

# DENIM DEVELOPERS LIMITED

## Annual Report 2012 - 2013

### Board of Directors

Dhruva Narayan Jha  
Raj Kumar Sharma  
Chandan Kr Singh  
Ashish Jain  
Balwinder Singh

Chairman  
Executive Director  
Independent Director  
Independent Director  
Independent Director

### Registered Office

P-27, Princep Street  
3<sup>rd</sup> Floor.  
Kolkata-700 072

### Bankers

Punjab National Bank.  
Kotak Mahindra Bank Ltd.  
Bank Of India Ltd.

### Auditors

M/s. N.Kanodia & Co.  
Chartered Accountants

### Registrar & Share Transfer Agent

ABS Consultants Private Limited  
99, Stephen House  
4, B.B.D. Bag (East)  
Kolkata-700 002

### Annual General Meeting

Date : 28<sup>th</sup> September 2013  
Time : 4.30 P.M.  
Venue : P-27, Princep Street, 3<sup>rd</sup> Floor  
Kolkata 700072.

### Contents

- ❖ Notice
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstracts

**Members are requested to bring their copy of Annual Report at the time of Meeting**

## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of **Denim Developers Limited** will be held on Friday, the 27th day of September, 2013 at 4.30 P.M. at P 27 Princep Street, 3rd Floor, Kolkata-72 to transact the following businesses as :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2013.
2. To declare dividend.
3. To appoint Director in place of Mr. Chandan Kr Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

**"RESOLVED THAT** M/S N. Kanodia & Co. , Chartered Accountants, Howrah, Kolkata Be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the next AGM to examine and audit the accounts of the company for the financial year 2013-2014, at such remuneration as may be mutually agreed upon between the board of directors of the company and the auditors plus reimbursement of out of pocket expenses and applicable taxes."

### Notes :

1. A member entitled to attend and Vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2013 to 27th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [denimdevelopers@gmail.com](mailto:denimdevelopers@gmail.com) for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
9. Members are requested to intimate change in their address immediately to M/s ABS Consultants Private Limited, the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002.

10. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/Client ID in their correspondence.
16. The Equity shares of the Company are listed on Calcutta Exchanges and Listing Fees for the financial year 2012-2013 have been paid to CSE.
17. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. ABS Consultants Private Limited.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**Details of Director seeking appointment / re-appointment in the Annual General Meeting on 28th September 2013 (in term of Clause 49 of the Listing Agreement)**

<b><u>Jagdish Prasad. Purohit</u></b>	
Fathers' Name	Balchand Purohit
Date of Birth	28 <sup>th</sup> February 1958
Date of Appointment	20 <sup>th</sup> August 2009
Expertise in specific functional areas	, Taxation, Capital & Money Market
Years of Experience	34 Years
Qualifications	B.Com LLB.
List of outside Directorship held	1. Unisys Softwares & Holding Industries Ltd.
Member of Committee on the Board	2. Jmd Telefims Industries Ltd
	3. Warner Multimedia Limited
	4. Scan Infrastructure Limited
Member/Chairman of Committee in other Companies	Member of Audit Committee, Investor Grievance Committee and Share Transfer Committee
No. of Shares held in own name or in the name of Relatives	Member of Share Transfer Committee in Unisys Softwares & Holding Industries Ltd. Nil in own name and Nil in the name of Relatives.

<b><u>Dhruva Narayan Jha</u></b>	
Fathers' Name	Sri Bhogendra jha
Date of Birth	10 <sup>th</sup> October 1959
Date of Appointment	5 <sup>th</sup> February 2009
Expertise in specific functional areas	Accounts, Audit & Taxation Matters
Years of Experience	28 Years
Qualifications	B.Com.
List of outside Directorship held	Warner Multimedia Limited
Member of Committee on the Board	Scan Infrastructure Limited
	Member – Audit Committee
	Chairman – Investor Grievance Committee
	Member – Share Transfer Committee
Member/Chairman of Committee in other Companies	Not Any
No. of Shares held in own name or in the name of Relatives	Nil

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

**Item No. 5**

The Board of Directors of your Company appointed Mr. Dhruva Narayan Jha as Chairman of your Company at the Board meeting held on 5<sup>th</sup> May 2012 to broad base the Board.

Mr. Dhruva Narayan Jha, Age 53, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting, Taxation and secretarial Matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Dhruva Narayan Jha for the office of Director of the Company.

Mr. Dhruva Narayan Jha does not hold any shares in his own name or in the name of his relatives.

Mr. Dhruva Narayan Jha is 2 other Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Kolkata, June 30, 2013

**Registered Office :**  
P-27, Princep Street , 3<sup>rd</sup> Floor,  
kolkata. 700072

By order of the Board  
**For Denim Developers Limited**



**Dhruva Narayan Jha**  
Chairman

## Directors' Report, Management Discussions & Analysis

To The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2013.

