

DIGJAM LIMITED

DIGJAM

Secretarial Department:

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February 4, 2020

BSE Ltd.
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001

National Stock Exchange of India Ltd.
Listing Department,
'Exchange Plaza', C/1, Block G,
Bandra-Kurla Complex,
Bandra (E),
Mumbai 400 051

Code No. 539979

Symbol "DIGJAMLTD"

Dear Sir,


Re: Publication of Audited Financial Results for the financial year ended March 31, 2019 under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Further to our letter dated January 27, 2020, we enclose a copy of the Audited Financial Results for the financial year ended March 31, 2019, which were placed before the meeting of Board of Directors (suspended) & KMP and taken on record in the aforesaid meeting held on date alongwith Auditors' Report for information of all concerned. The Board Meeting commenced at 11.30 a.m. and concluded at 03.15 p.m.

Further, pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby declare that the enclosed Auditors' Report is with disclaimer of opinion with respect to the Audited Financial Results for the Quarter and Financial Year ended March 31, 2019. The Statement on Impact of Audit Qualifications (for Audit Report with disclaimer Opinion) is also enclosed herewith. Kindly take the same on your record.

The same is being also uploaded on the Company's website: www.digjam.co.in

Thanking you,
Yours faithfully,


(Jatin Jain)
Company Secretary
DIGJAM Limited (under CIRP)

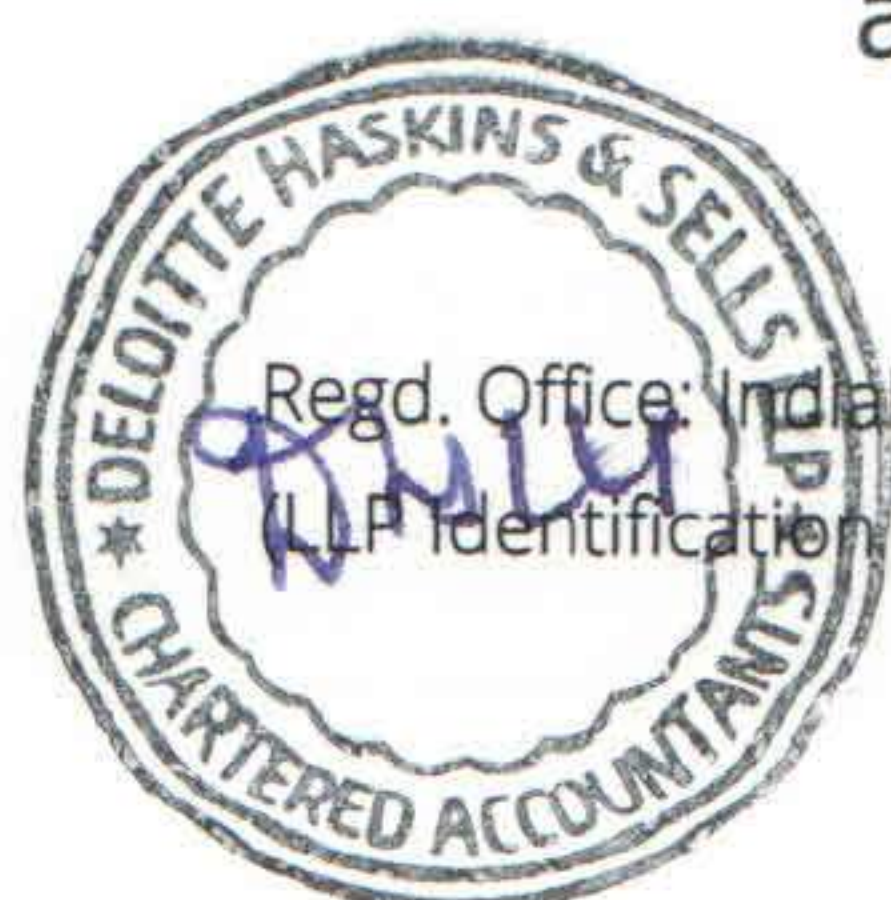
INDEPENDENT AUDITOR'S REPORT TO THE RESOLUTION PROFESSIONAL OF DIGJAM LIMITED

1. We were engaged to audit the accompanying Statement of Financial Results of Digjam Limited ("the Company"), for the year ended 31 March 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

