,980 | 5.67 % |
| Unisys Softwares and Holdings Industries Ltd. | 1,489,000 | 14.03 % | 1,489,000 | 14.03 % |
| Compass Distributors Private Limited | 700,000 | 6.59 % | 700,000 | 6.59 % |
| Arun Kumar Tulsyan | 1,010,100 | 9.52 % | 1,010,100 | 9.52 % |
| Satabdi Tracom Private Limited | 700,000 | 6.59 % | - | 0.00 % |
| Flame Dealers Private Limited | - | 0.00 % | 700,000 | 6.59 % |
| Jaganmata Sales Private Limited | 822,900 | 7.75 % | 822,900 | 7.75 % |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the standalone financial statements for the year ended 31st March, 2023

- e) Company does not have any holding company or ultimate holding company as at balance sheet date.
- f) There are no shares reserved for issue under option and contracts or commitments for the sale of shares or disinvestment.
- (g) In the period of five years immediately preceding the date as at which the Balance Sheet is prepared :
- no shares have been allotted as fully paid-up pursuant to contract(s) without payment being received in cash.
 - no shares have been allotted as fully paid-up by way of bonus shares.
 - no shares have been bought back.
- (h) No calls are unpaid and no shares have been forfeited as at the Balance Sheet date.
- i) There are no securities convertible into equity shares as at balance sheet date.

j) Shareholding of promoters at the end of the year 31 March 2023 is as follows :

| Promotor Name | No. of shares | % of total shares | % change during the year |
|----------------------|---------------|-------------------|--------------------------|
| Shova Purohit | 9,000 | 0.08% | - |
| Pradip Kumar Purohit | 13,975 | 0.13% | - |
| Raj Kumar Sharma | 25,353 | 0.24% | - |

k) Shareholding of promoters at the end of the year 31 March 2022 is as follows :

| Promotor Name | No. of shares | % of total shares | % change during the year |
|----------------------|---------------|-------------------|--------------------------|
| Shova Purohit | 9,000 | 0.08% | - |
| Pradip Kumar Purohit | 13,975 | 0.13% | - |
| Raj Kumar Sharma | 25,353 | 0.24% | - |

Denim Developers Limited
Notes to the financial statements for the year ended 31st March, 2023

Note 21 : Revenue from operations *(Rs in thousand)*

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---------------------------------------|--------------------------------|--------------------------------|
| (a) Sale of products | | |
| - Sale of Land | 151,272.00 | 39,051.00 |
| (b) Other Operating Revenues | | |
| - Rent Income | 344.39 | 332.02 |
| - Stock surrendered under Arbitration | 222,225.88 | - |
| Total | 373,842.27 | 39,383.02 |

Note 22 : Other income *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---------------------------------------|-------------------------------|-------------------------------|
| (a) Interest income | | |
| - Interest Income on loan given | 3,897.85 | 2,724.70 |
| - Interest income on debentures | 637.40 | - |
| - Interest on FD | 18.01 | 1.75 |
| (b) Other non operating income | | |
| - Contractual Income | 1,801.31 | 18.90 |
| Total Other income | 6,354.56 | 2,745.35 |

Note 23 : Purchase of stock in trade *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---|-------------------------------|-------------------------------|
| Conversion Charges in UIT & Other related exp | 10,381.17 | 601.66 |
| Land Purchased | 23,144.00 | - |
| Total Purchase of stock in trade | 33,525.17 | 601.66 |

Note : Project Development expenses has been shifted under the head "Other expenses" alongwith previous year figures for better presentation and comparability.

Note 24 : Change in Inventories *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|------------------------------------|-------------------------------|-------------------------------|
| Land | | |
| Opening Balance | 431,715.10 | 397,656.25 |
| Less: Closing Balance | 285,509.93 | 431,715.10 |
| Total Change in Inventories | 146,205.17 | (34,058.85) |

Note 25 : Employee benefits expense

(Rs in thousand)

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---|-------------------------------|-------------------------------|
| (a) Salaries and wages | | |
| - Salaries | 2,555.80 | 607.00 |
| - Director's remuneration | 360.00 | 360.00 |
| (b) Contiibution to provident and other funds | - | - |
| (c) Share based payments to employees | - | - |
| (d) Staff welfare expenses | - | - |
| Total Employee benefits expense | 2,915.80 | 967.00 |

Note 26 : Finance costs

(Rs in thousand)

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|----------------------------|-------------------------------|-------------------------------|
| Interest on Borrowings | - | - |
| Total Finance costs | - | - |

Note 27 : Other expenses

(Rs in thousand)

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---------------------------------|-------------------------------|-------------------------------|
| Auditor Remuneration | | |
| - Statutory Audit | 389.40 | 330.00 |
| - Limited Review | 106.20 | 90.00 |
| Depository Fees | 118.00 | 401.90 |
| Advertisement Expenses | 90.09 | 112.03 |
| Power & Fuel | 103.00 | 3.35 |
| Travelling & Conveyance | - | - |
| Bank Charges | 6.53 | 40.31 |
| Commission on sales | 4,770.20 | - |
| Rates & Taxes | - | 296.44 |
| Rent Paid | - | - |
| Project Development Expenses | 107,260.35 | 48,372.96 |
| Prior Period Expense | 5.00 | - |
| Stamp Paper charges | 83.02 | - |
| Legal and Professional Expenses | 2,707.94 | 1,514.15 |
| Interest on TDS | 0.25 | - |
| Telecom Expense | 4.23 | 3.22 |
| Postage & courier Expenses | 62.33 | 39.54 |
| Miscellaneous Expenses | 71.13 | 105.56 |
| Total Other expenses | 115,777.67 | 51,309.46 |

Note : Project Development expenses has been shifted from the head "Purchase of stock in trade" to the head "Other expenses" alongwith previous year figures for better presentation and comparability.

Note 28 : Exceptional Items

(Rs in thousand)

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Compensation as Interest under Arbitration | 50,000.00 | - |
| Balance written off | 18,545.91 | - |
| Total Finance costs | 68,545.91 | - |

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

Note 29: Earnings per share

(Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| (a) Basic and diluted earnings per share | | |
| Profit attributable to the equity holders of the company | 112,270.93 | 22,371.37 |
| Total basic earnings per share attributable to the equity holders of the company | 112,270.93 | 22,371.37 |
| (b) Weighted average number of shares used as the denominator | | |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 10,614,156 | 10,614,156 |
| Earning Per Share - Basic and diluted (Face value of Rs 10 Per Share) | 10.58 | 2.11 |

Note 30 : Contingent Liabilities and Commitments (to the extent not provided for)

(Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| (1) Contigent Liabilities : | | |
| (a) Claims against the Company not acknowledged as debts comprise of: | - | - |
| - Income Tax Demand (Assessment Year 2013-14)* | 12,377.77 | |
| (b) Guarantees excluding financial guarantees, and | - | - |
| (c) other money for which the company is contingently liable. | - | - |
| (2) Commitments : | | |
| (a) estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| (b) uncalled liability on shares and other investments partly paid; and | - | - |
| (c) other commitments | - | - |

* WRIT PETITION FILED BEFORE HIGH COURT ,WRIT PETITION NO. 16435/2022,STAY IS GRANTED VIDE ORDER DT 09.11.2022.

Note 31: Related Party Disclosure

In accordance with the Ind AS - 24 on "Related Party Disclosure" the relevant information for the year ended March 31, 2023 is as under

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

| Sr. No. | Name of the Related Party | Nature of Relationship |
|---------|---|--|
| 1 | Excellent Dreamestate Pvt. Ltd. | Associate Company |
| 2 | Resonant Wealth Consultancy Pvt. Ltd. | Associate Company |
| 3 | Expertise Wealth Consultancy Pvt. Ltd. | Associate Company |
| 4 | Industrial Tubes Manufacturers Pvt Ltd | Subsidiary Company |
| 5 | Track BPO Services | A firm in which a director, manager or his relative is partner |
| 6 | Mr. Rajesh Kumar Patil (WTD & CFO), Ms. Babita Kriplani (Director), Ms. Jaya Singh Rathod (Director), Mrs. Laxmi Pant (Director), Mr. Aman Kumar Gupta (Company Secretary) and Ritu Allwani (Company Secretary) | Key Managerial Personnel (Executive and non executive) |

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

(ii) Transactions during the year with related parties :

(Rs in thousand)

| S. No. | Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|----------|--|--------------------------------|--------------------------------|
| 1 | Rental Income from associates companies and other related parties | | |
| | - Expertise Wealth Consultancy Pvt. Ltd. | 61.01 | 61.01 |
| | - Excellent Dreamestate Pvt. Ltd. | 61.01 | 61.01 |
| | - Track BPO Services | 180.00 | 180.00 |
| 2 | Interest Income | | |
| | - Resonant Wealth Consultancy Private Limited | 4,216.03 | 2,724.70 |
| | - Industrial Tubes Manufacturers Private Limited | 319.21 | - |
| 3 | Remuneration to KMP | | |
| | - Rajesh Kumar Patil (WTD & CFO) | 360.00 | 360.00 |
| | - Aman Kumar Gupta (CS) | 330.00 | 475.00 |
| | - Komal Mundra (CS) | - | 60.00 |
| | - Ritu Allwani (CS) | 239.50 | - |
| 4 | Repayment of loan by Resonant Wealth Consultancy Private Limited | 92,456.16 | 90,000.00 |
| 5 | Loan given to Resonant Wealth Consultancy Private Limited | 87,500.00 | - |
| 6 | Loan given to Industrial Tubes Manufacturers Private Limited | 88,500.00 | - |
| 7 | Professional fee to Track BPO Services | 6.00 | 6.00 |

(iii) Balance as at 31st March, 2023

(Rs in thousand)

| S. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------|--|---------------------------|---------------------------|
| 1 | Loan amount receivable from Resonant Wealth Consultancy Pvt. Ltd. | 25,720.77 | 27,456.16 |
| 2 | Loan amount receivable from Industrial Tubes Manufacturers Pvt. Ltd. | 88,787.29 | - |
| 3 | Interest receivable on debenture from associate company | 637.40 | - |
| 4 | Investment in debentures of associate companies | 110,390.00 | 110,390.00 |
| 5 | Fee Payable to Glaze Corporte Services Pvt.Ltd. | - | 810.00 |
| 6 | Investment in preference shares of associate company | 5,775.00 | 5,775.00 |

Note 1: Related Party relationship is as identified by the Company and relied upon by the Auditors

Note 32: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief finance officer of the Company. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in Ind AS - 108.

The company is primarily engaged in the single business of Real Estate Developers and there is no reportable secondary segment segment i.e. Geographical Segment. Hence, the disclosure requirement of Indian Accounting Standard (Ind AS) - 108 "Segment Information" notified by Companies Indian Accounting Standard Rules is not applicable.

Note 33: Dividend

The amount of dividend proposed to be distributed to equity shareholders for the period and title related amount per share is NIL.

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

Note 34: Company has not issued any security during the financial year.

Note 35: Company does not have any borrowings from banks and financial institutions for the specific purpose as at the balance sheet date.

Note 36: Unsecured Business advance given as against the contractual cash flows

The company has given a business advance to Rustic Urban Food Park Private Limited amounting to Rs 8.50 crores in the month of September 2021 and Rs 16.50 crore in month of March 2023 against a revenue sharing project, under which the company would be entitled to receive 7% share of rental revenue till 28.02.2023 and in the month of March 2023, 9.50% from such project. If there is no income from the project in any year, the company will have the right to withdraw its amount but it will take atleast an year to recover. However, during the year, the company has received its share of contractual income amounting to Rs 18,01,307/- which constitutes 2.063% p.a..

Note 37: Offsetting Financial Assets and Financial Liabilities

There are no offset for the recognised financial instruments as at 31st March, 2023 and 31st March, 2022.