Financial Results	(Rs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	65,26,152	14,40,401
Profit before Tax & Extraordinary Items	46,01,637	3,62,471
Less : Provision for Taxation	14,21,906	1,12,003
Profit after Tax	31,79,731	2,50,468
Add / (Less) : Extra Ordinary Items		38,125
Profit available for appropriation	31,79,731	2,12,343
Add : Profit Carried Forward from Previous Year	(3,75,92,767)	(3,78,05,110)
Appropriated as under :		
Proposed Dividend	0.00	0.00
Corporate Tax on above Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried forward to Next Year	(3,75,92,767)	(3,78,05,110)

### BUSINESS OPERATIONS

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross income from operations remained remarkable figure of around ` 65.26 Lac whereas PAT remains at ` 31.79Lac during the year.

The Company has no NBFC Business and is registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services.

### FUTURE PLANS

The Current financial year was remarkable year for the Company. The Company has expanded its business and has done very well in spite of adverse Market situation and tight monetary situation. The Company is willing to expand this business more and more in both Capital & Money Market and thus willing to deliver to Members of the Company.

### DIVIDEND

In order to conserve resources to meet the working capital requirements, your Directors do not propose any dividend for the year under review.

## **SUBSIDIARY COMPANY**

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

## **MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

## **MANAGEMENT**

There is no Change in Management of the Company during the year under review.

## **DIRECTORS**

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Raj Kumar Sharma, Director of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Mr. Raj Kumar Sharma, being eligible, offers themselves for re-appointment.

The Board recommends the appointment of Mr. Dhruva Narayan Jha. pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

## **INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

## **RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

## **AUDITORS**

Auditors M/s. N.Kanodia & Co., Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

## **COMMENTS ON AUDITOR'S REPORT:**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

## **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company is having no business other than the business of Investing in Securities Market as well as to lend money to Corporate and HNIs during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

## **REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

## **APPRECIATION**


Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.



Kolkata, June 30, 2013

By order of the Board  
For Denim Developers Limited

Registered Office :  
P- 27, Princep Street, 3<sup>rd</sup> Floor  
Kolkata 700072

  
Dhruva Narayan Jha  
Chairman

## Management discussion & Analysis

The growth in global economy during 2012-2013 was affected due to impact of high oil prices and certain other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in the Emerging Market Economies (EMEs) to contain inflationary pressures. The global market was also disturbed by perceptions of inadequate solutions to the Euro zone sovereign debt problem, exposure of banks to Euro zone and renewed fears of recession. However, during the last quarter of 2011, the immediate financial market pressures in the Euro zone have been alleviated to some extent, by the European Central Bank (ECB) injecting liquidity of more than one trillion Euros through the two long term refinancing operations. Growth in the Euro zone, however, was negative in quarter IV. The Emerging and Developing Economies (EDEs) are showing signs of slowdown in growth. As a result, the global growth for 2013 and 2014 is expected to be lower than anticipated earlier.

Rupee depreciation has also resulted in an increase in fuel prices as well as commodity prices. High volatility in Forex Market prompted RBI to take several measures for augmenting foreign exchange reserves and for curbing the speculation in foreign exchange.

Reserve Bank of India made adjustments 13 times in policy rates since March 2010 to control inflation and this lead to an increase in lending rate for commercial borrowings and thus resulting in lower growth in the Indian Economy. However in March 2012, Reserve Bank of India reduced the CRR from 5.5 percent to 4.75 percent to take care of structural liquidity deficit. Further on 17th April, 2012 Reserve Bank of India cut the repo rate by 50 bps to 8 percent with immediate effect, reverse repo rate, with a spread of 100 bps below repo rate adjusted to 7 percent. This decision to cut the rate was due to growth decelerating significantly to 6.1 percent in the 3rd quarter of the last year and also due to WPI inflation moderating to below 7 percent by March 2013.

### REVIEW OF OPERATIONS

The Company registered a gross income of ` 65.26 Lac as compared to ` 14.40 Lac in previous financial year. PBIT Margin during the year remains ` 46.01 Lac in comparison to last years' figure of ` 3.62 Lac whereas Net Profit remains at ` 31.79 Lac in comparison to last years' figure of ` 2.12 Lac.

### BUSINESS SEGMENT

The Company is not to the NBFC Business and is registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services; in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

## OPPORTUNITIES

Money markets exist to facilitate efficient transfer of short-term funds between holders and borrowers of cash assets. For the lender/investor, it provides a good return on their funds. For the borrower, it enables rapid and relatively inexpensive acquisition of cash to cover short-term liabilities. One of the primary functions of money market is to provide focal point for RBI's intervention for influencing liquidity and general levels of interest rates in the economy. RBI being the main constituent in the money market aims at ensuring that liquidity and short term interest rates are consistent with the monetary policy objectives.

In Stock Market or Capital Market, the first and for most thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

## THREATS & CONCERNS

India may actually end up seeing off an opportunity as a threat. This would largely be driven by the country's weak ability to carry out plans in time due to its political and bureaucratic quality, which is increasingly being accepted as corrupt and inefficient.

Why we say that it would pass off the opportunity as a threat is because this may happen despite India having a top class think tank alive to possible solutions and various scenarios that may emerge.

The current recession does not appear as a purely economic one, and nor will the fallouts be restricted to economics alone. While factors that lead me to conclude this are many, one can quickly look at the maddening fluctuation in oil prices and try convincing them that this is truly economic demand and supply at work. I stand unconvinced.

This recession is a test of political leadership across the world and of the belief in a global economic order.