In accordance with the Code, the Honourable National Company Law Tribunal, Ahmedabad ("NCLT") on 26 April 2019 admitted Corporate Insolvency Resolution Process ("CIRP") application against the Company and appointed an Interim Resolution Professional ("IRP")/Resolution Professional ("RP"). In view of the pendency of the Corporate Insolvency Resolution Process, the power and responsibilities of the Board of Directors were suspended and shall vest with the Resolution Professional under the provisions of the Code.

This Statement, which is the responsibility of the Company's Management/Resolution Professional and approved by the Resolution Professional, has been compiled from the related financial statements which has been prepared by the management/Resolution Professional of the Company and, which they represent, have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

2. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India and to issue an auditor's report. However, because of the matters described in paragraph 3 below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement.
3. We refer to the following :
 - a. As per the Statement, the Company's inventories as at 31 March 2019 are carried at Rs. 2,338 lacs, being the lower of cost and net realizable value based on management's estimates. We have not been able to obtain sufficient appropriate audit evidence to test the methods and assumptions used by the Management in determining the net realisable values and therefore we are unable to conclude if the value of inventories is fairly stated in the Statement.
 - b. As per the Statement, as at 31 March 2019, the carrying value of the Company's Property, Plant and Equipment and Intangible Assets are Rs. 17,079 lacs and Rs. 5 lacs respectively. In accordance with Ind AS 36 "Impairment of Assets", in view of the uncertainty of resumption of the Company's operations, the Management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of the Corporate Insolvency Resolution Process as referred in Note 2 of the Statement, we have been informed that the Management has not performed an analysis to determine any impairment to the carrying value of these assets. Consequently we are unable to conclude if any impairment needs to be

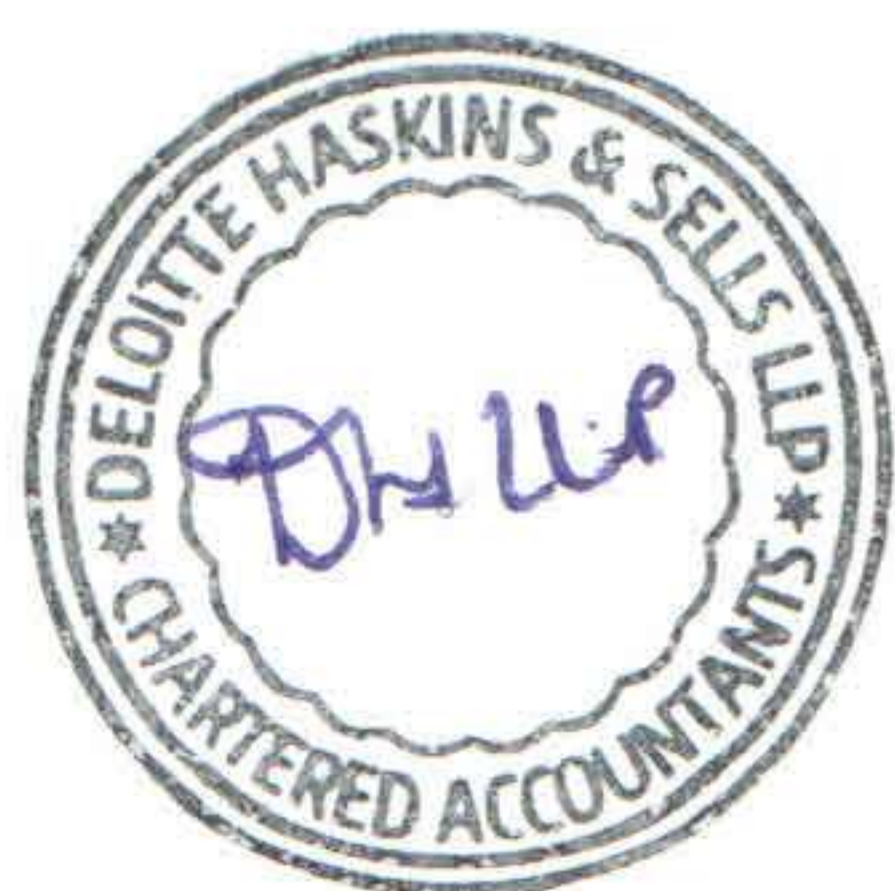


recognised to the carrying value of these assets and its consequential effects on the Statement.

