

DIGJAM

DIGJAM LIMITED

ANNUAL REPORT 2020-2021



Bharat Jayantilal Patel

1953-2021

An investor with an inspirational ideology and an industrialist with equal vision and empathy, you have transformed the lives of many. You were an outstanding leader with an unmatched business acumen and your presence and guidance will be remembered as we continue to take your legacy forward.

BOARD OF DIRECTORS

CHAIRMAN

Sri Bharat Jayantilal Patel (DIN: 01100361)
(Chairman and Non-Executive Director)
(upto May 29, 2021)

Sri Hardik B. Patel (DIN: 00590663)
(Chairman and Non-Executive Director)
(w.e.f June 24, 2021)

DIRECTORS

Sri Ajay Kumar Agarwal (DIN: 03508224)
(Non-Executive Non-Independent Director)
(w.e.f August 8, 2020)

Sri D.G. Rajan (DIN: 00303060)
(Independent Director)
(w.e.f July 13, 2020)

Ms. Sudha Bhushan (DIN: 01749008)
(Independent Director)
(w.e.f July 13, 2020)

Sri P. Swaminathan (DIN: 00901560)
(Additional Independent Director)
(w.e.f June 24, 2021)

WHOLE-TIME DIRECTOR

Sri Ajay Agarwal (DIN: 00649182)
(Whole-time Director)
(w.e.f November 25, 2020)

COMPANY SECRETARY

Sri Jatin Jain
(upto November 30, 2020)
Sri Punit Bajaj
(w.e.f June 24, 2021)

SENIOR EXECUTIVES

Sri R. K Tiwari
(Vice-President Works)
Sri Sanjeev Joshi
(Excutive Vice-President Sales and Marketing)

CHIEF FINANCIAL OFFICER

Sri Satish Shah (upto April 10, 2020)
Sri Ajay Agarwal (w.e.f June 24, 2021)

STATUTORY AUDITORS

M/s S.K. Bajpai & Co.

INTERNAL AUDITORS

M/s. R K Doshi & Co. LLP

COST AUDITORS

M/s. ND Birla & Co.

SECRETARIAL AUDITORS

M/s. Viral Shanghavi and Associates

REGISTERED OFFICE & MILLS

Aerodrome Road,
Jamnagar 361 006, Gujarat
e-mail: cosec@digjam.co.in
website: www.digjam.co.in

CORPORATE IDENTITY NUMBER

L17123GJ2015PLC083569

BANKERS

UCO Bank
State bank of India

REGISTRARS AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Ltd.
383, Lake Gardens, 1st Floor,
Kolkata 700 045
email: mcspa@rediffmail.com

INDEX

Contents	Page Nos.
Notice of Annual General Meeting	02
Directors Report	15
Management Discussion and Analysis	35
Corporate Governance Report	37
Statutory Auditors' Report	49
Balance Sheet	52
Statement of Profit & Loss	53
Cash Flow Statement	54
Significant Accounting Policies and Notes to Financial Statements	58

DIGJAM LIMITED

CIN: L17123GJ2015PLC083569

Registered Office: Aerodrome Road, Jamnagar – 361
006, Gujarat, India.E-mail: cosec@digjam.co.in; Telephone: +91 (0288)
2712972-73Website: www.digjam.co.inNOTICE OF THE 6th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of the Company will be held on Monday, September 20, 2021 at 11.00 a.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors ('the Board') and auditors thereon.
2. To appoint a director in place of Sri Hardik B. Patel (DIN: 00590663), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Statutory Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) be and are hereby appointed as the Statutory Auditors of the Company in the place of retiring Statutory Auditors viz. M/s S. K. Bajpai & Co., Chartered Accountants (Firm Registration No. 107023W), effective from the conclusion of this 6th Annual General Meeting (2021) of the Company.

RESOLVED FURTHER THAT M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) be and are hereby appointed as Statutory Auditors of the Company for a first term of 1 (one) year from the conclusion of 6th Annual General Meeting (2021) till the conclusion of 7th Annual General Meeting of the Company (2022) on such terms and conditions including remuneration as may be determined by the Board of Directors of the Company (or Committee thereof), in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

SPECIAL BUSINESS:

4. **To appoint Sri Ajay Agarwal (DIN: 00649182), as Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) {including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force}, Sri Ajay Agarwal (DIN: 00649182), who was appointed as an additional director of the Company with effect from November 25, 2020 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as the director of the Company.