Unfortunately, performance on both these counts by India's politicians has been far from impressive. One can see it in the state of infrastructure, the delay in taking crucial action and the immediate raising of protective barriers when a global meltdown commenced.

However this can be handled by way of undertaking large private participation projects, Investment and regulate education with a twofold objective - Improve the quality of India's huge population presently in working age group and second undertake effective and radical reforms to ensure all children visit at least part time school, by way of Tax reforms that bring some order in central vs. state taxation. Cracking down on corruption, which is India's single most important threat. Empowering the Vigilance Commission and set up an executive body not answerable from the political framework (like the army / judiciary) with special windows with judiciary for time bound trials. Focus on ground level corruption initially to ensure public's respect for the law is reinforced first. It would also be more agreeable to the politicians, so there may be a chance that it happens.

## RISK MANAGEMENT

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development

of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

#### **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-13, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

The total number of employees on the rolls of the Company as on 31st March 2013 was 8 as against 6 as at 31st March 2012.

#### **CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

#### **CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.


New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except reinstatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Kolkata, June 30, 2013

By order of the Board  
**For Denim Developers Limited**

**Registered Office :**  
P-27, Princep Street, 3<sup>rd</sup> Floor,  
Kolkata 700072



**Dhruva Narayan Jha**  
Chairman

## Annexure to the Directors' Report

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the set of systems and practices to ensure that the affairs of the Company are being managed in a way that ensures accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and societal expectations.

Denim Developers Limited (DDL) is committed to international compliance standards, to ensure checks and balances between the board and management as well as a sustainable approach to value creation. In defining the management structure, organisation and processes of the Company, the corporate governance principles aim to provide stakeholders value and transparency to promote sustainable long-term success. This is demonstrated in shareholders returns, high credit ratings, governance processes and customer focused work environment. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

### BOARD OF DIRECTORS

#### COMPOSITION OF DIRECTORS

The Board has three members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 19<sup>th</sup> April, 14<sup>th</sup> May, 30<sup>th</sup> June, 13<sup>th</sup> August, 12<sup>th</sup> October and 28<sup>th</sup> October in year 2012 and on 19<sup>th</sup> January in the year 2013 during the financial year 2012-2013.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in Other Companies	Committee Chairman Ship in Other Companies	No. of Directorship in other Public Ltd. Co.
Dhruva Narayan Jha	Chairman	7	Yes	3	2	3
Raj Kumar Sharma	Executive Director	7	Yes	1	1	1

## AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The Audit Committee has been re-constituted w.e.f. 1st April 2012.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Denim Developers Limited. (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

## AUTHORITY AND RESPONSIBILITIES

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on. To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors at its meeting held on 5<sup>th</sup> January 2010.

The members of Audit Committee met four times on - 30<sup>th</sup> June, 13<sup>th</sup> August and 12<sup>th</sup> October in year 2012 & on 19<sup>th</sup> February 2013 during the financial year ended on 31<sup>st</sup> March 2012.

Name	Number of Meetings Held	Meetings Attended
Raj Kumar Sharma	4	4
Dhruva Narayan Jha*	4	4

\* Chairman of the Committee

### REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

#### Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2012-2013.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

### SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Dhruva Narayan Jha; Independent Director with two other Directors namely Mr. Raj Kumar Sharma & Chandan Kr Singh

The members of Share Transfer Committee met four times on 30<sup>th</sup> June, 13<sup>th</sup> August and 12<sup>th</sup> October in year 2012 & on 19<sup>th</sup> February 2013 during the financial year ended on 31<sup>st</sup> March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Raj Kumar Sharma	4	4
Mr. Dhruva Narayan Jha *	4	4

\*Chairman of Committee

### Investor Grievance Committee

The Board of Denim Developers Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, M/s. ABS Consultants Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

### Compliance Officer

The Company has appointed Mr. Puspal Chandra as a Compliance Officer within the meaning of Listing Agreement.

### Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 4, May 2, June 1, July 1, August 2, September 1, October 3, November 2, and December 1<sup>st</sup> in year 2012 and on January 3, February 1 and March 2 in year 2013.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Dhruva Narayan Jha*	Chairman	Executive Director	12
Mr. Raj Kumar Sharma	Member	Independent, Non-Executive	12

\*Chairman of Committee

### Details of Shareholders' Complaints

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

### GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
31 <sup>st</sup> Annual General Meeting	28 <sup>th</sup> September 2012, 3.30 PM	P-27, Princep Street, 3 <sup>rd</sup> Floor, Kolkata-700072
30 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September 2011, 3.30 PM	P-27, Princep Street, 3 <sup>rd</sup> Floor, Kolkata-700072
29 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2010, 4.00 PM	P-27, Princep Street, 3 <sup>rd</sup> Floor, Kolkata-700072

### Special Resolution passed at last three Annual General Meetings:

During the financial year 2008-09, Special Resolution was passed seeking appointment of Mr. Raj Kumar Sharma as Non-Executive, Independent Director, . No Special Resolution was being proposed or passed by the Members of the Company.

### Passing of Resolution by Postal Ballot:

No Special Resolution has passed through Postal Ballot Rules during last three years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

### Extra-Ordinary General Meeting

One Extra-Ordinary General Meeting was held by the Company during the financial year ended 31<sup>st</sup> March 2013.