Note 38 : Fair Value of Financial Assets and Financial Liabilities

(a) : Financial Instruments by Category

(Rs in thousand)

| Particulars | As at 31.03.2023 | | As at 31.03.2022 | |
|--|------------------|------------|------------------|------------|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial Assets at amortised cost | | | | |
| Investments (Non Current) | 274,012.15 | 274,012.15 | 268,657.15 | 268,657.15 |
| Loans (Non Current) | 251,765.28 | 251,765.28 | 85,000.00 | 85,000.00 |
| Other Non Current Financial Assets | 2,658.04 | 2,658.04 | 1,020.92 | 1,020.92 |
| Cash and Cash Equivalents | 8,405.32 | 8,405.32 | 2,991.54 | 2,991.54 |
| Loans (Current) | 114,508.06 | 114,508.06 | 27,456.16 | 27,456.16 |
| Trade Receivables (Current) | 10,574.88 | 10,574.88 | 6,539.00 | 6,539.00 |
| Other Current Financial Assets | 76,084.14 | 76,084.14 | 75,518.52 | 75,518.52 |
| Financial Assets at fair value through other comprehensive income | | | | |
| Investments (Non Current) | 39,430.81 | 39,430.81 | 39,548.90 | 39,548.90 |
| Financial Liabilities at amortised cost | | | | |
| Current Borrowings | 5,020.00 | 5,020.00 | 23,565.91 | 23,565.91 |
| Trade Payables | 9,225.95 | 9,225.95 | 1,574.22 | 1,574.22 |
| Other Current Financial Liabilities | 310.26 | 310.26 | - | - |

(b) Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data (unobservable inputs), the instrument is included in level 3.

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023 is as follows:

(Rs in thousand)

| Particulars | As at 31.03.2023 | Fair value measurement at end of the reporting period using | | |
|----------------------------|---------------------|---|---------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments (refer note 4) | | | | |
| - Equity instruments | 197,277.96 | - | - | 197,277.96 |
| - Preference shares | 5,775.00 | - | - | 5,775.00 |
| - Debentures | 110,390.00 | - | - | 110,390.00 |

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 is as follows:

(Rs in thousand)

| Particulars | As at 31.03.2022 | Fair value measurement at end of the reporting period using | | |
|----------------------------|---------------------|---|---------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments (refer note 4) | | | | |
| - Equity instruments | 192,041.05 | - | - | 192,041.05 |
| - Preference shares | 5,775.00 | - | - | 5,775.00 |
| - Debentures | 110,390.00 | - | - | 110,390.00 |

Note 39 : Financial Risk management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks—market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances & Business advances and refundable deposits that derive directly from its operations.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including security deposits, loans to corporates and other financial instruments.

Trade Receivables

(a) Receivables resulting from sale of Land: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

(b) Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2023 and 2022 is the carrying amounts.

C. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has immaterial outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

As at March 31, 2023, the Company had a working capital of ₹43.62 crore including cash and cash equivalents of ₹84.05 Lakhs. As at March 31, 2022, the Company had a working capital of ₹49.76 crore including cash and cash equivalents of ₹ 29.92 Lakhs.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 is as follows :

(Rs in thousand)

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 Years | Total |
|--|------------------|-----------|-----------|-----------|----------|
| Trade Payables | 9,225.95 | - | - | - | 9,225.95 |
| Other financial liabilities on an undiscounted basis | 310.26 | - | - | - | 310.26 |
| Current Borrowings on an undiscounted basis | 5,020.00 | - | - | - | 5,020.00 |

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 is as follows :

(Rs in thousand)

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 Years | Total |
|--|------------------|-----------|-----------|-----------|-----------|
| Trade Payables | 1,574.22 | - | - | - | 1,574.22 |
| Other financial liabilities on an undiscounted basis | - | - | - | - | - |
| Current Borrowings on an undiscounted basis | 23,565.91 | - | - | - | 23,565.91 |

Note 40 : Assets Pledged as Security

The company has not pledged any asset as security as at the balance sheet date.

Note 41 : Disclosure of items of income or expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher.

(Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| (a) Interest Income | 4,553.26 | 2,726.45 |
| (b) Purchase of Stock-in-trade | 33,525.17 | 601.66 |
| (c) Project Development Expenses | 107,260.35 | 48,372.96 |
| (d) Legal and Professional Expenses | 2,707.94 | 1,514.15 |
| (e) Commission on sales | 4,770.20 | - |
| (f) Compensation as Interest under Arbitration | 50,000.00 | - |

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

Note 42 : Payments to the auditor as

(Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|-----------------------------------|--------------------------------|--------------------------------|
| (a) Auditor | 389.40 | 330.00 |
| (b) for taxation matter | - | - |
| (c) for company law matters | - | - |
| (d) for Limited Review | 106.20 | 90.00 |
| (e) for reimbursement of expenses | - | - |
| (f) for other services | - | - |

Note 43 : Corporate Social Responsibility (CSR)

The company is not covered under the provisions of section 135 of the Companies Act, CSR is not applicable.

Note 44 : Undisclosed Income

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 45 : Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 46 : In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

Note 47 : Leases

The company has given flats on rent to various parties in Kota for a period of 11 months which shall be considered as operating lease.

During the year ended March 31, 2023, the Company recognised the following in the statement of profit and loss as rental income (Operating lease):

(a) income in respect of short term lease given on lease ₹344.39 Thousands (2021-22: ₹332.02 Thousands).

The details regarding the contractual lease income as at March 31, 2023 and March 31, 2022 on an undiscounted basis are as follows :

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|----------------------|---------------------------|---------------------------|
| Less than one year | 80.84 | 80.84 |
| One to five Years | - | - |
| More than five Years | - | - |

Note 48 : Previous year figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current year's classification.

Denim Developers Limited

Notes to the standalone financial statements for the year ended 31st March, 2023

Note 49 : Additional Regulatory Information

1 Title deeds of Immovable Properties not held in name of the Company

Details of all the immovable properties whose title deeds are not held in the name of the company and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value (Rs in thousands) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|--|--|---|--------------------------------|--|
| PPE | Land and building | Nil | Nil | Nil | Nil | Nil |
| Investment | Land and building | Nil | - | - | - | Nil |
| PPE retired from active use and held for disposal | | Nil | - | - | - | Nil |
| Others | Building (Flat) | 6,222.40 | Suwalka & Suwalka Properties & Builders Pvt Ltd & B.P.L.(Office) | NA | - | Possession is with the company but Registry Pending |

2 The company does not have any Investment Property, so this clause is not applicable on the company.

3 The Company has not revalued its Property, Plant and Equipment, hence this clause is not applicable.

4 The company does not have any Intangible assets, so this clause is not applicable on the company.

5 Disclosure of Loans or advances granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand :

| Type of Borrower | Amount of loan or advance in the nature of loan outstanding (Rs in thousands) | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related Parties* | 114,508.06 | 31.26% |

*The loans shall be repaid upon demand by the lender or within 12/2 months.

6 Capital-Work-in Progress (CWIP)

The company does not have any Capital Work-in-progress (CWIP), so this clause is not applicable on the company.

7 Intangible assets under development

The company does not have any intangible assets under development, so this clause is not applicable on the company.

8 Details of Benami Property held

There are no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

9 The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets at balance sheet date.

10 Wilful Defaulter

Company is not declared wilful defaulter by any bank or financial institution or other lender.

11 Relationship with Struck off Companies

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year.

12 Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period as at the balance sheet date.

13 Compliance with number of layers of companies

The Company has complied with the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, hence this clause is not applicable on the company.

14 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

| Particulars | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 | Variance (in %) | Remarks |
|---------------------------------------|--|---|-----------|-----------|-----------------|---|
| (a) Current Ratio | Current assets | Current liabilities | 8.31 | 10.87 | (23.55) | - |
| (b) Debt-Equity ratio | Total Debt (refer note 16) | Shareholder's Equity (total of note 15) | 0.005 | 0.026 | (81.06) | Increase in income and decrease in debt has improved the ratio. |
| (c) Debt Service Coverage Ratio | Earnings available for debt service(1) | Debt Service(2) | 22.37 | 0.95 | 2,253.35 | Increase in income and decrease in debt during the year has resulted in an improvement in the ratio. |
| (d) Return on Equity Ratio | Net Profits after taxes | Average Shareholder's Equity | 11.74% | 2.49% | 372.37 | Increase in sales has improved the profitability and resulted in an improvement in the ratio. |
| (e) Inventory turnover ratio | Cost of goods sold or sales | Average Inventory(3) | 0.18 | 0.04 | 394.08 | Previous year's calculation has been updated during the year as there was some error. Increase in sales has increased the cost of goods sold thereby creating an impact on ratio. |
| (f) Trade Receivables turnover ratio | Revenue | Average Trade Receivable | 43.69 | 6.02 | 625.39 | Increase in sales with lower increase in trade receivables has improved the ratio. |
| (g) Trade payables turnover ratio | Purchases | Average Trade Payables | 26.07 | 61.74 | (57.77) | Increase in Purchases has resulted in change in the ratio. |
| (h) Net capital turnover ratio | Revenue | Working Capital | 0.86 | 0.08 | 983.01 | Revenue growth has resulted in an improvement in the ratio. |
| (i) Net profit ratio | Net Profit | Revenue | 30.03% | 56.80% | (47.13) | Increase in revenue along with increase in expenses has removed the abnormal profitability which has resulted in decrease in the ratio. |
| (j) Return on Capital employed (ROCE) | Earning before interest and taxes | Capital Employed(4) | 14.78% | 2.52% | 486.09 | Revenue growth has resulted in an improvement in the ratio. |
| (k) Return on investment | | | | | | |
| - Equity (unquoted) | Income generated from investments | Time weighted average investments | - | - | - | There was no return on equity holding. |
| - Debenture (unquoted) | Income generated from investments | Time weighted average investments | 1.00% | - | 100.00 | There was no return on Debentures in previous year thereby creating a variation of 100%. |

(1) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Debt service = Interest & Lease Payments + Principal Repayments

(3) Average Inventory is (Opening + Closing balance / 2)

(4) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

15 Compliance with approved Scheme(s) of Arrangements

There is no scheme of Arrangements filed by the company.

16 Utilisation of Borrowed funds and share premium

A The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2023

1. Company Overview:

Denim Developers Limited (referred to as “DDL” or “the Company”) is a public limited company incorporated and domiciled in India and has its registered office at Kota, Rajasthan, India. The company was incorporated on October 15, 1969. The main business of the Company is to acquire; purchase, lease, sell land, building, agricultural land, mines, farms, tea garden, hotels, multiplex, resorts, club houses, restaurants, shops, workshops, factory, and to collect rental income. The company also carries on the real estate & constructions business.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation of Standalone Financial Statements

i. Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the standalone financial statements, unless otherwise stated.

ii. Historical Cost Convention

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) which are measured at fair value / amortised cost;
- Defined benefit plans-plan assets measured at fair value; and
- Share based payments.

iii. Current and non-current classification

The normal operating cycle in respect of operation relating to under construction real estate project depend on signing of agreement, size of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalent. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of the respective project. All other assets and liabilities have been classified into current when:

- it expects to realise the asset, or intends to sell or consume it, or settle the liability in its normal operating cycle;
- it holds the asset or liability primarily for the purpose of trading;

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

- it expects to realise the asset or settle the liability within twelve months after the reporting period;
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets or liability shall be classified as **NON CURRENT**.

iv. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in equity, preference and debentures. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these standalone financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

v. Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest *thousands* as per the requirement of Schedule III.

2.2. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Property, plant and equipment is stated at their cost of acquisition/construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable costs for making the asset ready for its intended use, borrowing costs attributable to construction of qualifying asset, up to the date the asset is ready for its intended use.

Subsequent expenditure related to an item of property, plant and equipment is included in the carrying amount only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use. Any gain or loss arising on recognition to the asset is included in the Statement of Profit and Loss.

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

2.3. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes purchase/construction cost, directly attributable cost and borrowing costs, if the recognition criteria are met. The fair value of investment property is disclosed in the notes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Currently, company does not have any investment property.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

2.4. Depreciation on property, plant and equipment and investment property

Depreciation on property, plant and equipment and investment property is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013, Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate. The estimated useful lives of assets are as follows:

- Plant & Machinery – 15 Years
- Office Equipments– 5 Years
- Computer Equipments– 3-5 Years
- Furniture & Fixtures – 10 Years

2.5. Other Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

2.6. Inventories

Inventory comprises of Land and flats. Inventories are valued at Cost or Net Realizable Value whichever is lower. Cost includes cost of purchase and other expenses incurred that are directly related to the acquisition and development of inventory.

2.7. Impairment of Property, Plant & Equipment and Other intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Revenue recognition

Revenue is recognized when or as it satisfies each performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. Under Ind AS 115, transfer of control of a good or service over time rather than at a point in time is considered when one of the following criteria are met:

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If it is not possible to demonstrate that the performance obligation is satisfied over time, the revenue cannot be recognized over time (means revenue is to be recognized following Completed Control Method, instead of Percentage of Completion Method (POCM)).