- c. As per the Statement, the Company has trade receivables amounting to Rs. 327 lacs as at 31 March 2019, (of which Rs. 187 lacs has been recovered / adjusted subsequently until the date of this report). In view of suspension of operations, uncertainty of resumption of future operations and absence of confirmations as at the year end, we have not been able to obtain sufficient appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs. 140 lacs and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the Statement.
- d. As per Note 2 to the Statement, which indicates that the Company's production has been suspended since October 2018, the Company has incurred a net loss of Rs. 4,333 lacs during the year ended 31 March 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 10,734 lacs. This indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Note further refers to the current status of the Corporate Insolvency Resolution Process which is initiated subsequent to the year, and the basis for preparing the Statement using the going concern assumption.

Pending the completion of the Corporate Insolvency Resolution Process and in accordance with Insolvency and Bankruptcy Code 2016 ("Code") we have not been able to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of going concern assumption in the preparation of the Statement.

4. Because of the significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/216 dated 5 July 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2019.



5. The Statement includes the results for the quarter ended 31 March 2019 being the balancing figure between figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
(UDIN: 20106189 AAAABA4561)

Ahmedabad
Date: 4 February 2020

DIGJAM LIMITED

(CIN: L17123GJ2015PLC083569)

Registered Office:

Aerodrome Road, Jamnagar 361 006 (Gujarat)

Tel.: 91-288-2712972; Fax: 91-288-2712991

E-mail: digjamcosec@gmail.com; website: www.digjam.co.in

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

(₹ in lacs)

Sl.	Particulars	For Quarter ended			For Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		See Note 5	Unaudited	See Note 5	Audited	Audited
1	Income					
	Revenue from operations	274	89	768	921	5,901
	Other income	52	8	29	109	103
	Total income	326	97	797	1,030	6,004
2	Expenses					
	a) Cost of materials consumed	10	1	89	17	2,385
	b) Purchases of stock-in-trade	35	15	139	127	601
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	722	53	511	1,086	228
	d) Employee benefits expense	358	391	500	1,756	2,403
	e) Finance costs	380	406	358	1,531	1,414
	f) Depreciation and amortisation expense	66	66	68	264	275
	g) Other expenses	219	119	263	685	1,987
	Total expenses	1,790	1,051	1,928	5,466	9,293
3	(Loss) before tax for the period/year (1-2)	(1,464)	(954)	(1,131)	(4,436)	(3,289)
4	Tax expense	-	-	-	-	-
5	(Loss) for the period/year (3-4)	(1,464)	(954)	(1,131)	(4,436)	(3,289)
6	Other comprehensive income (net of tax) Items that will not be classified to profit or loss					
	(i) Re-measurement of defined benefit plan	58	15	126	103	78
	(ii) Income tax related to items no (i) above	-	-	-	-	-
	Other comprehensive income/(loss)	58	15	126	103	78
7	Total comprehensive (loss) for the period/year (5+6)	(1,406)	(939)	(1,005)	(4,333)	(3,211)
8	Paid-up equity share capital (Face value: ₹10 / share)	8,764	8,764	8,764	8,764	8,764
9	Other equity excluding revaluation reserve				(5,867)	(1,534)
10	Earnings per share (of ₹10 each) (not annualised) (₹):- Basic & Diluted	(1.67)	(1.09)	(1.29)	(5.06)	(3.75)



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Notes to the financial results:

1. Statement of Audited Assets and Liabilities:

(₹ in lacs)