## **BOARD DISCLOSURES**

### **Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

### **INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading. Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

### **DISCLOSURES**

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.

- (d) **Reconciliation of Share Capital:-** A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### **DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure ID to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company have served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2011-12 in term of provisions of Listing Agreement entered into with CSE & BhSE by the Company. Further, no penalties have been levied or actions have been taken by CSE & BhSE or SEBI during last three years.
- d) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company at its meeting held on 5<sup>th</sup> January 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

### **MEANS OF COMMUNICATIONS**

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Calcutta Stock Exchange Ltd. and published in the leading English Newspapers i.e. Bengal Leader and in vernacular language Newspaper i.e. Dainiklipi.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website [www.denimdevelopers.com](http://www.denimdevelopers.com).
- Official News releases have been posted on its web portal [www.denimdevelopers.com](http://www.denimdevelopers.com).
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

### **GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

## SHAREHOLDERS' INFORMATION

### a. Next Annual General Meeting

The information regarding 32<sup>nd</sup> Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2013 is as follows :-

Date : 28th September 2012  
 Time : 4.30 P.M.  
 Venue : P-27, Princep Street, 3<sup>rd</sup> Floor, Kolkata 700072

b. Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March.

### c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2012	14 <sup>th</sup> August, 2012
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2012	15 <sup>th</sup> November, 2012
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2012	15 <sup>th</sup> February 2013
Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2013	30 <sup>th</sup> May 2013
Date of Annual General Meeting	During September 2013

d. Date of Book Closure : 20<sup>th</sup> Sept. 2013 to 27th Sept. 2013. (Both days inclusive)

e. Dividend Payment : Nil

f. Listing of Shares : Kolkata, Stock Exchanges

g. Custody Charges & Listing Fees : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2011-2012 have been paid.

h. Stock Code & ISIN Code : 10025057 on CSE  
 : INE748D01010 on CDSL & NSDL

i. Market Price Data : Due to thin volume as well as non-availability of Market Price Data of the Scrip on CSE, we are unable to produce the same for the Scrip vs. CSE Sensex.

### j. Registrar & Share Transfer Agent.

M/s. ABS Consultants Private Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. ABS Consultants Private Limited**  
 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002

### k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, **ABS Consultants Private Limited** and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

### l. Distribution of Shareholding as on 31st March 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	302	87.03	9630	0.09
501-1000	-	-	-	-

1001-2000	-	-	-	-
2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	-	-	-	-
10001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 & above	45	12.97	10604526	99.91
<b>Total....</b>	<b>347</b>	<b>100.00</b>	<b>10614156</b>	<b>100.00</b>

**m. Shareholding Pattern as on 31st March 2013**

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	48,328	0.46
Indian Bank / Mutual Funds	0	0
NRI/OCBS	0	0
Private Corporate Bodies	91,60,980	86.31
Indian Public	14,04,848	13.24
<b>Total .....</b>	<b>106,14,156</b>	<b>100.00</b>

**n. Dematerialization of Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 89.44% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2012.

**o. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**p. Requirement of PAN Card in case of Transfer of Shares in Physical Form**

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

- q. **For the Attention of Shareholders holding shares in electronic form**  
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
- r. **Details on use of Public Funds Obtained in the last three years :**  
No Fund has been raised during last three financial years.
- s. **Investors Correspondence**  
Shareholders can contact the following Officials for secretarial matters of the Company :-  
Mr. Puspal Chandra - Tel : 033-2234 6715
- t. **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**  
Not Applicable.
- u. **Code of Conduct**  
The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.
- v. **Registered Office**  
-27, Princep Street, 3<sup>rd</sup> Floor,  
Kolkata-700 072  
URL : [www.denimdevelopers.com](http://www.denimdevelopers.com)

#### **Chairman & Managing Director's Declaration on Code of Conduct**

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:


The Members of  
**Denim Developers Limited**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify

these deficiencies

- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware 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.

For Denim Developers Ltd.

  
Dhruva Narayan Jha  
Chairman


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**ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT  
WITH THE STOCK EXCHANGES**

I, **Dhruva Narayan Jha**, Chairman of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2012.

For Denim Developers Limited

Kolkata, June 30, 2013

  
Dhruva Narayan Jha  
Chairman

**Secretarial Compliance Report for the Year ended 31<sup>st</sup> March 2013**  
**The Board of Directors,**  
**Denim Developers Limited**

We have examined the registers, records and papers of M/s. Denim Developers Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31<sup>st</sup> March 2013.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
10. The Company has not paid any remuneration to the Managing Director and sitting fees to the Directors of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
11. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
12. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
13. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
14. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 299 of the Act.
15. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
16. The Company has not issued any duplicate share certificate during the financial year.
17. The Company has complied with the provisions of section 372A of the Act.
18. The Company :

- a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
  - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
  - d) Was not required to transfer any amount to Investor Education and Protection Fund.
  - e) Was duly complied with the requirement of section 217.
19. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
  20. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
  21. The Company has not issued any Shares, Debentures or other Securities during the financial year.
  22. The Company has not bought back any share during the financial year.
  23. There was no redemption of preference shares or debentures during the financial year.
  24. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  25. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
  26. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31<sup>st</sup> March 2013.
  27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
  28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
  30. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
  31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year 2012-13.