Dividend income is accounted when right to receive is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.9. Employee benefits

Short Term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

Post employee obligations

The Company does not operate any post-employment schemes as at the balance sheet date.

2.10. Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.11. Borrowing costs

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12. Provisions, Contingent liabilities and Contingent assets:

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefit is probable.

2.13. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to known amount of cash and, which are subject to an insignificant risk of changes in value.

2.15. Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all period presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.16. Foreign currency translations

The standalone financial statements are presented in Indian Rupee, the functional currency of the Company.

Transactions in foreign currencies entered into by the company are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the company, outstanding at the reporting date are restated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the company are recognised as income or expense in the Statement of Profit and Loss.

2.17. Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

ii. Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Equity investments in other entities

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income (OCI), and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at Fair Value OCI are not reported separately from other changes in fair value.

Equity investments in subsidiaries and associate companies

Investments in equity instruments in subsidiaries, associates and jointly control entities are carried at cost in these financial statements.

Investment in debentures and preference shares

These are valued at amortised cost as company intends to hold these assets till its maturity and to receive contractual cash flows.

iii. Impairment of financial assets

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when

- the company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.18. Exceptional items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner.

2.19. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a Lessor

Operating Lease: Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

Finance Lease: When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

2.20. Segment Reporting

Segment reporting as defined in Ind AS 108 "Operating Segment" is not applicable since the entire operation of the company relates to only one segment i.e. Engineering Metal Products.

2.21. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DENIM DEVELOPERS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DENIM DEVELOPERS LIMITED** (“the company”), and its subsidiary (the company and its subsidiary together referred to as “the group”) and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), Consolidated Cash Flow Statement and the Consolidated statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the group and its associates as at 31st March 2023, their consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in the auditor’s professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s

opinion thereon, and the auditor does not provide a separate opinion on these matters. *We have determined that there are no key audit matters to communicate in our report.*

Emphasis of Matter

We draw attention to **note no. 38** of the accompanying consolidated financial statement in respect of advancement of money against revenue sharing project, under which the company would be entitled to receive 7% share of rental revenue from such project and **note no. 40** relates to the valuation of closing stock of subsidiary company. Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the "Annual Report", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in Equity of the group and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the group and its associates, and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group and associates are responsible for assessing the group and its associate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the group and its associates or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and associates are responsible for overseeing the group and its associate's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group and its associates has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial

statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 group and its associates so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive income, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors of the company as on 31 March, 2023, taken on record by the Board of Directors of the company and the reports of the

statutory auditors of the subsidiary company and associates, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and its associates and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group & its associates to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:
 - i. The group & its associates have disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements.
 - ii. The group & its associates did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group & its associates.
 - iv. (a) The respective Managements of the group & its associates has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group & its associates to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group & its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the group & its associates has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group & its associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group & its associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on

behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The group & it’s associates have not declared any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the group & its associates with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/“CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports of the Company and its subsidiary and its associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Jain Akhil & Co.

Chartered Accountants

Firm Registration No.: 030283N

Akhil Jain

Proprietor

Membership No.: 521647

UDIN : 23521647BGYFKR7979

Place: Kota

Date: 30/05/2023

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **DENIM DEVELOPERS LIMITED** ('the company'), and its subsidiary company (the Company and its subsidiary together referred to as "the Group") and its associates as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the group and its associates for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the company and its subsidiary company and its associates are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the group and its associate's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, is sufficient and appropriate to provide a basis for our audit opinion on the group and its associate's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the group and its associates has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the group and its associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jain Akhil & Co.

Chartered Accountants

Firm Registration No.: 030283N

UDIN :23521647BGYFKR7979

Akhil Jain

Proprietor

Membership No.: 521647

Place: Kota

Date: 30/05/2023

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Consolidated Balance Sheet as at 31st March, 2023

(Rs in thousand)

| Particulars | Note | As at 31st March, 2023 | As at 31st March, 2022 |
|---|-------|---------------------------|---------------------------|
| <u>Assets</u> | | | |
| <u>Non Current Assets</u> | | | |
| Property, Plant and Equipment | 3 | 35,775.14 | 38,903.73 |
| Goodwill | 4 | 4,113.86 | 3,973.59 |
| Financial Assets | | | |
| Investments | 5 | 259,226.19 | 189,987.18 |
| Loans | 6 | 251,765.28 | 85,000.00 |
| Other Non Current Financial Assets | 7 | 3,123.88 | 5,694.39 |
| Deferred tax assets (net) | 8 | 2,777.90 | 3.11 |
| Other Non Current Assets | 9 | 7,880.09 | 7,786.95 |
| Total Non- Current Assets | | 564,662.34 | 331,348.95 |
| <u>Current Assets</u> | | | |
| Inventories | 10 | 342,908.07 | 523,636.19 |
| Financial Assets | | | |
| Trade Receivables | 11 | 105,599.62 | 10,643.04 |
| Cash and Cash Equivalents | 12 | 10,518.76 | 3,640.42 |
| Bank Balance other than (ii) above | 13 | 6,453.70 | - |
| Loans | 14 | 25,720.77 | 27,456.16 |
| Other Current Financial Assets | 15 | 76,584.14 | 76,018.52 |
| Other Current Assets | 16 | 11,564.25 | 24,993.75 |
| Total Current Assets | | 579,349.31 | 666,388.08 |
| Total Assets | | 1,144,011.66 | 997,737.03 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Equity</u> | | | |
| Equity Share Capital | 17(a) | 106,141.56 | 106,141.56 |
| Other Equity | 17(b) | 969,614.87 | 767,518.00 |
| Total Equity | | 1,075,756.43 | 873,659.56 |
| <u>Liabilities</u> | | | |
| <u>Non Current Liabilities</u> | | | |
| Provisions | 18 | 338.60 | 19.50 |
| <u>Current Liabilities</u> | | | |
| Financial Liabilities | | | |
| Current Borrowings | 19 | 5,020.00 | 93,808.00 |
| Trade Payable | 20 | | |
| (A) total outstanding dues of micro and small enterprises; and | | 4,770.47 | 2,716.23 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | | 10,416.35 | 1,574.22 |
| Other Current Financial Liabilities | 21 | 552.95 | 228.44 |
| Other Current Liabilities | 22 | 12,571.72 | 21,583.64 |
| Current Provisions | 23 | 94.45 | 352.12 |
| Current Tax Liabilities (net) | 24 | 34,490.69 | 3,795.34 |
| Total Current Liabilities | | 68,255.22 | 124,077.48 |
| Total Equity and Liabilities | | 1,144,011.66 | 997,737.03 |

Significant Accounting Policies

2

The above balance sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For and on behalf of the Board of Directors**For Jain Akhil & Co**

Chartered Accountants

Firm Regn No.030283N

Jaya Singh Rathod

DIN : 05358463

Director

Rajesh Kumar Patil

DIN : 02333360

Director

Akhil Jain

Proprietor

UDIN : 23521647BGYFKR7979

Membership No. 521647

Kota

May 30, 2023

Ritu Allwani

Company Secretary

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Statement of Consolidated Profit and Loss for the period ending 31st March, 2023

(Rs in thousand)

| Particulars | Note | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|------|--------------------------------|--------------------------------|
| Revenue from Operations | 25 | 536,374.81 | 285,324.76 |
| Other Income | 26 | 6,372.88 | 2,989.64 |
| Total Income | | 542,747.69 | 288,314.39 |
| Expenses | | | |
| Cost of Materials consumed | 27 | 26,081.79 | 17,670.95 |
| Purchases of stock-in-trade | 28 | 99,754.28 | 221,908.58 |
| Changes in inventories of finished goods, Stock-in -Trade and WIP | 29 | 180,728.11 | (31,442.87) |
| Employee Benefits Expense | 30 | 4,496.87 | 2,425.73 |
| Finance Costs | 31 | 1,616.50 | 3,090.83 |
| Depreciation and Amortization Expense | 3 | 3,186.38 | 3,736.43 |
| Other Expenses | 32 | 122,032.38 | 54,961.31 |
| Total Expenses | | 437,896.32 | 272,350.97 |
| Profit / (Loss) before exceptional items and tax | | 104,851.37 | 15,963.43 |
| Exceptional Items / (Income) | 33 | (68,545.91) | - |
| Profit / (Loss) before tax | | 173,397.28 | 15,963.43 |
| Tax expense : | | | |
| Current Tax | | 40,146.91 | 4,068.19 |
| MAT | 8 | 1,300.67 | (3,171.95) |
| Deferred Tax | 8 | (2,633.28) | (3.11) |
| Previous Year Tax | | (3,337.64) | 14.57 |
| Total Tax Expenses | | 35,476.66 | 907.70 |
| Profit / (Loss) for the period from continuing operations | | 137,920.62 | 15,055.73 |
| Profit/(loss) from discontinued operations | | - | - |
| Tax expenses of discontinued operations | | - | - |
| Profit/(loss) from Discontinued operations (after tax) | | - | - |
| Share in profit/ (Loss) of the associate (Net of Tax) | | 69,357.10 | (14,951.14) |
| Total Profit | | 207,277.72 | 104.59 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| (i) Equity Instruments through Other Comprehensive Income | | (118.09) | (21.99) |
| Income tax relating to items that will not be reclassified to profit or loss on (i) above | | 143.25 | - |
| (ii) Remeasurement of Post-employment benefit obligation | | 10.47 | - |
| Income tax relating to items that will not be reclassified to profit or loss on (ii) above | | (1.75) | - |
| Other Comprehensive Income / (Loss) for the year, Net of Tax | | 33.88 | (21.99) |
| Total comprehensive Income / (Loss) for the year | | 207,311.60 | 82.60 |
| Net Profit/(Loss) attributable to: | | | |
| (a) Owners of equity | | 207,276.80 | 549.01 |
| (b) Non- Controlling interest | | 0.92 | (444.43) |
| Other Comprehensive Income attributable to : | | | |
| (a) Owners of equity | | 33.88 | (21.99) |
| (b) Non- Controlling interest | | 0.00 | - |
| Total Comprehensive Income attributable to: | | | |
| (a) Owners of equity | | 207,310.69 | 527.02 |
| (b) Non- Controlling interest | | 0.92 | (444.43) |
| Earnings per equity share | | | |
| Basic and Diluted (face value of ` 10 each) | 35 | 19.53 | 0.01 |
| Number of Shares Used in Computing Earnings Per Share | | | |
| Basic and Diluted (face value of ` 10 each) | | 10,614,156 | 10,614,156 |

Significant Accounting Policies

2

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our Report of even date

For and on behalf of the Board of Directors

For Jain Akhil & Co

Chartered Accountants

Firm Regn No.030283N

Jaya Singh Rathod

DIN : 05358463

Director

Rajesh Kumar Patil

DIN : 02333360

Director

Akhil Jain

Proprietor

UDIN : 23521647BGYFKR7979

Membership No. 521647

Kota

May 30, 2023

Ritu Allwani

Company Secretary

Denim Developers Limited
Consolidated Cash Flow Statement for the year ended 31st March, 2023

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| A Cash Flow from operating activities | | |
| Profit after income tax | 173,397.28 | 15,963.43 |
| Adjustments for non cash and non operating items | | |
| Interest received | (6,372.88) | (2,978.85) |
| Finance costs | 1,616.50 | 3,090.83 |
| Depreciation | 3,186.38 | 3,736.43 |
| Operating Cash Profit before Working Capital Changes | 171,827.29 | 19,811.84 |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in Other Non Current Assets | (93.14) | - |
| (Increase)/decrease in other current assets | 12,128.83 | (3,504.62) |
| (Increase)/decrease in Non Current Financial Assets : Loans | - | (1,021.12) |
| (Increase)/decrease in Non Current Financial Assets | 2,570.51 | - |
| (Increase)/decrease in Current Financial Assets | (7,019.31) | (18.52) |
| (Increase)/decrease in inventories | 180,728.11 | (31,442.87) |
| (Increase)/decrease in trade receivables | (94,956.58) | 11,292.65 |
| (Increase)/decrease in Other Financial Liability | 324.52 | (9.07) |
| Increase/(decrease) in trade payables | 10,896.37 | (15,310.68) |
| Increase/(decrease) in other current liabilities | (9,011.92) | 20,569.58 |
| Increase/(decrease) in provisions | 71.90 | 3,760.51 |
| Cash outflow from operations | 267,466.58 | 4,127.70 |
| Income taxes paid | 6,113.93 | 910.81 |
| Net cash outflow from operating activities | 261,352.66 | 3,216.89 |
| B Cash inflow from investing activities: | | |
| (Acquisition of Investments) / Sale of Investment | (5,355.00) | (3,406.59) |
| Loan (given)/ received back | 1,735.39 | 87,547.78 |
| Other Business Advances given | (166,765.28) | (85,000.00) |
| (Investment)/receipt from FD & Non Current Financial Assets | - | (656.90) |
| Sale/(Purchase) of property, plant and equipment(net) | (57.80) | - |
| Interest received | 6,372.88 | 2,978.85 |
| Net cash inflow from investing activities | (164,069.82) | 1,463.13 |
| C Cash outflow from financing activities | | |
| Proceeds from / (Repayment of) Borrowings | (88,788.00) | 565.91 |
| Interest paid | (1,616.50) | (3,090.83) |
| Net cash outflow from financing activities | (90,404.50) | (2,524.92) |
| Net increase/(decrease) in cash and cash equivalents | 6,878.34 | 2,155.10 |
| Add: Cash and cash equivalents at the beginning of the financial year | 3,640.42 | 1,485.32 |
| Cash and cash equivalents at the end of the year | 10,518.76 | 3,640.42 |