FURTHER RESOLVED THAT any of the directors of the Company and Sri Punit Bajaj, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution.”

5. **To appoint Sri Ajay Agarwal (DIN: 00649182), as Whole Time Director of the Company and to ratify earlier appointment**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, section 152, section 196, section 197, section 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) {including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force}, Sri Ajay Agarwal (DIN: 00649182), who was appointed as whole time director of the Company by the board of directors on November 25, 2020, be and is hereby appointed as whole time director of the Company, not liable to retire by rotation, to hold office as such from November 25, 2020, to November 24,

2023, with a remuneration of Nil per annum, on the terms and conditions as set out in the explanatory statement annexed to the Notice, with a liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Act and rules made thereunder or any statutory amendment(s), modification(s) or re-enactment(s) thereof.

FURTHER RESOLVED THAT any of the directors of the Company and Sri Punit Bajaj, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution.”

6. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014 {including any statutory amendments(s), modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to M/s N.D. Birla & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000028), appointed by the Board of Directors of the Company, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, amounting to Rs. 75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes thereon and re-imbursement of out-of-pocket expenses, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified, confirmed and approved.

FURTHER RESOLVED THAT any of the directors of the Company and Sri Punit Bajaj, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution.”

7. To appoint Sri Panchapakesan Swaminathan (DIN: 00901560), as the Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 149, section 150, section 152, Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) {including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force}, Sri Panchapakesan Swaminathan (DIN: 00901560), who was appointed as an additional director (non-executive independent director) of the Company with effect from June 24, 2021 pursuant to section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of ensuing annual general meeting and who has submitted the declaration that he meets the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1) (b) of Listing Regulations, be and is hereby appointed as the Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (five) consecutive years with effect from June 24, 2021 to June 23, 2026.

FURTHER RESOLVED THAT any of the directors of the Company and Sri Punit Bajaj, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution.”

The Register of Members of the Company will remain closed from September 13, 2021 to September 20, 2021 (both days inclusive).

Place: Jamnagar
Date: August 13, 2021

Registered Office:
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569
cosec@digjam.co.in
www.digjam.co.in

By Order of the Board
For **DIGJAM Limited**

Punit Bajaj
Company Secretary
ACS - 58392

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13,

2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM are also annexed to this Notice.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 91 of the Companies Act 2013, the register of members and share transfer books of the Company will remain closed from Monday, September 13, 2021 to Monday, September 20, 2021 (both days inclusive).
7. Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ and cast their votes through e-voting.
8. In line with such MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (referred as “SEBI Circulars”), the Notice calling the AGM has been uploaded on the website of the Company at www.digjam.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
10. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 6th AGM being held through VC.
11. Members joining the meeting through VC, who have not cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
12. The Company has appointed Viral Sanghavi & Associates, Practicing Company Secretary (Membership No. FCS 10331: COP No. 9035), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

13. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, CDSL, and RTA and will also be displayed on the Company's website at www.digjam.co.in.
14. Corporate members may refer to "Note for Non – Individual Shareholders and Custodians" appearing at the end of this notice and follow the instructions mentioned for voting and participation at the AGM.
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. In line with the MCA Circulars and SEBI Circulars, the notice of the 6th AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at www.digjam.co.in, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.
17. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited ("Registrar" or "RTA") at mcssta@rediffmail.com for assistance in this regard.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
19. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be electronically available for inspection by the Members during the AGM upon login at CDSL e-voting system at www.evotingindia.com.
20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
21. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date i.e. Saturday, September 11, 2021 may cast their vote by remote e-Voting and -Voting during the AGM. The remote e-Voting period commences on Friday, September 17, 2021 at 10.00 a.m. (IST) and ends on Sunday, September 19, 2021 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by CSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Saturday, September 11, 2021. Subject to receipt of requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. Monday, September 20, 2021. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from the CDSL's website www.evotingindia.com or the Company's website www.digjam.co.in.
A person who is not a member as on the cut-off date shall this notice for information purpose and shall have only right to attend the AGM.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting system for all those Members who are present during the AGM through VC but have not cast their votes by availing the remote e-voting facility. The e-voting module during the AGM shall be disabled by CSDL for voting 15 minutes after the conclusion of the Meeting.
23. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at investors@digjam.co.in before 5.00 p.m. (IST) by Wednesday, September 15, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

24. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investors@digjam.co.in between Thursday, September 9, 2021 (9:00 a.m. IST) and Wednesday, September 15, 2021 (5:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
25. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the 6th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investors@digjam.co.in.
26. The details of the Directors seeking re-appointment at the 6th AGM are provided in Annexure A of this Notice. The Company has received the requisite consents/declarations for the re-appointment under the Companies Act, 2013 and the rules made thereunder.
27. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:- a) the change in the residential status on return to India for permanent settlement, and b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
28. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company by mailing at investors@digjam.co.in.
29. As the 6th AGM is being held through VC, the route map is not annexed to this Notice.
30. **The instructions of shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:**
- (i) The voting period begins on Friday, September 17, 2021 at 10.00 a.m. (IST) and ends on Sunday, September 19, 2021 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 11, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alphanumeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <DIGJAM Limited> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- 1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 4) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@digjam.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

14. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC & E-VOTING DURING MEETING ARE AS UNDER:

Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system.

- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- e) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 (five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@digjam.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 (five) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@digjam.co.in. These queries will be replied to by the company suitably by email.
- h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- i) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- j) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- b. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you

can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

Annexure A

EXPLANATORY STATEMENT pursuant to Section 102 of the Companies Act, 2013 ('the Act') read with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No. 2:

A brief resume of the Director offering himself for re-election is given below:

Sri Hardik B. Patel, aged 39 years, is a Masters in Business Administration from Crummer Graduate School of Business, Florida, USA. He is the founder and Promoter of FINQUEST and has worked with pre-eminent investment banks and asset advisory firms such as Merrill Lynch, PCE Investment Bankers and Fidelity Investments in the USA. Sri Hardik B. Patel specializes in developing bespoke client specific solutions including creating prudent asset allocation techniques and building model portfolios.

Sri Hardik B. Patel does not hold any Equity Share in the Company.

Except for Sri Hardik B. Patel and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

Item No. 3: Appointment of M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) as Statutory Auditor of the Company:

Pursuant to the terms of the Resolution Plan approved by the National Company Law Tribunal, Ahmedabad Bench, existing Statutory Auditors, M/s S.K. Bajpai & Co., Chartered Accountants, shall be deemed to have vacated its office on the Closing Date i.e. November 22, 2020 and a person nominated by the Resolution applicant, shall be designated and appointed as the Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company.

In accordance with Section 139(8) of the Companies Act, 2013 and the Board, had appointed M/s. M/s S.K. Bajpai & Co., Chartered Accountants (Firm Registration no. 004330C), as the Statutory Auditor of the Company to hold office for their second term with effect from November 23, 2020, to fill the casual vacancy caused as per aforesaid terms and conditions of the Resolution Plan, to hold office till the conclusion of the 6th Annual General Meeting ('AGM') to be held in the year 2021.

Accordingly, the term of existing statutory auditors gets completed on conclusion of 6th AGM of the Company in terms of the said approval and Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014. As their term will expire on conclusion of 6th AGM, the Board of Directors of the Company proposes to change the Statutory Auditors as part of good corporate governance. The Audit Committee and the Board of Directors at their meetings held on June 24, 2021, after considering various parameters and subject to approval of the shareholders, recommended the appointment of M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) as Statutory Auditors in place of retiring Statutory Auditors, for a term of 1 (one) year commencing from conclusion of this 6th AGM till the conclusion of 7th AGM.

The details, terms and conditions of appointment (including remuneration) of the Auditor proposed to be appointed, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows

Name of the Auditors	M/s. Nayan Parikh & Co., Chartered Accountants
Brief Profile	M/s. Nayan Parikh & Co. (FRN 107023W) ('NPCO') is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established as a sole proprietary concern the Firm today has 8 partners. It has its office at No. 9, 2nd Floor, Jain Chambers, 577 SV Road, Bandra (West), Mumbai 400050, India. NPCO has valid Peer Review certificate. NPCO provides services in the fields of audit and assurance, tax and regulatory, transaction advisory and consulting keeping in mind the regulatory and commercial environment within which the Firm's clients operate.
Credentials	M/s. Nayan Parikh & Co. (FRN 107023W) ('NPCO') is a firm of Chartered Accountants. A brief profile is stated above
Basis of recommendation for appointment	The Board, on the recommendations of the Audit Committee is seeking approval of the members of the Company for appointing M/s. Nayan Parikh & Co., as the new statutory auditors of the Company with effect from the conclusion of the 6th AGM of the Company till the conclusion of 7th AGM, for a period of one year.