For Acharya S. K. & Associates  
Company Secretaries

Place : Kolkata  
Date : June 30, 2013

**Subrat Kumar Acharya**  
Proprietor  
C.P. No. 5903



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Denim Developers Limited**

We have examined the compliance of the conditions of Corporate Governance by **Denim Developers Ltd.** (The Company) for the year ended 31<sup>st</sup> March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement 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 above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

Place : Kolkata  
Date : June 30, 2013



For **N. Kanodia & Co.**  
Chartered Accountants

*Nikunj Kanodia*  
**Nikunj Kanodia**  
Proprietor

**N. KANODIA & CO.**  
**Chartered Accountants**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF**

**M/S. DENIM DEVELOPERS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. DENIM DEVELOPERS LTD which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cont .....2



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013.
- ii) In the case of the Statement of Profit and Loss of the Profit / Loss for the year ended on that date,
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013; and
  - b. in the case of the Profit and Loss Account, for the *Profit* for the year ended on that date.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books [and proper returns adequate for the purpose of our audit have been received from branches not audited by us]
  - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.;

Cont....3



- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **N. Kanodia & Co.,**  
*Chartered Accountants*  
(Firm Registration No. 327678E)



*Nikunj Kanodia*

(**Nikunj Kanodia**)  
**Proprietor**  
(Membership No. 069995)

Place: 43, Dobson Road,  
Preetam Appt. 5<sup>th</sup> Floor,  
Howrah- 711001

Date: 30/06/2013

**N. KANODIA & CO**  
**Chartered Accountants**

Re. : M/S. DENIM DEVELOPERS LIMITED (31.03.2013)

**Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even dated**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

All the assets have been physically verified by the management during the year under a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.

No part of Fixed Assets has been disposed off during the year.

- ii) a) The inventory of the company consists only of shares/securities in demat form. As per the information given to us, the demat statement is verified from time to time by the management and no discrepancy has been found on such verification.

- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification

- iii) a) The company has not granted any loan to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956.

- b) The company has during the year not taken any loan secured or unsecured from any party covered in the register maintained under section 301 of the Companies Act, 1956. Unsecured Loan taken in earlier year has been repaid in full.

- c) In our opinion, the rate of interest and other terms and conditions of unsecured loan taken by the company were not prima-facie prejudicial to the interest of the company.

In our opinion, payment of the principal amount and interest were regular.

- IV) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purpose of purchase and sale of shares and sale of services. There has been no purchase of Fixed Asset during the year. During the course of our audit, no major weakness has been noticed in the internal control system.

Cond,p/2.



- (v) (i) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contract and arrangements referred to in section 301 of the Act have been entered in the register maintained under that section, and
- (ii) According to the information and explanations given to us, there is no transaction made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the financial year.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year within the provisions of Sec. 58A & 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The activities of the Company doesn't require any cost records to be maintained.
- (ix) The company is regular in depositing with appropriate authorities undisputed statutory dues like income tax, and other material statutory dues applicable to it. As informed to us, provisions of Provident Fund, Investor Education and protection fund, ESI, Wealth tax, Service Tax, C stom duty, Excise Duty are not applicable to the company this year. In our opinion, there are no disputed statutory dues.
- (x) The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash loss during the financial year covered by our audit but has incurred cash loss in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
- (xii) According to the information and explanation given to us the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

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- ( xiii) The Provisions of any special statute as specified under paragraph(xiii) of the order are not applicable to the Company.
- (xiv) The Company is dealing in shares and securities, and proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
- (xvi) According to information and explanation given to us, the term loan (Housing loan) not taken by the Company was not applied for the purpose for which loan was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) In our opinion as the company has not issued any debentures, the provisions of paragraph (xix) are not applicable to the Company.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **N. Kanodia & Co.,**  
Chartered Accountants  
(Firm Registration No. 327668E)



*Nikunj Kanodia*

(Nikunj Kanodia)  
Proprietor  
(Membership No. 069995)

Place: 43, Dobson Road,  
Preetam Appt. 5<sup>th</sup> Floor,  
Howrah- 711001

Date: 30/06/2013

**DENIM DEVELOPERS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2013**

PARTICULARS	Note No.	31.03.2013	31.03.2012
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.1	106,141,560	106,141,560
Reserves and Surplus	2.2	807,552,589	804,372,858
		<b>913,694,149</b>	<b>910,514,418</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payables	2.3	-	2,500,000
Other Current Liabilities	2.4	164,066,000	12,144,000
Short-Term Provision	2.5	1,421,906	112,003
		<b>165,487,906</b>	<b>14,756,003</b>
		<b>1,079,182,055</b>	<b>925,270,421</b>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Non-Current Investments	2.6	100,848,090	774,670,590
Other Non- Current Assets	2.7	575,729	647,695
		<b>101,423,819</b>	<b>775,318,285</b>
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	2.8	59,449,664	2,363,217
Short-term loans and advances	2.9	918,308,572	147,588,919
		<b>977,758,236</b>	<b>149,952,136</b>
		<b>1,079,182,055</b>	<b>925,270,421</b>
<b>TOTAL</b>			
Significant Accounting Policies and Notes to accounts	1		