Notes :

1. The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flows

2. Cash and Cash Equivalent as per above comprises of the following

| | <u>As at 31st March, 2023</u> | <u>As at 31st March, 2022</u> |
|--|-----------------------------------|-----------------------------------|
| Cash and Cash Equivalents (Note 12) | 10,518.76 | 3,640.42 |
| Balance as per statement of Cash Inflows | <u>10,518.76</u> | <u>3,640.42</u> |

As per our Report of even date

For Jain Akhil & Co

Chartered Accountants

Firm Regn No.030283N

For and on behalf of the Board

Jaya Singh Rathod

DIN : 05358463

Director

Rajesh Kumar Patil

DIN : 02333360

Director

Akhil Jain

Proprietor

UDIN : 23521647BGYFKR7979

Membership No. 521647

Kota

May 30, 2023

Ritu Allwani

Company Secretary

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Statement of Consolidated Change in Equity as at 31st March, 2022

A. Equity Share Capital

| <i>(Rs in thousand)</i> | | | |
|---|--|---------------------------------------|------------------------------|
| 1. For the year ended 31 March, 2023 | | | |
| Balance as at April 01, 2022 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 01, 2022 | Balance as at March 31, 2023 |
| 106,141.56 | - | 106,141.56 | 106,141.56 |
| 2. For the year ended 31 March, 2022 | | | |
| Balance as at April 01, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 01, 2021 | Balance as at March 31, 2022 |
| 106,141.56 | - | 106,141.56 | 106,141.56 |

B. Other Equity

(1) For the year ended 31 March, 2023

| Particulars | <i>(Rs in thousand)</i> | | | | Non Controlling Interest | Total Equity | | |
|---|---|--------------------|-------------------|--------|--------------------------|--------------|---|------------|
| | Share application money pending allotment | Securities premium | Other Equity | | | | Equity instruments through Other Comprehensive Income | |
| | Capital Redemption Reserve | Other Reserve | Retained Earnings | Income | | | | |
| Balance as at 01 April, 2022 | - | 839,312.20 | 2,428.10 | 225.32 | (79,351.56) | (451.10) | 5,355.04 | 767,518.00 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | 839,312.20 | 2,428.10 | 225.32 | (79,351.56) | (451.10) | 5,355.04 | 767,518.00 |
| Total Comprehensive Income for the current year | - | - | - | - | 207,285.53 | 25.16 | 0.92 | 207,311.60 |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - |
| Any other change | - | - | - | - | - | - | - | - |
| - Adjustment due to purchase of shares by holding company | - | - | - | - | 137.16 | - | (5,351.89) | (5,214.73) |
| Balance as at 31st March, 2023 | - | 839,312.20 | 2,428.10 | 225.32 | 128,071.13 | (425.94) | 4.06 | 969,614.87 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649
Statement of Consolidated Change in Equity as at 31st March, 2022

| Particulars | Other Equity | | | | Equity instruments through Other Comprehensive Income | | Non Controlling Interest | Total Equity |
|---|---|--------------------|----------------------------|---------------|---|-----------------|--------------------------|-------------------|
| | Share application money pending allotment | Securities premium | Capital Redemption Reserve | Other Reserve | Retained Earnings | Income | | |
| Balance as at 01 April, 2021 | - | 839,312.20 | 2,428.10 | 225.32 | (80,128.36) | (429.11) | 9,212.32 | 770,620.47 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | 839,312.20 | 2,428.10 | 225.32 | (80,128.36) | (429.11) | 9,212.32 | 770,620.47 |
| Total Comprehensive Income for the current year | - | - | - | - | 549.01 | (21.99) | (444.43) | 82.60 |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - |
| Any other change | - | - | - | - | - | - | - | - |
| - Adjustment due to purchase of shares by holding company | - | - | - | - | 227.79 | - | (3,412.85) | (3,185.07) |
| Balance as at 31st March, 2022 | - | 839,312.20 | 2,428.10 | 225.32 | (79,351.56) | (451.10) | 5,355.04 | 767,518.00 |

(2) For the year ended 31 March, 2022

(Rs in thousand)

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For Jain Akhil & Co

Chartered Accountants
Firm Regn No.030283N

For and on behalf of the Board of Directors

| | | | |
|---------------------------|--------------------------|---------------------|---------------------------|
| Akhil Jain | Jaya Singh Rathod | Ritu Allwani | Rajesh Kumar Patil |
| Proprietor | DIN : 053558463 | Company Secretary | DIN : 023333360 |
| UDIN : 23521647BGYFKR7979 | Director | | Director |
| Membership No. 521647 | | | |
| Kota | | | |
| May 30, 2023 | | | |

Denim Developers Limited
Notes for Consolidated Balance Sheet and Statement of Consolidated Profit & Loss
CIN : L36101RJ1969PLC076649

NOTE NO. 3 : Property, Plant and Equipment

(Rs. in thousand)

| Description | Gross Block | | | Accumulated Depreciation | | | Net Block | | |
|--|---------------------|--------------------------------|---------------------------------|--------------------------|---------------------|-----------------|---------------------------------|---------------------|---------------------|
| | As at 01.04.2022 | Addition during the year | Deduction during the year | As at 31.03.2023 | As at 01.04.2022 | For the year | Deduction during the year | As at 31.03.2023 | As at 31.03.2022 |
| (a) Land | - | - | - | - | - | - | - | - | - |
| (b) Buildings | 30,374.29 | - | - | 30,374.29 | 10,455.25 | 956.97 | - | 11,412.23 | 18,962.06 |
| (c) Plant & Equipment | | | | | | | | | |
| - Laboratory Equipment | 1,100.00 | - | - | 1,100.00 | 1,045.00 | - | - | 1,045.00 | 55.00 |
| - Plant & Machinery | 42,599.30 | - | - | 42,599.30 | 26,554.00 | 1,762.89 | - | 28,316.89 | 14,282.41 |
| - Porting Structure | 6,613.67 | - | - | 6,613.67 | 4,407.14 | 436.30 | - | 4,843.44 | 1,770.24 |
| | | | | | | | | | |
| (d) Furniture & Fixtures | | | | | | | | | |
| - Electrical Installation and Equipments | 11,000.27 | - | - | 11,000.27 | 10,456.51 | - | - | 10,456.51 | 543.76 |
| - Furniture, Fixtures & Fittings | 318.43 | - | - | 318.43 | 283.43 | 3.97 | - | 287.39 | 35.01 |
| | | | | | | | | | |
| (e) Motor Vehicle | | | | | | | | | |
| | 92.92 | - | - | 92.92 | 87.83 | 0.44 | - | 88.27 | 4.65 |
| (f) Office equipments | | | | | | | | | |
| - Computers & Other machineries | 1,647.02 | - | - | 1,647.02 | 1,644.50 | - | - | 1,644.50 | 2.52 |
| - Office Equipments | 753.77 | 57.80 | - | 811.57 | 662.28 | 25.82 | - | 688.10 | 123.47 |
| Total Current year | 94,499.66 | 57.80 | - | 94,557.46 | 55,595.93 | 3,186.38 | - | 58,782.32 | 38,903.73 |
| Total Previous year | 94,499.66 | - | - | 94,499.66 | 51,859.51 | 3,736.43 | - | 55,595.93 | 42,640.15 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 4: Goodwill arising on consolidation

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------|---------------------------|---------------------------|
| Gross Block | | |
| Opening Value | 3,973.59 | 3,752.07 |
| Additions | 140.27 | 221.52 |
| Disposal | - | - |
| Total of Goodwill | 4,113.86 | 3,973.59 |

Note 6: Financial Assets - Loans

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| At Amortised cost | | |
| (a) Loans to related parties | - | - |
| (b) Others | - | - |
| Loans Receivables considered good - Unsecured | | |
| - Rustic Urban Food Park Pvt Ltd (1) | 251,765.28 | 85,000.00 |
| Total Financial Assets - Loans | 251,765.28 | 85,000.00 |

Notes :

1. The company has given a business advance of Rs 8.50 crore in financial year 2021-22 and Rs 16.50 crore in financial year 2022-23 to Rustic - Urban Food Park Private Limited against a revenue sharing project, under which the company would be entitled to receive 7% share of rental income from such project. During the year, the company has received 7% share of income till 28.02.2023 and in the month of march 2023, 9.50% (Refer note 37).

2. There are no loans due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note 7: Other Non Current Financial Assets

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| (i) Security Deposits (at Amortised cost) | 1,065.32 | 1,052 |
| (ii) Bank deposits with more than 12 months maturity (Unsecured unless otherwise stated) | | |
| Deposit with Bank (Under lien against Bank Guarantee) | 2,040.54 | 4,628.46 |
| Interest accrued on Bank Deposit | 18.01 | 13.70 |
| Total Other Non Current Financial Assets | 3,123.88 | 5,694.39 |

Notes :

1. Security Deposits represents the amount deposited to the vendors of the company in the ordinary course of business. In case of holding company, security deposit given to Rajasthan State Gas authority and electricity deposit.

Note 8: Deferred tax assets (net)

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Deferred Tax Assets | | |
| - Property, Plant & Equipment | 7.66 | 3.11 |
| - Equity Instruments through Other Comprehensive Income | 143.25 | - |
| - Leave Encashment | 5.82 | - |
| - Gratuity | 70.74 | - |
| - Bonus | 10.03 | - |
| - Brought Forward Losses under income tax act | 5,727.55 | - |
| (A) | 5,965.06 | 3.11 |
| Deferred Tax Liability | | |
| - Property, Plant & Equipment (Subsidiary Company) | 3,187.16 | - |
| (B) | 3,187.16 | - |
| Total Deferred Tax Assets (net) | (A-B) 2,777.90 | 3.11 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2023 is as follows:

(Rs in thousand)

| Particulars | As at 31st March, 2022 | Recognised in OCI | Recognised in statement of profit and loss | As at 31st March, 2023 |
|---|---------------------------|----------------------|---|---------------------------|
| Deferred Tax Assets | | | | |
| - Property, Plant & Equipment | 3.11 | - | 4.55 | 7.66 |
| - Equity Instruments through Other Comprehensive Income | - | 143.25 | - | 143.25 |
| - Leave Encashment | - | - | 5.82 | 5.82 |
| - Gratuity | - | (1.75) | 72.49 | 70.74 |
| - Bonus | - | - | 10.03 | 10.03 |
| - Brought Forward Losses under income tax act | - | - | 5,727.55 | 5,727.55 |
| | 3.11 | 141.51 | 5,820.44 | 5,965.06 |
| Deferred Tax Liability | | | | |
| - Property, Plant & Equipment (Subsidiary Co.) | | - | 3,187.16 | 3,187.16 |
| | - | - | 3,187.16 | 3,187.16 |
| Total Deferred Tax Assets | | 141.51 | 2,633.28 | 2,777.90 |

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2022 is as follows:

(Rs in thousand)

| Particulars | As at 31st March, 2021 | Recognised in OCI | Recognised in statement of profit and loss | As at 31st March, 2022 |
|----------------------------------|---------------------------|----------------------|---|---------------------------|
| Deferred Tax Assets | | | | |
| - Property, Plant & Equipment | - | - | 3.11 | 3.11 |
| Total Deferred Tax Assets | - | - | 3.11 | 3.11 |

Notes :

(a) For Holding company, the effective tax rate for the financial year 2022-23 is 25.168% as per section 115BAA and for the financial year 2021-22 is 16.692% as tax was payable under MAT provisions. For Subsidiary company, the effective tax rate for the financial year 2022-23 is 16.692% as tax is payable under MAT provisions and for the financial year 2021-22 is 0% as the subsidiary company was incurring losses.