	Particulars	As at March 31, 2019 Audited	As at March 31, 2018 Audited
A	ASSETS		
1	Non-Current Assets		
	Property, Plant and Equipment	17,079	17,355
	Other Intangible Assets	5	8
	Financial Assets		
	I. Other financial assets	1	4
	Total Non-Current Assets	17,085	17,367
2	Current Assets		
	Inventories	2,338	3,577
	Financial Assets		
	I. Trade Receivables	327	610
	II. Cash and cash equivalents	251	13
	III. Balances with banks other than (II) above	-	134
	IV. Other financial assets	12	18
	Current Tax Assets (Net)	23	23
	Other Current Assets	60	125
	Total Current Assets	3,011	4,500
	Total – Assets	20,096	21,867
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	8,764	8,764
	Other Equity	(5,867)	(1,534)
	Total Equity	2,897	7,230
2	Non-current Liabilities		
	Financial Liabilities – Borrowings	2,919	2,912
	Other non-current liabilities	90	228
	Provisions	445	472
	Total Non-current Liabilities	3,454	3,612
3	Current Liabilities		
	Financial Liabilities		
	I. Borrowings	5,831	5,550
	II. Trade Payables		
	- due to Micro and Small enterprises	48	48
	- due to other than Micro and Small enterprises	3,297	3,120
	III. Other financial liabilities	4,102	1,849
	Provisions	106	170
	Other Current Liabilities	361	288
	Total Current Liabilities	13,745	11,025
	Total Equity and Liabilities	20,096	21,867

2. Subsequent to year-end, based on a petition filed by operational creditor, a Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code 2016 (Code) has been initiated for the Company vide Order dated 26th April, 2019 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"). Pursuant to Order Mr. Parag Sheth was appointed interim Resolution Professional ("IRP") and Subsequently, Sri Sunil Kumar Agarwal was appointed as Resolution Professional ("RP") vide Order dated January 1, 2020 of the Hon'ble NCLT, as proposed by the Committee of Creditors ("CoC") in their first meeting held on May 24, 2019. Consequently, the powers of the Board of Directors have been suspended and the same are exercisable by IRP/RP, in accordance with the Code.

In accordance with the CIRP, the IRP had published brief particulars of invitation for expression of Interest from prospective Resolution applicants to submit resolution plan and invited Resolution Plans therefor. The IRP has received responses from certain parties who have submitted their respective resolution plans and upon change of IRP to RP, the same will now be examined by the RP. Thereafter, the Resolution plans will be submitted to CoC for their approval. The plan, as approved by the CoC shall be submitted to NCLT for approval in accordance with section 20 of the Code. The RP is taking necessary action as required under the said section to keep the Company as going concern. In view of the above, these Financial Statements have been prepared on going concern basis.

a. Company's inventories as at March 31, 2019 are valued at lower of cost and net realizable value based on management estimates. However, considering that the production had been temporarily suspended since October, 2018 due to extremely tight liquidity and working capital position and subsequently, as Corporate Insolvency Resolution Process ("CIRP") has commenced for the Company wef April 26, 2019, over all operations and sales have been restricted. Further, there could have been some degradation of stocks. These factors could affect net realizable value in subsequent periods.

b. On finalization of a Resolution Plan under the CIRP through Hon'ble NCLT, the Company may carry out, if required, a comprehensive assessment of impairment to the carrying value of the Property, Plant and Equipment and intangible Assets.






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- c. While trade receivables to the extent of Rs. 187 lacs (out of Rs. 327 lacs) has been recovered/adjusted since March, 2019, the recoveries have been slow following disrupted supplies since October, 2018 and are expected to pick up after resolution.
- d. The Company's production has been suspended since October, 2018, the Company has incurred a net loss of Rs. 4,333 lacs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 10,734 lacs. This could indicate existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern. However, following Corporate Insolvency Resolution Process initiated subsequent to the year-end, the Statements have been prepared on a going concern assumption.

The auditors have issued a Disclaimer of Opinion in their Audit Report for the above matters.