AS PER OUR REPORT OF EVEN DATE

FOR N.Kanodia & CO.  
CHARTERED ACCOUNTANTS

*Nikunj Kanodia*  
Nikunj Kanodia  
Proprietor  
M. No : 069995  
FRN. 327668E



Place : KOLKATA  
Date : 30th June 2013

FOR AND ON BEHALF OF BOARD

*R. K. Sharma*  
Raj Kumar Sharma  
DIRECTOR

*Dhruva Narayan Jha*  
Dhruva Narayan Jha  
DIRECTOR

Place : KOLKATA  
Date : 30th June 2013



**DENIM DEVELOPERS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

PARTICULARS	Note No.	31.03.2013	31.03.2012
		Rs.	Rs.
<b>INCOME</b>			
Revenue from operations	2.10	6,526,152	985,401
Other Income	2.11	-	455,000
<b>TOTAL INCOME</b>		<b>6,526,152</b>	<b>1,440,401</b>
<b>EXPENSES</b>			
Employee Cost	2.12	972,000	492,000
Other expenses	2.13	952,515	585,930
<b>TOTAL EXPENSES</b>		<b>1,924,515</b>	<b>1,077,930</b>
<b>PROFIT BEFORE TAXATION</b>		<b>4,601,637</b>	<b>362,471</b>
Extraordinary item		-	-
		<b>4,601,637</b>	<b>362,471</b>
Tax Expense	2.14		
Current tax		1,421,906	112,003
Earlier year income tx		-	38,125
<b>NET PROFIT FOR THE YEAR</b>		<b>3,179,731</b>	<b>212,343</b>
Earnings per equity share:	2.15		
Basic and Diluted (Face Value of ` 10/- each, Previous Year ` 10/- each)		0.30	0.02

AS PER OUR REPORT OF EVEN DATE

1

FOR N.Kanodia & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

*Nikunj Kanodia*

*R.K. Sharma*  
Raj Kumar Sharma  
DIRECTOR

*Dhruva Narayan Jha*  
Dhruva Narayan Jha  
DIRECTOR

Nikunj Kanodia  
Proprietor  
M. No : 069995  
FRN. 327668E  
Place : KOLKATA  
Date : 30th June 2013




Place : KOLKATA  
Date : 30th June 2013

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2013

	(In Rupees)	
	31.03.2013	31.03.2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	4,601,637	362,471
Adjustments for		
Interest Received	6,526,152	30,000
Depreciation	-	-
Operating profit before working capital changes	11,127,789	392,471
Adjustments for Capital Changes		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	-	(774,650)
Decrease (Increase) Loan & Advances	(770,719,653)	(50,979,500)
Trade Payable and Provisions	150,731,903	398,471
Cash Generated from operations	(619,987,750)	(51,355,679)
Income Tax Liability For The Year	(1,421,906)	(2,839)
Extraordinary Items	-	(108)
	(1,421,906)	(2,947)
<b>Net Cash From Operating Activities</b>	<b>(610,281,867)</b>	<b>(50,966,155)</b>
<b>B. Cash Flow From Investing Activities</b>		
Decrease / (Increase) in Fixed Assets	-	-
Decrease / (Increase) in Investments	673,822,500	(882,368,090)
Interest Received	(6,526,152)	(30,000)
Misc. Expenditure	575,729	(219,661)
<b>Net Cash from Investing Activities</b>	<b>667,872,077</b>	<b>(882,617,751)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Schem of Amalgamation	-	935,282,322
Unsecured Loan	-	-
Extraordinary Items	-	-
	-	935,282,322
<b>Net Cash used in Financing Activities</b>	<b>57,590,210</b>	<b>1,698,416</b>
Net Increase in Cash & Cash Equivalents	(58,050,562)	(1,232,435)
Opening Balance of Cash & Cash Equivalents	1,399,102	166,667
Closing Balance of Cash & Cash Equivalents	59,449,664	1,399,102

For and on behalf of the Board

  
Dhruva Narayan Jha  
Chairman & Managing Director

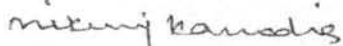
Kolkata, June 30, 2013

We have verified the attached Cash Flow Statement of M/s. Denim Developers Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2013 and found the same in agreement therewith.

Kolkata, June 30, 2013



FOR N. Kanodia & CO.  
Chartered Accountants



Nikunj Kanodia  
Proprietor

M. No : 069995

**DENIM DEVELOPERS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note No.1.1SHARE CAPITAL**

Particulars	31.03.2013		31.03.2012	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of ` 10/- each (Previous Year ` 10/-)	12,250,000	122,500,000	12,250,000	122,500,000
9.5% Cumulative Preference Shares of ` 100/- each (Previous Year ` 100/-)	25,000	2,500,000	25,000	2,500,000
<b>Issued, Subscribed &amp; Paid Up:</b>				
Equity Shares of ` 10/- each (Previous Year ` 10/-)	10,614,156	106,141,560	10,614,156	106,141,560
<b>Total</b>	10,614,156	106,141,560	10,614,156	106,141,560

**Reconciliation of number of shares.**

Particulars	31.03.2013		31.03.2012	
	Number		Number	
Shares outstanding at the beginning of the year	10,614,156	106,141,560	1,023,176	10,231,760
Add : Shares issued on Schem of Amalgamation	9,590,980	95,909,800	9,590,980	95,909,800
Shares outstanding at the end of the year	20,205,136	202,051,360	10,614,156	106,141,560

**Rights, preference and restrictions attached to Equity Shares**

The company has one class of Equity shares having a par value of ` 10/- each. Each shareholder is eligible to one vote per share held.