(b) In Financial year 2021-22, while preparing the financials of the holding company the management was of the opinion to pay tax under MAT provisions but while filing income tax return the company has opted section 115BAA and paid taxes accordingly. Due to such change, the holding company has reversed the MAT credit entitlement during FY 2022-23 which is reflected in statement of profit & loss as reversal in Tax expenses of Rs 31.72 Lakhs.

Note 9: Other Non Current Assets

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| (a) Capital advance | - | - |
| (b) Advances other than Capital Advances | | |
| - Other advances | | |
| - Advances against Property | 6,222.40 | 6,222.40 |
| (c) Others | | |
| - Balances with Government Authorities | | |
| - Income tax refundable | 1,564.55 | 1,564.55 |
| - Prepaid Expenses | 93.14 | - |
| Total Other Non Current Assets | 7,880.09 | 7,786.95 |

Notes :

1. Holding Company gave advance against property in financial year 2018-19 to Suwalka & Suwalka Properties & Builders Pvt Ltd. for purchase of flats and the company has possession but sale deed is still pending.

2. As per Ind AS -1 "Presentation of Financial Statements", Income tax refund under dispute shall be classified as non current as it generally takes more than 12 months.

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

| Note 12 : Cash and Cash Equivalents | | |
|--|-----------------------------------|-----------------------------------|
| <i>(Rs in thousand)</i> | | |
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Cash in hand | 613.52 | 584.26 |
| Balances with Banks | | |
| In current accounts | 9,905.24 | 3,056.16 |
| Total Cash and Cash Equivalents | 10,518.76 | 3,640.42 |

| Note 13 : Bank Balances (Other than cash and cash equivalents) | | |
|---|-----------------------------------|-----------------------------------|
| <i>(Rs in thousand)</i> | | |
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Other Bank Balances | | |
| Short Term FDR with Bank of India (Under lien of bank towards Bank Gurantees and Overdraft limit) | 6,453.70 | |
| Total | 6,453.70 | - |

| Note 14 : Current Financial Assets - Loans | | |
|--|-----------------------------------|-----------------------------------|
| <i>(Rs in thousand)</i> | | |
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| (a) Loans to Related Parties (Unsecured, considered good) | | |
| - Resonant Wealth Consultancy Pvt Ltd (1) | 25,720.77 | 27,456.16 |
| - Industrial Tubes Manufacturers Private Limited (2) | - | - |
| Total Current Financial Assets - Loans | 25,720.77 | 27,456.16 |

Notes :

1. Holding Company has given loan to Resonant Wealth Consultancy Private Limited in accordance with the agreement dated 21 January 2020 which was later renewed on 01 April 2020, 01.04.2021 and on 01.04.2022 whereby the loan shall be repaid upon demand by the lender or within 12 months. The interest shall be paid annually @ 7.00% p.a. or such other rate the company may fix from time to time. Later on, the interest rate is revised to 7.50% p.a. from 01.01.2023 to 31.03.2023. The company may require the borrower to furnish such securities including guarantee from third party as may deemed fit in its sole discretion. In such event the borrower has agreed to provide such additional security and in this regard execute such agreements, undertakings, documents and power of attorney that may be required by the company.

2. Holding Company has given loan to Industrial Tubes Manufacturers Private Limited in accordance with the agreement dated 28 February 2023 whereby the loan shall be repaid upon demand by the lender or within 2 months. The interest shall be paid annually @ 7.50% p.a. or such other rate the company may fix from time to time. The company may require the borrower to furnish such securities including guarantee from third party as may deemed fit in its sole discretion. In such event the borrower has agreed to provide such additional security and in this regard execute such agreements, undertakings, documents and power of attorney that may be required by the company. By applying the Ind AS provisions, we have eliminated the loan transactions between the holding company and subsidiary company.

3. There are no Loans due by Directors or other officers of the group or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. However, the holding company gave loans to Resonant Wealth Consultancy Private Limited and Industrial Tubes Manufacturers Private Limited, as stated above, which shares common directors.

| Note 15 : Other Current Financial Assets | | |
|---|-----------------------------------|-----------------------------------|
| <i>(Rs in thousand)</i> | | |
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| Security Deposits | 500.00 | 500.00 |
| Receivables under agreement | 75,500.00 | 75,500.00 |
| Recoverables | 10.48 | - |
| Income Receivable | 573.66 | 18.52 |
| Total Other Current Financial Assets | 76,584.14 | 76,018.52 |

| Note 16: Other Current Assets | | |
|--------------------------------------|-----------------------------------|-----------------------------------|
| <i>(Rs in thousand)</i> | | |
| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| GST Input | 4,362.54 | 16,726.87 |
| Balance with Revenue authorities | 4,745.15 | 4,848.55 |
| Advances to Suppliers / Others | 551.89 | 104.58 |
| MAT Credit Entitlement | 1,871.28 | 3,171.95 |
| Prepaid Expenses | 33.38 | 141.80 |
| Total Other Current Assets | 11,564.25 | 24,993.75 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 17(b): Other Equity

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| (a) Securities Premium | 839,312.20 | 839,312.20 |
| (b) Capital Redemption Reserve | 2,428.10 | 2,428.10 |
| (c) Other Reserves | 225.32 | 225.32 |
| (d) Equity Instruments-Fair Value through Other Comprehensive Income (OCI) | (425.94) | (451.10) |
| (e) Retained Earnings | 128,071.13 | (79,351.56) |
| (f) Non Controlling Interest | 4.06 | 5,355.04 |
| | 969,614.87 | 767,518.00 |
| Securities Premium | | |
| Opening Balance | 839,312.20 | 839,312.20 |
| Change during the Year | - | - |
| Closing Balance | 839,312.20 | 839,312.20 |
| Other Reserve | | |
| Opening Balance | 225.32 | 225.32 |
| Change during the Year | - | - |
| Closing Balance | 225.32 | 225.32 |
| Capital Redemption Reserve | | |
| Opening Balance | 2,428.10 | 2,428.10 |
| Change during the Year | - | - |
| Closing Balance | 2,428.10 | 2,428.10 |
| Retained Earnings | | |
| Opening Balance | (79,351.56) | (80,128.36) |
| Changes due to Prior period Errors | - | - |
| Restated Opening Balance | (79,351.56) | (80,128.36) |
| Net Profit / (Loss) during the year | 207,276.80 | 549.01 |
| Pre-acquisition loss of subsidiary already adjusted while calculating goodwill | 137.16 | 227.79 |
| Items of other comprehensive income recognized directly in retained earnings | | |
| Remeasurements of post-employment benefit obligation, net of tax | 8.72 | - |
| Closing Balance | 128,071.13 | (79,351.56) |
| Equity Instruments-Fair Value through OCI | | |
| Opening Balance | (451.10) | (429.11) |
| Change during the Year | 25.16 | (21.99) |
| Closing Balance | (425.94) | (451.10) |
| Non Controlling Interest | | |
| Opening Balance | 5,355.04 | 9,212.32 |
| Adjustment due to purchase of shares by holding company | (5,351.89) | (3,412.85) |
| Other comprehensive income during the Year | 0.00 | - |
| Profit/(Loss) during the Year | 0.92 | (444.43) |
| Closing Balance | 4.06 | 5,355.04 |

NOTES :

1. Capital Redemption Reserve : As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

2. Equity Instruments through Other Comprehensive Income : The company has elected to recognise changes in the fair value of investment in equity instruments (except those acquired for trading purpose, if any) in other comprehensive income. These changes in equity instruments are accumulated through other comprehensive income within equity.

3. Retained Earnings represents the amount earned by the company as at the end of the financial year and that can be distributed by the company as dividends considering the requirements of the Companies Act, 2013. During the year, no dividends are distributed to the equity shareholders by the company.

4. Securities Premium : The company recognises the difference (i.e the premium on issue of shares) between the nominal value of the shares and the offer price to securities premium. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

5. Other Reserve : Other reserve is referred to as the reserve fund that is created by keeping aside a part of profit earned by the business during the course of an accounting period for fulfilling various business needs.

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 18 : Non Current Liabilities - Provisions

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------------|---------------------------|---------------------------|
| Provision for Gratuity | 304.36 | - |
| Provision for Leave encashment | 34.25 | 19.50 |
| Total Provisions | 338.60 | 19.50 |

Note 19 : Financial Liabilities - Current Borrowings

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------------------------------------|---------------------------|---------------------------|
| At Amortized Cost | | |
| (a) Loans from bank (Secured) | | |
| - BOI-OD-662127110000051 | - | 473.76 |
| (b) Loans repayable on demand | | |
| - From others (Unsecured) | | |
| - Others | 5,020.00 | 23,565.91 |
| - Emote Investments Private Limited | - | 69,768.33 |
| Total Current Borrowings | 5,020.00 | 93,808.00 |

Notes :

1. Holding Company has borrowed funds from Prime Capital Market Ltd and other companies whereby the loan shall be repaid upon demand by the company. This is a non-interest bearing loan. There is no security against these loans.
2. Subsidiary company has obtained OD limit from Bank of India at interest rate of 6.00% p.a. against fixed deposit as security which generates interest @ 5% per annum.
3. Subsidiary company has borrowed funds from Emote Investments Private Limited ("lender") in accordance with the agreement dated 14 February 2019 which was later renewed on 14 February 2020, 14 February 2021 and 14 February 2022 whereby the loan shall be repaid upon demand by the lender or within 12 months. The interest shall be paid annually @ 7.00% p.a. or such other rate the lender may fix from time to time. The lender may require the borrower to furnish such securities including guarantee from third party as may deemed fit in its sole discretion. In such event the company has agreed to provide such additional security and in this regard execute such agreements, undertakings, documents and power of attorney that may be required by the company.
4. There is no default as on the balance sheet date in repayment of borrowings and interest.
5. No loans have been guaranteed by Directors or others as at Balance Sheet date.

Note 20 : Trade Payables

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Outstanding dues of micro enterprises and small enterprises (Refer Note (i)) | 4,770.47 | 2,716.23 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 10,416.35 | 1,574.22 |
| Total Trade Payables | 15,186.82 | 4,290.45 |

Note (i) : Based on the available information with the management, the Holding Company does not owe any sum to suppliers who are registered as Micro, Small, Medium Enterprise as at March 31, 2023 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006". However, the Subsidiary Company has received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company, the amount of Rs. 4770.47/- thousands dues to Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule for the year ended as on March 31, 2023:

(Rs in thousand)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---|-----------|-----------|----------------------|------------------|
| | Less Than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) MSME | 4,770.47 | - | - | - | 4,770.47 |
| (ii) Others | 10,416.35 | - | - | - | 10,416.35 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total Trade Payable | 15,186.82 | - | - | - | 15,186.82 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Trade payables ageing schedule for the year ended as on March 31, 2022:

(Rs in thousand)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|-----------------|
| | Less Than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) MSME | 2,716.23 | - | - | - | 2,716.23 |
| (ii) Others | 1,574.22 | - | - | - | 1,574.22 |
| (iii) Disputed dues — MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total Trade Payable | 4,290.45 | - | - | - | 4,290.45 |

(v) Details of due to micro and small enterprises

On the basis of the information and records available with management, details of dues to micro enterprise and small enterprises as defined under the

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| 1. Principal amount remaining unpaid to any supplier at the end of the year | 4,770.47 | 2,716.23 |
| 2. Interest due thereon | - | - |
| 3. Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| 4. Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| 5. Amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| 6. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note 21 : Other Current Financial Liabilities

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Expenses Payables | 389.39 | 72.19 |
| PF/ESI Payable | 20.54 | 19.27 |
| Gratuity Payable | 25.62 | 25.62 |
| Bonus Payable | 55.55 | 53.34 |
| Unclaimed Bonus | 4.52 | 4.52 |
| Salary & Wages Payable | 57.33 | 53.50 |
| Total Other Current Financial Liabilities | 552.95 | 228.44 |