3. The Company operates in single business segment "Textiles" (as per IND AS 108 – "Segment Reporting").
4. The Previous periods' figures have been regrouped and rearranged wherever necessary.
5. Figures for the quarters ended March 31, 2019 and March 31, 2018 are the balancing figure between audited figures for the full financial year ended March 31, 2019 and March 31, 2018 and the limited review figures up to the third quarter of the respective financial years.
6. The Board of Directors (suspended) have signed these Financial Results for the year ended March 31, 2019 as per the as per the authority given by the Resolution Professional, Sri Sunil Kumar Agarwal, vide authority letter dated February 3, 2020.

<p>New Delhi February 4, 2020</p>	<p style="text-align: right;">For DIGJAM LIMITED</p> <p style="text-align: center;">    </p> <p style="text-align: right;">(Directors) (Refer Note 6)</p>
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DIGJAM LIMITED

(CIN: L17123GJ2015PLC083569)
Registered Office: Aerodrome Road, Jamnagar 361 006 (Gujarat)
Tel.: 91-288-2712972; Fax: 91-288-2712991
E-mail: digjamcosec@gmail.com; website: www.digjam.co.in

DIGJAM

Extracts of Statement of Audited Financial Results for the Quarter and Year ended March 31, 2019

Sl. No.	Particulars	(Rs. In lacs except per share data)			
		Quarter ended	Year ended		Quarter Ended
		31.03.2019	31.03.2019	31.03.2018	31.03.2018
		See Note 2			See Note 2
1.	Total Income from Operations	326	1,030	6,004	797
2.	Net (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	(1,464)	(4,436)	(3,289)	(1,131)
3.	Net (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(1,464)	(4,436)	(3,289)	(1,131)
4.	Net (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(1,464)	(4,436)	(3,289)	(1,131)
5.	Total Comprehensive (Loss) for the period [Comprising (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	(1,406)	(4,333)	(3,211)	(1,005)
6.	Equity Share Capital	8,764	8,764	8,764	8,764
7.	Earnings per Share (of ₹ 10 each) (for continuing and discontinued operations): - Basic & Diluted	(1.67)	(5.06)	(3.75)	(1.29)

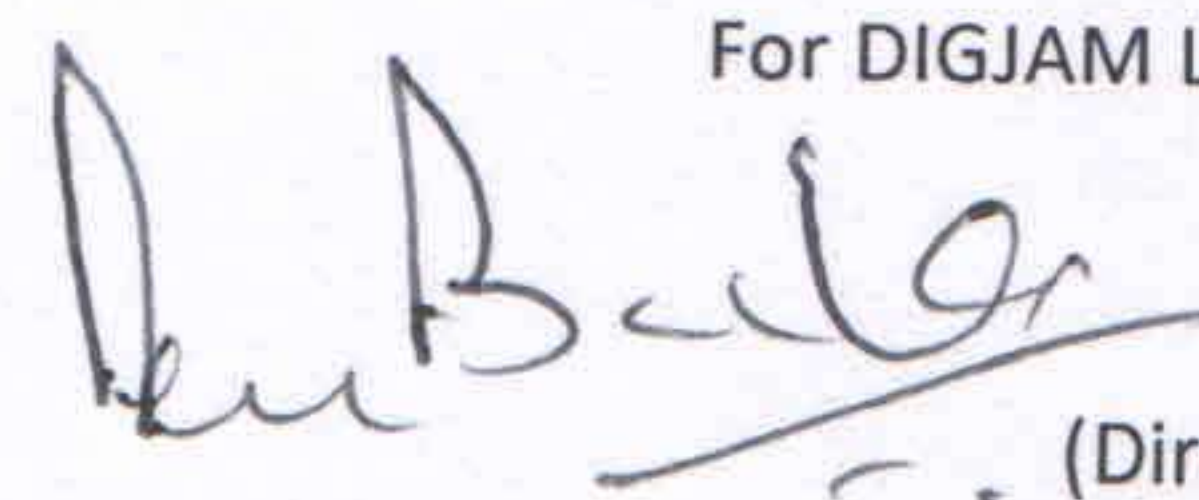
Note:

1. The Board of Directors (suspended) have signed these Financial Results for the year ended March 31, 2019 as per the authority given by Resolution Professional, Sri Sunil Kumar Agarwal, vide authority letter dated February 3, 2020.
2. Figures for the quarters ended March 31, 2019 and March 31, 2018 are the balancing figure between audited figures for the full financial year ended March 31, 2019 and March 31, 2018 and the limited reviewed figures up to the third quarter of the respective financial year.
3. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Full format of the Quarterly / Annual Financial Results are available on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com respectively and on the Company's website at www.digjam.co.in

Date: February 4, 2020

Place: New Delhi

For DIGJAM LIMITED


(Directors)




A. R. Sreedharan


ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results				
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs in Lacs except per share data)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs in Lacs except per share data)
	1	Turnover / Total Income	1,030	1,030
	2	Total Expenditure	5,466	Not quantifiable
	3	Net Profit / (Loss)	-4,436	Not quantifiable
	4	Earnings Per Share (in Rs.)	-5	Not quantifiable
	5	Total Assets	20,096	Not quantifiable
	6	Total Liabilities	17,199	Not quantifiable
	7	Net Worth	2,897	Not quantifiable
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	Audit Qualification (each audit qualification separately):
a.	<p>Details of Audit Qualification :</p> <p>Para 3 and 4 of Independent Auditors' Report which is reproduced hereunder:</p> <p>(I) As per the Statement, the Company's inventories as at March 31, 2019 are carried at Rs. 2,338.24 lacs, being the lower of cost or net realizable value based on management's estimates. We have not been able to obtain sufficient appropriate audit evidence to test the methods and assumptions used by the Management in determining the net realisable values and therefore we are unable to conclude if the value of inventories is fairly stated in the statement</p> <p>(II) As per the Statement, as at March 31, 2019, the carrying value of the Company's Property, Plant and Equipment and Intangible Assets are Rs. 17,078.60 and Rs. 5.37 lacs respectively. In accordance with Ind AS 36 "Impairment of Assets", in view of the uncertainty of resumption of the Company's operations, the Management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of the Corporate Insolvency Resolution Process ("CIRP") as referred in Note 2 of the Statement, we have been informed that the Management has not performed an analysis to determine any impairment to the carrying value of these assets. Consequently we are unable to conclude if any impairment needs to be recognised to the carrying value of these assets and its consequential effects on the Statement.</p> <p>(III) As per the the Statement, the Company has trade receivables amounting to Rs. 327 lacs as at March 31, 2019, (of which Rs. 187 lacs has been recovered subsequently/adjusted until the date of this report). In view of suspension of operations, uncertainty of resumption of future operations and absence of confirmations as at the year end, we have not been able to obtain sufficient appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs. 140 lacs and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the Statement</p>



	<p>(IV) As per Note 2 to the Statement, which indicates that the Company's production has been suspended since October 2018, the Company has incurred a net loss of Rs. 4,333.59 lacs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 10,733.83 lacs. This indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Note further refers to the current status of the Corporate Insolvency Resolution Process which is initiated subsequent to the year, and the basis for preparing the Statement using the going concern assumption.</p> <p>Pending the completion of the Corporate Insolvency Resolution Process and in accordance with Insolvency and Bankruptcy Code 2016 ("Code") we have not been able to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of going concern assumption in the preparation of the Statement.</p>	
b.	Type of Audit Qualification:	Disclaimer of Opinion
c.	Frequency of qualification:	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not quantified by Auditors
e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	
i.)	Management's estimation on the impact of audit qualification:	Not Applicable
ii.)	If management is unable to estimate the impact, reasons for the same:	Impact is not ascertainable as the Company is under IBC and CIR Process has been initiated
iii.)	Auditors' Comments on (i) or (ii) above:	Our view remains unchanged considering the matters referred in para 3 and 4 of our Audit Report.

III	Signatories:	
-	Resolution Professional/CEO/Director	<i>[Signature]</i>
-	CFO	<i>[Signature]</i>
-	Audit Committee Chairman	
-	Statutory Auditors	
	M/s. Deloitte Haskins & Sells LLP	<i>Kartikaya Raval</i>
	Firm Registration No: 117366W/W-100018	
	Kartikaya Raval,	
	Partner	
	(Memb No.: 106189)	
PLACE:	New Delhi	
DATE:	February 4, 2020	