**Details of Share held by shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Unisys Softwares & holding Ind Ltd	2,401,980	22.63	2,401,980	22.63
V.B. Industries Limited	3,123,000	29.42	3,123,000	29.42
Warner Multimedia Limited	1,920,000	18.09	1,920,000	18.09
Prime Capital Market Limited	1,200,000	11.31	1,200,000	11.31
<b>Total</b>	8,644,980	81.45	8,644,980	81.45

**Note No. 2.2 RESERVES AND SURPLUS**

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Capital Redemption Reserve- Openig balance	2,428,103	2,428,103
Add.Transfer from statement of profit & loss a/c	-	-
	2,428,103	2,428,103
Securities Premium account- Openig balance	839,312,200	839,312,200
Add.Transfer from statement of profit & loss a/c	-	-
	839,312,200	839,312,200
General reserve- Openig balance	60,322	60,322
Add.Transfer from statement of profit & loss a/c	-	-
	60,322	60,322
Forefeited Shares reserve- Openig balance	165,000	165,000
Add.Transfer from statement of profit & loss a/c	-	-
	165,000	165,000
Surplus in Profit & Loss Statement		
Opening balance	(37,592,767)	(37,805,110)
Add: Net Profit for the year	3,179,731	212,343
	(34,413,036)	(37,592,767)
Less: Apropriation		
<b>Total</b>	<b>807,552,589</b>	<b>804,372,858</b>



**DENIM DEVELOPERS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note No. 2.3 TRADE PAYABLES**

Particulars	31.03.2013	31.03.2012
	Rs	Rs
Total outstanding dues of Creditors	-	2,500,000
<b>Total</b>	<b>-</b>	<b>2,500,000</b>

**Note No.2.4 OTHER CURRENT LIABILITIES**

Other payables	366,000	144,000
Provision for Expenses	163,700,000	12,000,000
other advance	-	-
<b>Total</b>	<b>164,066,000</b>	<b>12,144,000</b>

**Note No.2.5 SHORT TERM PROVISIONS**

Provision for Income tax	1,421,906	112,003
<b>Total</b>	<b>1,421,906</b>	<b>112,003</b>

**Note No. 2.6 NON CURRENT INVESTMENTS**

Particulars			31.03.2013	31.03.2012
<b>Long Term Investments (Trade)</b>				
<b>(1) IN FULLY PAID-UP EQUITY SHARES (QUOTED)</b>				
Unisys Softwares & Holding Industries Limited	1,000,000		100,000,000	100,000,000
			100,000,000	100,000,000
<b>(2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)</b>				
Prince Tradecom Pvt Ltd	3,000,000	10.00	777,500	30,000,000
Satabdi Tradelink Pvt Ltd	3,500,000	10.00	-	35,000,000
Parampita Traders Pvt Ltd	75,000	10.00	-	30,000,000
Gemini Commosle Pvt Ltd	200,000	10.00	-	20,000,000
Compas Distributors Pvt Ltd	200,000	10.00	-	20,000,000
Jmd Sounds Ltd	20,000	10.00	-	20,000,000
Sahayta Financial Consultancy Services Pvt Ltd	200,000	10.00	-	20,000,000
Shiv Mangal Vyapaar Pvt Ltd	75,000	10.00	-	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	-	30,000,000
Satabdi Tracon Pvt Ltd	75,000	10.00	-	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	-	30,000,000
Shree Ganesh Sugar Mills Pvt Ltd	200,000	10.00	-	20,000,000
Sargam Vintrade Pvt Ltd	100,000	10.00	-	20,000,000
Hiltop Sales Pvt Ltd	200,000	10.00	-	40,000,000
Sudhanil Vanijya Pvt Ltd	200,000	10.00	-	20,000,000
Thunder Traders Ltd	300,000	10.00	-	30,000,000
Saltlake Vyapaar Pvt Ltd	300,000	10.00	-	30,000,000
Celeste Merchandise Pvt Ltd	200,000	10.00	-	20,000,000
Snapshot Merchants Pvt Ltd	100,000	10.00	-	5,000,000
Meghacity Kutir Pvt Ltd	200,000	10.00	-	20,000,000
Briwasi Distributors Pvt Ltd	100,000	10.00	-	20,000,000
Meghacity Enclave Ltd	405,000	10.00	-	40,500,000
Ksaizen power Limited	75,000	10.00	-	7,500,000
Gannayak Barter Pvt Ltd	75,000	10.00	-	30,000,000
Amber Vincome Pvt Ltd	200,000	10.00	-	20,000,000
Amber Comtrade Pvt Ltd	200,000	10.00	-	20,000,000
Wisher Commodities Pvt Ltd	166,000	10.00	-	16,600,000
Brijdham Dealcom Pvt Ltd	200,000	10.00	-	20,000,000
Jain Stock & Share Brokers Ltd	7,059	10.00	70,590	70,590
	10,723,059		848,090	674,670,590
<b>Total</b>			<b>100,848,090</b>	<b>774,670,590</b>