Note 22 : Other Current Liabilities

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| Revenue received in advance | | |
| Advance from debtors | 12,047.67 | 20,508.00 |
| Others | | |
| Statutory dues | 510.55 | 374.74 |
| Liabilities for Expenses | 13.50 | 177.89 |
| Other Payable | - | 523.01 |
| Total Other Current Liabilities | 12,571.72 | 21,583.64 |

Note 23 : Current Provisions

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------------------------|------------------------|------------------------|
| Provisions for Expenses | - | 352.12 |
| *Provision for Leave Encashment | 0.63 | - |
| *Provision for Gratuity | 93.82 | - |
| (*As per Valuation Report) | | |
| Total Current Provisions | 94.45 | 352.12 |

Note 24 : Current Tax Liabilities (net)

(Rs in thousand)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---------------------------------|------------------------|------------------------|
| Provision for Income Tax | 40,146.91 | 4,068.19 |
| Less : TDS | 5,656.22 | 272.85 |
| Total Current Provisions | 34,490.69 | 3,795.34 |

Denim Developers Limited

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 5 : Financial Assets : Non Current Investments

(Rs in thousand)

| Particulars | Face Value / Issue Price | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|--|--------------------------|---------------------------|-----------------------|-------------------|---------------------------|-----------------------|-------------------|
| | | No of Units | Percentage of holding | Amount | No of Units | Percentage of holding | Amount |
| (A) Investments in Equity Instruments | | | | | | | |
| - Investment in Associates (Equity method) | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| - Excellent Dreamestate Pvt Ltd | 10 | 1,490,000 | 48.06% | 8,416.31 | 1,490,000 | 48.06% | 6,994.23 |
| - Expertise Wealth Consultancy Pvt. Ltd | 10 | 450,000 | 49.45% | 2,662.89 | 450,000 | 49.45% | 2,908.75 |
| - Resonant Wealth Consultancy Pvt Ltd. | 10 | 2,759,999 | 48.17% | 92,551.18 | 2,759,999 | 48.17% | 24,370.31 |
| Total investment in associates | | | | 103,630.38 | | | 34,273.28 |
| - Investment in Others at fair value (OCI) | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| - Skylink Infratech Pvt Ltd | 10 | 4,000,000 | 19.71% | 39,430.81 | 4,000,000 | 19.71% | 39,548.90 |
| Total investment in Others | | | | 39,430.81 | | | 39,548.90 |
| Total investment in Equity (A) | | | | 143,061.19 | | | 73,822.18 |
| (B) Investment in Preference Shares | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| 1% Non Cumulative Redeemable Preference Share of Expertise Wealth Consultancy Pvt. Ltd | 10 | 577,500 | 100.00% | 5,775.00 | 577,500 | 100.00% | 5,775.00 |
| Total investment in preference shares (B) | | | | 5,775.00 | | | 5,775.00 |
| (C) Investment in Debentures or Bonds | | | | | | | |
| - Unquoted (fully paid up): | | | | | | | |
| 1% Unsecured Non Convertible Debentures of Excellent Dreamestate Pvt Ltd | 10,000 | 4,665 | - | 46,650.00 | 4,665 | - | 46,650.00 |
| 1% Unsecured Non Convertible Debentures of Resonant Wealth Consultancy Pvt Ltd. | 10,000 | 6,374 | - | 63,740.00 | 6,374 | - | 63,740.00 |
| Total investment in Debentures (C) | | | | 110,390.00 | | | 110,390.00 |
| Total Non Current Investments (A+B+C) | | | | 259,226.19 | | | 189,987.18 |

Notes :

1.

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|--|-----------------------|--------|------------------|--------|
| | Book Value | Market | Book Value | Market |
| (a) Aggregate amount of quoted investment and market value thereof | Not Applicable (N.A.) | N.A. | N.A. | N.A. |
| (b) Aggregate amount of unquoted investment | 259,226.19 | N.A. | 189,987.18 | N.A. |
| (c) Aggergate amount of impairment in value of investment | NIL | NIL | NIL | NIL |

2. Details of Goodwill/ (Capital Reserve) on acquisition of shares of associates

(Rs in thousands)

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| (a) Excellent Dreamestate Pvt Ltd | 399,582.24 | 399,582.24 |
| (b) Expertise Wealth Consultancy Pvt. Ltd | 425,277.42 | 425,277.42 |
| (c) Resonant Wealth Consultancy Pvt Ltd. | 196,565.00 | 196,565.00 |

Denim Developers Limited

CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 17(a) : Equity Share Capital

(Rs in thousand)

| Particulars | As at | As at |
|---|-------------------|-------------------|
| | 31st March, 2023 | 31st March, 2022 |
| Equity Share capital | | |
| Authorized | | |
| 1,22,50,000 [31st March, 2020: 1,22,50,000 and [31st March, 2019: 1,22,50,000] Equity Shares of Rs 10 each. | 122,500.00 | 122,500.00 |
| 25,000 [31st March, 2020: 25,000 and 31st March, 2019: 25,000] 9.5% Preference shares of Rs 100/- each. | 2,500.00 | 2,500.00 |
| Issued, subscribed and fully paid up | | |
| 1,06,14,156 [31st March, 2020: 1,06,14,156 and 31st March, 2019: 1,06,14,156] Equity Shares of Rs 10 each | 106,141.56 | 106,141.56 |
| Total Equity Share Capital Issued, Subscribed and Fully Paid Up | 106,141.56 | 106,141.56 |

b) Reconciliation of number of shares

| Particulars | 31-Mar-23 | 31-Mar-22 |
|--|----------------------|----------------------|
| Equity Shares : | | |
| Balance as at the beginning of the year | 10,614,156.00 | 10,614,156.00 |
| Add: Shares issued during the year | - | - |
| Balance as at the end of the year | 10,614,156.00 | 10,614,156.00 |

c) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|------------------------|--------------|------------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Prime Capital Market Limited | 1,200,000 | 11.31 % | 1,200,000 | 11.31 % |
| Aparna Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Jyoti Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Indra Agrawal | 600,000 | 5.65 % | 600,000 | 5.65 % |
| Malti Agrawal | 601,980 | 5.67 % | 601,980 | 5.67 % |
| Unisys Softwares and Holdings Industries Ltd. | 1,489,000 | 14.03 % | 1,489,000 | 14.03 % |
| Compass Distributors Private Limited | 700,000 | 6.59 % | 700,000 | 6.59 % |
| Arun Kumar Tulsian | 1,010,100 | 9.52 % | 1,010,100 | 9.52 % |
| Flame Dealers Private Limited | 700,000 | 6.59 % | 700,000 | 6.59 % |
| Jaganmata Sales Private Limited | 822,900 | 7.75 % | 822,900 | 7.75 % |

Denim Developers Limited

CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

e) Company does not have any holding company or ultimate holding company as at balance sheet date.

f) There are no shares reserved for issue under option and contracts or commitments for the sale of shares or disinvestment.

(g) In the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- no shares have been allotted as fully paid-up pursuant to contract(s) without payment being received in cash.
- no shares have been allotted as fully paid-up by way of bonus shares.
- no shares have been bought back.

(h) No calls are unpaid and no shares have been forfeited as at the Balance Sheet date.

i) There are no securities convertible into equity shares as at balance sheet date.

j) Shareholding of promoters at the end of the year 31 March 2023 is as follows :

| Promotor Name | No. of shares | % of total shares | % change during the year |
|----------------------|---------------|-------------------|--------------------------|
| Shova Purohit | 9,000 | 0.08% | - |
| Pradip Kumar Purohit | 13,975 | 0.13% | - |
| Raj Kumar Sharma | 25,353 | 0.24% | - |

k) Shareholding of promoters at the end of the year 31 March 2022 is as follows :

| Promotor Name | No. of shares | % of total shares | % change during the year |
|----------------------|---------------|-------------------|--------------------------|
| Shova Purohit | 9,000 | 0.08% | - |
| Pradip Kumar Purohit | 13,975 | 0.13% | - |
| Raj Kumar Sharma | 25,353 | 0.24% | - |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 25 : Revenue from operations *(Rs in thousand)*

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---------------------------------------|--------------------------------|--------------------------------|
| Sale of Products | 313,804.55 | 284,992.74 |
| Sale of Service | - | - |
| Other Operating Revenues | | |
| - Rent Income | 344.39 | 332.02 |
| - Stock surrendered under Arbitration | 222,225.88 | - |
| Total | 536,374.81 | 285,324.76 |

Note 26 : Other income *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---------------------------------------|-------------------------------|-------------------------------|
| (a) Interest income | | |
| - Interest Income on loan given | 3,578.63 | 2,958.20 |
| - Interest income on debentures | 637.40 | - |
| - Interest on FD | 335.87 | 1.75 |
| - Interest on income tax refund | 2.51 | 10.78 |
| (b) Other non operating income | | |
| - Contractual Income | 1,801.31 | 18.90 |
| - Prior Period Income | 17.16 | - |
| Total Other income | 6,372.88 | 2,989.64 |

Note 27 : Cost of Materials Consumed *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---------------------|-------------------------------|-------------------------------|
| Opening Stock | - | - |
| Add: Purchases | 26,081.79 | 17,670.95 |
| Less: Closing stock | - | - |
| Total | 26,081.79 | 17,670.95 |

Note 28 : Purchase of stock in trade *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---|-------------------------------|-------------------------------|
| Conversion Charges in UIT & Other related exp | 10,381.17 | 601.66 |
| Metals purchased (zinc, copper, brass, etc) | 66,229.11 | 221,306.92 |
| Land Purchased | 23,144.00 | - |
| Total Purchase of stock in trade | 99,754.28 | 221,908.58 |

Note : Project Development expenses of holding company has been shifted under the head "Other expenses" alongwith previous year figures for better presentation and comparability.

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 29 : Change in Inventories of finished goods, WIP and Stock-in-trade *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|------------------------------------|-------------------------------|-------------------------------|
| Opening Balance | | |
| Land | 431,715.10 | 397,656.25 |
| Stock-in -Process | 421.08 | 375.04 |
| Old Machineries (to be dismantled) | 91,500.00 | 91,500.00 |
| Finished Goods | - | 2,662.03 |
| Closing Balance | | |
| Land | 285,509.93 | 431,715.10 |
| Old Machineries (to be dismantled) | 56,977.06 | 91,500.00 |
| Finished Goods | - | - |
| Stock-in -Process | 421.08 | 421.08 |
| Total | 180,728.11 | (31,442.87) |

Note 30 : Employee benefits expense *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|---|-------------------------------|-------------------------------|
| Salaries and wages | 4,211.76 | 2,191.01 |
| Contribution to Provident and Other Funds | 134.34 | 123.16 |
| Bonus & Gratuity Expenses | 112.08 | 107.12 |
| Leave Encashment Expenses | 38.69 | 4.45 |
| Total Employee benefits expense | 4,496.87 | 2,425.73 |

Note 31 : Finance costs *(Rs in thousand)*

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|----------------------------|-------------------------------|-------------------------------|
| Interest on Borrowings | 1,616.50 | 3,090.83 |
| Total Finance costs | 1,616.50 | 3,090.83 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

| Note 32 : Other expenses | | <i>(Rs in thousand)</i> | |
|---|---------------------------------------|---------------------------------------|--|
| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 | |
| Auditor Remuneration | | | |
| - Statutory Audit | 459.40 | 400.00 | |
| - Limited Review | 106.20 | 90.00 | |
| Depository Fees | 118.00 | 401.90 | |
| Advertisement Expenses | 90.09 | 112.03 | |
| Power & Fuel | 320.69 | 279.00 | |
| Travelling & Conveyance | 17.27 | 21.50 | |
| Insurance Charges | 1.90 | 3.15 | |
| Bank Charges | 37.09 | 64.97 | |
| Balance Written off | 1.69 | - | |
| Commission on sales | 4,770.20 | - | |
| Rent Paid | 108.00 | 108.00 | |
| Project Development Expenses | 107,260.35 | 48,372.96 | |
| Prior Period Expense | 43.50 | - | |
| Stamp Paper charges | 83.02 | - | |
| Repair & Maintenance | 2.20 | 2.20 | |
| Rates & Taxes | 414.87 | 318.81 | |
| Legal and Professional Expenses | 3,526.99 | 2,269.80 | |
| Environment Protection Expenses | 12.00 | 12.00 | |
| Telephone Exp | 13.51 | 10.71 | |
| Testing & Inspection | 67.00 | 80.36 | |
| Labour Charges | 3,513.24 | - | |
| Interest on TDS | 0.25 | - | |
| Freight inward | 15.00 | - | |
| Printing & Stationery | 1.66 | 0.59 | |
| Packing , Forwarding & Freight Outward Expenses | 284.00 | 402.04 | |
| Shortages & Damages | 531.85 | 1,813.83 | |
| Tender Fees | 84.95 | 35.80 | |
| Postage & courier Expenses | 62.33 | 40.02 | |
| Miscellaneous Expenses | 85.14 | 121.65 | |
| Total Other expenses | 122,032.38 | 54,961.31 | |