Terms of appointment	M/s. Nayan Parikh & Co., are proposed to be appointed as new statutory auditors of the Company with effect from the conclusion of the 6th AGM of the Company till the conclusion of 7th AGM of the Company, for a period of one year on such terms as may be mutually determined by the Board of Directors of the Company in consultation with the Auditors.
Proposed fee payable	Not exceeding Rs. 10,00,000/- (Rupees Ten Lakhs) for the financial year 2021-22 plus applicable taxes and out of pocket expenses, as may be incurred, in connection with the statutory audit of financial statements of the Company.
Material changes in the fee payable to the auditor from that paid to the outgoing auditor	There is no material change in the proposed fees payable to the Auditors as compared to fees paid to outgoing Statutory Auditors for the financial year 2020-21.
Rationale for such change in remuneration	Not Applicable

M/s. Nayan Parikh & Co., Chartered Accountants, have given their consent for appointment as the Auditors of the Company along with a certificate, pursuant to Section 139 (1) and 141 of the Act, and Rule 3 of the Companies (Audit and Auditors) Rules, 2014, as amended, stating that they are not disqualified to act as auditors and that their proposed appointment satisfies the terms and conditions prescribed under the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No.3 of the Notice for the approval of members of the Company.

Item No. 4 & Item No. 5

Pursuant to the resolution plan approved by National Company Law Tribunal, Ahmedabad Bench (‘NCLT’) (‘Approved Resolution Plan’) vide its order dated May 27, 2019, the office of the erstwhile Directors on the Board of Directors of the Company had stood vacated and consequently a new Board was constituted.

The Reconstituted Board, constituted as per the terms of the approved resolution plan, in its meeting held on November 25, 2020, appointed Sri Ajay Agarwal, as an Additional Director (Wholtime Director) of the Company, with a remuneration of Rs 0.00 (Nil) per annum, for a term of three (3) years with effect from November 25, 2020 to November 24, 2023, not liable to retire by rotation, subject to the approval of members of the Company.

Brief Profile of the appointee is given below:

Sri Ajay Agarwal, aged 57 years, is a qualified Fellow member of the Chartered Accountant Institute with more than 30 years of rich experience with various Indian corporates and has held leadership position for steering the operations in the field of Textile, speciality chemicals and metallurgy businesses.

He is credited with setting up a Greenfield Pharma project in overseas location. He has been instrumental in raising funds from strategic investors in his past positions and has adopted a holistic approach to steer the stressed business into a ‘turnaround’ story including ‘Reid & Taylor’ India operations.

Sri Ajay Agarwal does not hold any Equity Shares in the Company.

The Company has received a notice in writing under section 160 of the Act from a member of the Company, proposing the candidature of Sri Ajay Agarwal as a Director of the Company. Sri Ajay Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Broad particulars of the terms of appointment and remuneration payable to Sri Ajay Agarwal are as under:

- a. Salary: Rs 0.00 (Nil) per annum
- b. Perquisites and Allowances: Nil
- c. Contribution to provident fund, superannuation or annuity fund, gratuity etc.: Nil
- d. Remuneration based on net profits: Nil
- e. Increment / Incentive / ESOP etc.: Nil
- f. Reimbursement of Expenses: Nil
- g. General:
 - i. The whole-time director shall perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the board of directors from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the board of directors and the functions of whole-time director will be under the overall authority of the board of directors.
 - ii. The whole-time director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in section 166 of the Act with regard to duties of directors.
 - iii. The whole-time director shall adhere to the Code of Conduct and other policies made by the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Sri Ajay Agarwal as a Whole-time Director.

Sri Ajay Agarwal satisfies all the conditions set out in Part – I of the Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for appointment as whole-time director.