Aggregate Market Value of un Quoted Investments



**DENIM DEVELOPERS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note No. 2.7 OTHER NON- CURRENT ASSETS**

(Unsecured Considerd Goods)		
Deferred Revenue expenditure	537,263	604,421
Preliminary expenses	38,466	43,274
<b>Total</b>	<b>575,729</b>	<b>647,695</b>

**Note No. 2.8 CASH AND BANK BALANCES**

Particulars	31.03.2013	31.03.2012
Cash and Cash Equivalents		
Balances with banks	566,042	2,229,347
in current accounts	1,940	5,485
Cash on hand	58,881,682	128,385
Fixed Deposit		
<b>Total</b>	<b>59,449,664</b>	<b>2,363,217</b>

**Note No. 2.9 SHORT-TERM LOANS & ADVANCES (Unsecured)**

Particulars	31.03.2013	31.03.2012
<u>Considered good</u>		
Loan and Advances to others	916,683,226	146,942,000
Tax deducted at source	1,121,346	142,919
Share Application	504,000	504,000
<b>Total</b>	<b>918,308,572</b>	<b>147,588,919</b>



**DENIM DEVELOPERS LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note No. 2.10 Other operation Income**

Particulars	31.03.2013	31.03.2012
	Rs.	Rs
Interest on Loan	6,526,152	985,401
<b>Total</b>	<b>6,526,152</b>	<b>985,401</b>

**Note No. 2.11 Other Income**

Commission		455,000
<b>Total</b>		<b>455,000</b>

**Note No. 2.12 Employee Cost**

Salaries	900,000	444,000
Staff Wealfare expenses	72,000	48,000
<b>Total</b>	<b>972,000</b>	<b>492,000</b>

**Note No. 2.13 Other Expenses**

Payment to Auditor	15,000	15,000
Conveyance & Travelling Exp.	56,841	75,568
Preliminary expenses w/off	4,808	4,808
Deferred revenue expenditure w/off	67,158	67,158
Data Processing charges	35,000	35,000
Professional Fees	15,700	83,400
Listing fee	95,506	-
Printing & stationery	36,907	27,667
Bank Charges	24,424	5,591
Advertisements	9,275	19,607
Bpo Charges	265,956	-
Rent Expenses	63,883	50,400
General Expenses	75,546	-
Subscription & Donation	-	2,278
Filling fee	8,000	17,300
Office Maintanance Charges	95,563	107,753
Board Meeting & AGM Expenses	82,948	74,400
<b>Total</b>	<b>952,515</b>	<b>585,930</b>

**Note No. 2.14 Tax Expenses**

Income tax	1,421,906	112,003
Income tax previous year		38,125
<b>Total</b>	<b>1,421,906</b>	<b>150,128</b>



## NOTES "1"

### ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

#### Significant Accounting Policies General

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Accounts of the Company have been prepared on historical cost basis and on accrual basis of Accounting as going concern.
3. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

#### Fixed Assets

5. The Company is not having any of the Fixed Assets during the year under review.

#### Investments

6. Investments are valued at cost.

#### Revenue Recognition

7. Income is accounted on accrual basis except Dividend.

#### Gratuity

8. None of the Employee has completed the service period to become eligible for payment of gratuity.

#### Contingent Liabilities

9. No provision has been made in the books of Accounts as against income tax demand.

#### Others

10. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
11. None of the Earnings / Expenditures is in Foreign Currency.
12. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
13. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
14. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.



15. There was no employee receiving remuneration to the extent as laid on under section 217 (2A) of the Companies Act, 1956.

**Segment Report**

16. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in NBFC Activities. As informed to us, there are not separate segment within the Company as defined as 17 (Segment Report).

17. Auditors Remuneration : 31.03.2013 31.03.2012  
20000 20000  
 Audit Fees

**Related Party Transactions**

18. Key Management Personnel -

a. Mr. Dhruva Narayan Jha - Director  
 b. Mr. Raj Kumar Sharma - Non-Executive Director

**Related Party Transactions**

19. Sum of Rs. Nil has been paid to related party during the financial year under review.

**Differed Tax on Income**

20. Differed Income Tax reflects the impact of reversed of timing difference of earlier year. Deferred Tax is measured on the Tax rates and Tax Laws enacted or substantively enacted at the Balance Sheet date. Differed tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such differed tax assets can be realized.

**Earning per Equity Share**

	Unit	31.03.2013	31.03.2012
Net Profit after Tax available for Share holders	Rs.	3179731	212343
No. of Equity Shares	No.	106,14,156	10614156
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.30	0.002

22. Information pursuant to paragraph 98B of Non Banking Financial Companies Prudential Norms (Reserve Bank) direction, 1998 has been given in separate Annexure.

23. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.  
 As per our report of even date

For N.Kanodia & Co.  
 Chartered Accountant

*Nikunj Kanodia*

Nikunj Kanodia  
 Proprietor  
 Membership No. 069995

Kolkata, June 30, 2013



*Dhruva Narayan Jha*  
 Director

*R. M. Sharma*  
 Raj Kumar Sharma  
 Director