Note : Project Development expenses has been shifted from the head "Purchase of stock in trade" to the head "Other expenses" alongwith previous year figures for better presentation and comparability.

| Note 33 : Exceptional Items | | <i>(Rs in thousand)</i> | |
|--|---------------------------------------|---------------------------------------|--|
| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 | |
| Compensation as Interest under Arbitration | 50,000.00 | - | |
| Balance written off | 18,545.91 | - | |
| Total | 68,545.91 | - | |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 34 : Contingent Liabilities and Commitments (to the extent not provided for) (Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|--------------------------------|--------------------------------|
| (1) Contingent Liabilities | | |
| (a) Claims against the group not acknowledged as debts comprise of: | | |
| (i) Parent company | - | - |
| - Income Tax Demand (Assessment Year 2013-14) (refer note (ii) below) | 12,377.77 | - |
| (ii) Subsidiary company | | |
| (a) Demand of income tax pending in appeal FY 2011-12 | 60,134.00 | 60,134.00 |
| (b) Demand of central sales tax pending in appeals as follows : | | |
| - FY 2003-04 | 519.00 | 519.00 |
| - FY 2004-05 | - | 1,022.00 |
| - FY 2006-07 | 10,935.00 | 10,935.00 |
| - FY 2007-08 | 20,310.00 | 20,310.00 |
| - FY 2008-09 | - | 709.00 |
| (c) Demand of excise duty tax pending in appeals as follows : | | |
| - FY 2006-07 & 2007-08 | 2,250.00 | 2,250.00 |
| - FY 1977-78 | 24.00 | 24.00 |
| - FY 1978-79 | 164.00 | 164.00 |
| - FY 1979-80 | 67.00 | 67.00 |
| (c) Demand of TDS showing on Traces: | | |
| - Financial Year 2007-08 | 163.23 | - |
| - Financial Year 2008-09 | 563.31 | - |
| - Financial Year 2009-10 | 147.76 | - |
| - Financial Year 2010-11 | 21.95 | - |
| - Financial Year 2011-12 | 0.24 | - |
| (b) Guarantees given to bank of india | 2,950.27 | 2,831.00 |
| (c) Commitments | NIL | NIL |

Notes :

(i) Total charges of Rs 106.59 lakhs against the assets of the subsidiary company have been created and also reflecting open at MCA website. However, there is no charge pending as per audited financial statements of FY 2021-22.

(ii) WRIT PETITION FILED BEFORE HIGH COURT ,WRIT PETITION NO. 16435/2022,STAY IS GRANTED VIDE ORDER DT 09.11.2022.

Note 35 : Earnings per share (Rs in thousand)

| Particulars | Year Ended31st March, 2023 | Year Ended31st March, 2022 |
|--|-------------------------------|-------------------------------|
| (a) Basic and diluted earnings per share | | |
| Profit attributable to the equity holders of the group | 207,277.72 | 104.59 |
| Total basic earnings per share attributable to the equity holders of the group | 207,277.72 | 104.59 |
| (b) Weighted average number of shares used as the denominator | | |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 10,614,156 | 10,614,156 |
| Earning Per Share - Basic and diluted (Face value of ` 10 Per Share) | 19.53 | 0.01 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 36: Related Party Disclosure

In accordance with the Ind AS - 24 on "Related Party Disclosure" the relevant information for the year ended March 31, 2023 is as under :

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

| Sr. No. | Name of the Related Party | Nature of Relationship |
|---------|---|--|
| 1 | Excellent Dreamestate Pvt. Ltd. | Associate Company |
| 2 | Resonant Wealth Consultancy Pvt. Ltd. | Associate Company |
| 3 | Expertise Wealth Consultancy Pvt. Ltd. | Associate Company |
| 4 | Industrial Tubes Manufacturers Pvt Ltd | Subsidiary Company |
| 5 | Track BPO Services | A firm in which a director, manager or his relative is |
| 6 | Mr. Rajesh Kumar Patil (WTD & CFO), Ms. Babita Kriplani (Director), Ms. Jaya Singh Rathod (Director), Mrs. Laxmi Pant (Director), Mr. Aman Kumar Gupta (Company Secretary) and Ritu Allwani (Company Secretary), Mukul Chaturvedi | Key Managerial Personnel |

(ii) Transactions during the year with related parties :*(Rs in thousand)*

| S. No. | Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--------|---|---|--|
| 1 | Interest Income of Holding company from associate company - Resonant Wealth Consultancy Pvt. Ltd. | 4,216.03 | 2,724.70 |
| 2 | Rental income from associate companies and other related parties - Expertise Wealth Consultancy Pvt. Ltd. - Excellent Dreamestate Pvt. Ltd. - Track BPO Services | 61.01 61.01 180.00 | 61.01 61.01 180.00 |
| 3 | Remuneration to KMP - Rajesh Kumar Patil (WTD & CFO) - Aman Kumar Gupta (CS) - Komal Mundra (CS) - Ritu Allwani (CS) - Mukul Chaturvedi | 360.00 330.00 - 239.50 480.00 | 360.00 475.00 60.00 - 480.00 |
| 4 | Professional & ROC fee paid to Track BPO Services | 6.00 | 6.00 |
| 5 | Professional fee to Glaze Corporte Services Pvt.Ltd. | - | 900.00 |
| 6 | Loan given to Resonant Wealth Consultancy Private Limited | 87,500.00 | - |
| 7 | Repayment of loan by Resonant Wealth Consultancy Pvt. Ltd. | 92,456.16 | 90,000.00 |

(iii) Balance as at 31st March, 2022*(Rs in thousand)*

| S. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--------|---|---------------------------|---------------------------|
| 1 | Loan amount receivable from Resonant Wealth Consultancy Pvt. Ltd. | 25,720.77 | 27,456.16 |
| 2 | Interest receivable on debenture from associate company | 637.40 | - |
| 3 | Investment in debentures of associate company | 1,10,390.00 | 1,10,390.00 |
| 4 | Fee Payable to Glaze Corporte Services Pvt.Ltd. | - | 810.00 |
| 5 | Investment in preference shares of associate company | 5,775.00 | 5,775.00 |

Note 1: Related Party relationship is as identified by the group and relied upon by the Auditors.

Note 37: Assets Pledged as Security

The group has not pledged any asset as security.

Note 38 : Unsecured Business advance given as against the contractual cash flows

The holding company has given a business advance to Rustic Urban Food Park Private Limited amounting to Rs 8.50 crores in the month of September 2021 and Rs 16.50 crore in month of March 2023 against a revenue sharing project, under which the company would be entitled to receive 7% share of rental revenue till 28.02.2023 and in the month of March 2023, 9.50% from such project. If there is no income from the project in any year, the company will have the right to withdraw its amount but it will take atleast an year to recover. However, during the year, the company has received its share of contractual income amounting to Rs 18,01,307/- which constitutes 2.063% p.a..

Note 39: Offsetting Financial Assets and Financial Liabilities

There are no offset for the recognised financial instruments as at 31st March, 2023 and 31st March, 2022.

Denim Developers Limited
CIN : L36101RJ1969PLC076649**Notes to the consolidated financial statements for the year ended 31st March, 2023**

Note 40 : The subsidiary company has purchased the old & used plant and machinery (which is represented above as "Old machineries (to be dismantled)") through e-auction conducted on 23.10.2018 of M/S Samtel Color Limited for Rs. 9,15,00,000. The said plant and machinery are lying at the factory of Samtel Color Ltd. During the year upto 31.03.2023, the company has made sale of Rs. 6,66,50,051 out of the total material purchased through auction. The company has obtained a report from Ashok B Kale & Pralhad G. Chorghade (B.E. Metallurgist) to value the closing stock in which they said "Without dismantling, cutting, segregating and testing of material, it is not possible to evaluate the exact quantity, quality and value of the said goods. It is also not possible to dismantle the material, as it will take plenty of time but the same shall be done at the time of selling of the said material. This is to certify that after selling the material upto 31.03.2023, the value of material, still lying at their plant is not less than Rs. 11,00,00,000"

Accordingly, by considering the minimum value of Rs. 11,00,00,000 of remaining stock lying there, the company has calculated the cost of remaining stock as Rs. 5,69,77,057 which has been included in the figure of closing stock.

Note 41: Dividend

The amount of dividend proposed to be distributed to equity shareholders for the period and title related amount per share is NIL.

Note 42: Company has not issued any security during the financial year.

Note 43: Company does not have any borrowings from banks and financial institutions for the specific purpose as at the balance sheet date.

Note 44 : Financial risk management**Financial Risk Factors**

The group's activities expose it to a variety of financial risks—market risk, credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support group's operations. The group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances & Business advances and refundable deposits that derive directly from its operations.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

(a) Receivables resulting from sale of Land: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

(b) Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's Finance department in accordance with the group's policy. Investments of surplus funds are reviewed and approved by the group's Board of Directors on an annual basis. The group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2023 and 2022 is the carrying amounts.

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

C. Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time. The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The group has immaterial outstanding borrowings. The group believes that the working capital is sufficient to meet its current requirements. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

As at March 31, 2023, the group had a working capital of ₹51.11 crore including cash and cash equivalents of ₹105.19 Lakhs. As at March 31, 2022, the Company had a working capital of ₹54.23 crore including cash and cash equivalents of ₹ 36.40 Lakhs.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 is as follows :

(Rs in thousand)

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 Years | Total |
|--|------------------|-----------|-----------|-----------|------------------|
| Trade Payables | 15,186.82 | - | - | - | 15,186.82 |
| Other financial liabilities on an undiscounted basis | 552.95 | - | - | - | 552.95 |
| Current Borrowings on an undiscounted | 5,020.00 | - | - | - | 5,020.00 |

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 is as follows :

(Rs in thousand)

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 Years | Total |
|--|------------------|-----------|-----------|-----------|------------------|
| Trade Payables | 4,290.45 | - | - | - | 4,290.45 |
| Other financial liabilities on an undiscounted basis | 228.44 | - | - | - | 228.44 |
| Current Borrowings on an undiscounted | 93,808.00 | - | - | - | 93,808.00 |

Note 45 : (A) Interest in Associates :

Details of the group's material associates are as follows :

| Particulars | Country of incorporation | Percentage of ownership interest as at 31.03.2023 | Percentage of ownership interest as at 31.03.2022 |
|--------------------------------------|--------------------------|---|---|
| Excellent Dreamestate Pvt Ltd | India | 48.60% | 48.60% |
| Expertise Wealth Consultancy Pvt Ltd | India | 49.45% | 49.45% |
| Reasonant Wealth Consultancy Pvt Ltd | India | 48.17% | 48.17% |

Note 45 : (B) Interest in Subsidiary :

| Particulars | Country of incorporation | Percentage of ownership interest as at 31.03.2023 | Percentage of ownership interest as at 31.03.2022 |
|---------------------------------------|--------------------------|---|---|
| Industrial Tubes Manufactures Pvt Ltd | India | 100.00% | 93.93% |

Financial information of subsidiary

(Rs in thousands)

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Total assets | 211,178.98 | 161,805.09 |
| Total liabilities | 97,371.80 | 73,656.33 |
| Equity attributable to owners of equity | 113,803.12 | 82,793.72 |
| Non controlling interest | 4.06 | 5,355.04 |
| Profit & loss after tax | 25,649.70 | (7,315.65) |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 46 : Fair Value of Financial Assets and Financial Liabilities

(a) : Financial Instruments by Category

(Rs in thousands)

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|------------------------|------------|------------------------|------------|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial Assets at amortised cost | | | | |
| Investments (Non Current) | 219,795.38 | 219,795.38 | 150,438.28 | 150,438.28 |
| Loans (Non Current) | 251,765.28 | 251,765.28 | 85,000.00 | 85,000.00 |
| Other Non Current Financial Assets | 3,123.88 | 3,123.88 | 5,694.39 | 5,694.39 |
| Trade Receivables | 105,599.62 | 105,599.62 | 10,643.04 | 10,643.04 |
| Cash and Cash Equivalents | 10,518.76 | 10,518.76 | 3,640.42 | 3,640.42 |
| Bank Balance other than Cash & Cash equivalents | 6,453.70 | 6,453.70 | - | - |
| Loans (Current) | 25,720.77 | 25,720.77 | 27,456.16 | 27,456.16 |
| Other Current Financial Assets | 76,584.14 | 76,584.14 | 76,018.52 | 76,018.52 |
| Financial Assets at fair value through other comprehensive income | | | | |
| Investments (Non Current) | 39,430.81 | 39,430.81 | 39,548.90 | 39,548.90 |
| Financial Liabilities at amortised cost | | | | |
| Current Borrowings | 5,020.00 | 5,020.00 | 93,808.00 | 93,808.00 |
| Trade Payable | 15,186.82 | 15,186.82 | 4,290.45 | 4,290.45 |
| Other Current Financial Liabilities | 552.95 | 552.95 | 228.44 | 228.44 |

(b) Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data (unobservable inputs), the instrument is included in level 3.

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023 is as follows:

(Rs in thousands)

| Particulars | As at 31st March, 2023 | Fair value measurement at end of the reporting period using | | |
|----------------------------|------------------------|---|---------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments (refer note 5) | | | | |
| - Equity instruments | 143,061.19 | - | - | 143,061.19 |
| - Preference shares | 5,775.00 | - | - | 5,775.00 |
| - Debentures | 110,390.00 | - | - | 110,390.00 |

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 is as follows:

(Rs in thousand)

| Particulars | As at 31st March, 2022 | Fair value measurement at end of the reporting period using | | |
|----------------------------|------------------------|---|---------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments (refer note 5) | | | | |
| - Equity instruments | 73,822.18 | - | - | 73,822.18 |
| - Preference shares | 5,775.00 | - | - | 5,775.00 |
| - Debentures | 110,390.00 | - | - | 110,390.00 |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Notes to the consolidated financial statements for the year ended 31st March, 2023

Note 47 : Operating Segments

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Segment Reporting - Consolidated

(Rs in Thousands)

| Sr. No. | Particulars | Financial Year | |
|---------|--|---------------------|-------------------|
| | | 2022-23 | 2021-22 |
| 1 | Segment Revenue | | |
| | Real Estate | 373,842.27 | 39,383.02 |
| | Metals | 162,532.55 | 245,941.74 |
| | Total | 536,374.81 | 285,324.76 |
| | Less : Inter-segment revenue | - | - |
| | Net Sales/ Income from Operations | 536,374.81 | 285,324.76 |
| 2 | Segment results before interest and tax | | |
| | Real Estate | 75,898.38 | 22,697.15 |
| | Metals | 24,705.96 | (4,444.46) |
| | Total | 100,604.34 | 18,252.69 |
| | Less : Finance cost | 1,616.50 | 3,115.49 |
| | Less : Other unallocable expenditure | 509.34 | 2,163.41 |
| | Add : Other unallocable income | 74,918.79 | 2,989.64 |
| | Profit before tax | 173,397.29 | 15,963.43 |
| 3 | Segment Assets | | |
| | Real Estate | 392,006.57 | 529,515.00 |
| | Metals | 211,178.98 | 161,805.09 |
| | Unallocated | 540,826.10 | 306,416.94 |
| | Total Assets | 1,144,011.66 | 997,737.03 |
| 4 | Segment Liabilities | | |
| | Real Estate | 59,670.71 | 50,421.15 |
| | Metals | 8,584.51 | 73,656.33 |
| | Unallocated | - | - |
| | Total Liabilities | 68,255.22 | 124,077.48 |

Note 48 : Corporate Social Responsibility (CSR)

The group is not covered under the provisions of section 135 of the Companies Act, CSR is not applicable.

Note 49 : Undisclosed Income

The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 50 : Details of Crypto Currency or Virtual Currency

The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 51 : In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

Note 52 : Payments to the auditor as

(Rs in thousand)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|-----------------------------------|-----------------------------|-----------------------------|
| (a) Auditor | 459.40 | 400.00 |
| (b) for taxation matter | - | - |
| (c) for company law matters | - | - |
| (d) for Limited Review | 106.20 | 90.00 |
| (e) for reimbursement of expenses | - | - |
| (f) for other services | - | - |

Denim Developers Limited
CIN : L36101RJ1969PLC076649

Note 53 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(Rs in thousand)

| Name of Entity | Net Assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---------------------------------|---------------------|-------------------------------------|-------------------|---|--------------|---|-------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Denim Developers Limited | 94.08% | 1,012,052.16 | 54.16% | 112,270.93 | 100.00% | 33.88 | 54.17% | 112,304.82 |
| Indian Subsidiary | | | | | | | | |
| Industrial Tubes Manufactures Pvt Ltd | 10.58% | 113,803.12 | 12.37% | 25,648.78 | - | - | 12.37% | 25,648.78 |
| Non controlling interest in subsidiary | 0.00% | 4.06 | 0.00% | 0.92 | 0.00 | 0.00 | 0.00% | 0.92 |
| Associates (Investment as per equity method) | | | | | | | | |
| Excellent Dreamstate Pvt Ltd | -0.60% | (6,483.69) | 0.69% | 1,422.08 | - | - | 0.69% | 1,422.08 |
| Expertise Wealth Consultancy Pvt Ltd | -0.17% | (1,837.11) | -0.12% | (245.86) | - | - | -0.12% | (245.86) |
| Reasonant Wealth Consultancy Pvt Ltd | 6.04% | 64,951.19 | 32.89% | 68,180.87 | - | - | 32.89% | 68,180.87 |
| Consolidation adjustments | -9.92% | (106,733.30) | - | - | - | - | - | - |
| TOTAL | 100.00% | 1,075,756.43 | 100.00% | 207,277.72 | 100.00% | 33.88 | 100.00% | 207,311.60 |

Note 54 : Previous year figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current year's classification.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2023

1. Company Overview:

Denim Developers Limited (referred to as “DDL” or “the Company” or “parent company”) is a public limited company incorporated and domiciled in India and has its registered office at Flat No 1273, Suwalka Riddhi Siddhi Residency, Plot No 1- 4, Rajeev Gandhi Nagar Ext, Road No.1, IPIA, Kota, Rajasthan-324005, India. The company was incorporated on October 15, 1969. The main business of the company is to acquire; purchase, lease, sell land, building, agricultural land, mines, farms, tea garden, hotels, multiplex, resorts, club houses, restaurants, shops, workshops, factory, and to collect rental income. The company also carries on the real estate & constructions business.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation of consolidated financial statement

i. Compliance with Ind AS

The consolidated financial statement related to DDL and its subsidiary (referred to as “The Group”), and its associate companies. These consolidated financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

ii. Principles of consolidation and equity accounting:

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the parent company i.e. its subsidiaries. It also includes the parent company’s share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity method of consolidation. Control is achieved when the parent company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Parent Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results of subsidiaries, and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The Accounting Policies of the parent company, its subsidiaries, and associates are largely similar. The Financial Statements of parent company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 “Consolidated Financial Statement”. Non-controlling

DENIM DEVELOPERS LIMITED**CIN :L36101RJ1969PLC076649**

interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of noncontrolling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the noncontrolling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance. Impact of any insignificant and immaterial Noncontrolling Interest is not considered. In case of associates, where Parent Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". Post acquisition, the Parent Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Parent Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

iii. Historical Cost Convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) which are measured at fair value / amortised cost;
- Defined benefit plans-plan assets measured at fair value; and
- Share based payments.

iv. Current and non-current classification

The normal operating cycle in respect of operation relating to under construction real estate project depend on signing of agreement, size of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalent. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of the respective project. All other assets and liabilities have been classified into current when:

- it expects to realise the asset, or intends to sell or consume it, or settle the liability in its normal operating cycle;
- it holds the asset or liability primarily for the purpose of trading;
- it expects to realise the asset or settle the liability within twelve months after the reporting period;
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; or

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets or liability shall be classified as **NON CURRENT**.

v. Use of Estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill, investments and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the parent company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these Consolidated financial statements.

vi. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

2.2. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Property, plant and equipment is stated at their cost of acquisition/construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable costs for making the asset ready for its intended use, borrowing costs attributable to construction of qualifying asset, upto the date the asset is ready for its intended use.

Subsequent expenditure related to an item of property, plant and equipment is included in the carrying amount only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use. Any gain or loss arising on derecognition to the asset is included in the Statement of Profit and Loss.

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

2.3. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes purchase/construction cost, directly attributable cost and borrowing costs, if the recognition criteria are met. The fair value of investment property is disclosed in the notes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Currently, company does not have any investment property.

2.4. Depreciation on property, plant and equipment and investment property

Depreciation on property, plant and equipment and investment property is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013, Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate. The estimated useful lives of assets are as follows :

- Plant & Machinery - 15 Years
- Office Equipments - 5 Years
- Computer Equipments - 3-5 Years
- Furniture & Fixtures - 10 Years
- Factory Buildings - 30 Years
- Motor Vehicles - 8 Years

2.5. Other Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

2.6. Inventories

Inventory of parent company comprises of Land and flats. Inventories are valued at Cost or Net Realizable Value. Cost includes cost of purchase and other expenses incurred.

For inventory of subsidiary, raw material is valued at cost. Work-in-progress is valued at cost plus conversion cost and finished goods is valued at cost or net realizable value whichever is lower.

2.7. Impairment of Property, Plant & Equipment and Other intangible assets other than goodwill

At the end of each reporting period, the parent company reviews the carrying amounts of its group's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Revenue recognition

Ind AS 115-Revenue from Contracts with Customers is mandatory for reporting periods beginning on or after 1st April, 2018, replaces existing revenue recognition requirements. Under Ind AS 115, revenue is recognized when or as it satisfies each performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. Under Ind AS 115, transfer of control of a good or service over time rather than at a point in time is considered when one of the following criteria are met:

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If it is not possible to demonstrate that the performance obligation is satisfied over time, the revenue cannot be recognized over time (means revenue is to be recognized following Completed Control Method, instead of Percentage of Completion Method (POCM).

Dividend income is accounted when right to receive is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.9. Goodwill

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve.

2.10. Employee benefits

Short Term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

Post employee obligations

The group does not operate any post employment schemes as at the balance sheet date.

2.11. Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The group's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.12. Borrowing costs

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13. Provisions, Contingent liabilities and Contingent assets:

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefit is probable.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

2.14. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to known amount of cash and, which are subject to an insignificant risk of changes in value.

2.15. Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all period presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.16. Investments and Other financial instruments

i. Classification

The group classifies its financial instruments in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

The classification depends on the group's business model for managing the financial instruments and the contractual terms of the cash flows.

ii. Measurement

- **Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

- **Subsequent measurement**

- a. Non derivative financial instruments**

- i. Financial assets carried at amortized cost**

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

iv. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The group does not hold any derivative financial instrument.

iii. Impairment of financial instrument

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

2.17. Leases

The group and its associates determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

Group and its associates as a Lessee

The group and its associates assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group and its associates assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group and its associates has the right to direct the use of the asset.

At the date of commencement of the lease, the group and its associates recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group and its associates recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the group and its associates determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group and its associates makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The group and its associates recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

DENIM DEVELOPERS LIMITED**CIN :L36101RJ1969PLC076649****Group and its associates as a Lessor**

Operating Lease: Leases in which the group and its associates does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the group and its associates is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

Finance Lease: When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

2.18. Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries. Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's Consolidated financial statements.

Industrial Tubes Manufactures Private Limited

On 1st October 2019, DDL acquired 90.34% equity shares and later on 24th February 2020, DDL acquired 0.01% equity shares of Industrial Tubes Manufactures Pvt Ltd for a price of Rs 807/- per share. During the financial year 2021-22, DDL has acquired 4995 equity shares of Industrial Tubes Manufactures Pvt Ltd at Rs 682/- per share making its holding percentage in the subsidiary company to 93.93%.

During the financial year 2022-23, DDL has acquired 8500 equity shares of Industrial Tubes Manufactures Pvt Ltd at Rs 630/- per share making its holding percentage in the subsidiary company to 100%. Only 5 equity shares are held with others as at the balance sheet date.

DENIM DEVELOPERS LIMITED

CIN :L36101RJ1969PLC076649

2.19. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The group and its associates has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Thegroup and its associates has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Thegroup and its associates has evaluated the amendment and there is no impact on its standalone financial statement.