The above may be treated as a written memorandum setting out the terms of appointment of Sri Ajay Agarwal under Section 190 of the Act.

In compliance with the General Circular number 20/2020 issued by the MCA, this Item is considered unavoidable and forms part of this Notice.

Except Sri Ajay Agarwal and their respective relatives, none of the other directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4 and Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 and Item No. 5 for the approval of members.

Item No. 6:

The Board of Directors has appointed M/s N.D. Birla & Co., Cost Accountants, as the Cost Auditors for audit of cost accounting records of the Company for the financial year 2021-22 at a remuneration of Rs. 75,000/- (Rupees Seventy-Five Thousand only) besides applicable taxes and reimbursement of out-of-pocket expenses. In terms of the provisions of Section 148(3) of the Act read with Companies (Audit and Auditors) Rules, 2014, the Members are required to ratify the remuneration payable to the Cost Auditors and accordingly, the consent of the Members of the Company is solicited for the remuneration as set out in the Resolution in Item no. 6 which is accordingly commended for approval.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the said Resolution.

Item No. 7:

The Board of Directors on June 24, 2021 appointed Sri Panchapakesan Swaminathan (DIN: 00901560) as an Additional Director (Independent Director) of the Company for a term of five (5) consecutive years with effect from June 24, 2021 to June 23, 2026, not liable to retire by rotation, subject to the approval of members, under Sections 149, 152, 161, Schedule IV and all other applicable provisions, if any, of the Act read with the Rules made thereunder. Sri Panchapakesan Swaminathan shall hold office upto the date of forthcoming annual general meeting and is eligible to be appointed as the independent director of the Company for a term of five (5) consecutive years.

Brief Profile of the appointee is given below:

Sri Panchapakesan Swaminathan, aged 57 years, is a qualified Chartered and Cost Accountant with 23 years of experience. Prior to setting up his own financial consultancy services, he had worked with Ernst & Young,

Allsec Financials Ltd and his last employment was with Allsec Technologies Limited as Chief Financial Officer. He successfully handled the seed funding, private equity and finally the IPO of the company. In the last 15 years, Sri P. Swaminathan has done Private Equity fund raise of more than \$ 250 Million, Debt Funding of about \$ 200 Million and has also handled a few M&A transactions.

Sri Panchapakesan Swaminathan does not hold any Equity Shares in the Company.

The Company has received a notice in writing under section 160 of the Act from a member of the Company, proposing candidature of Sri Panchapakesan Swaminathan as a Director of the Company. The Company has also received a declaration of independence under Section 149(6) of the Act and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) from him. Sri Panchapakesan Swaminathan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. A copy of the Letter of Appointment of Sri Panchapakesan Swaminathan as the non-executive independent director of the Company, is available for inspection through electronic mode on the basis of request being sent on investors@digjam.co.in.

Sri Panchapakesan Swaminathan is an eminent personality. His professional profile, proven experience in business domain will add value to the Company and deliver good payoffs to shareholders in the form of improved valuations, sound governance practices, good dividend, etc. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Sri Panchapakesan Swaminathan as an Independent Director. In the opinion of the Board of Directors, Sri Panchapakesan Swaminathan, fulfils the conditions specified in the Act and the rules made thereunder for his appointment as Independent Director of the Company and that the proposed Director is independent of the management of the Company. In compliance with the General Circular number 20/2020 issued by the MCA, this Item is considered unavoidable and forms part of this Notice.

Except Sri Panchapakesan Swaminathan, being an appointee and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

Place: Jamnagar
Date: August 13, 2021

By Order of the Board
of Directors
For DIGJAM Limited

Registered Office:

Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569
cosec@digjam.co.in
www.digjam.co.in

Punit Bajaj
Company Secretary
ACS - 58392

ANNEXURE TO THE NOTICE DATED AUGUST 13, 2021

Details of Directors in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard on General Meetings (SS-2)

Name	Sri Hardik B. Patel
Date of Birth/ Age	January 10, 1982 / 39 Years
Profile	Provided in the Explanatory Statement
Nature of her expertise in specific functional areas	Leadership and Management Strategy, Investment Banking, Equity Brokerage & Wealth advisory services including Public Relations, Business Development.
Date of first appointment on the Board	July 13, 2020
Qualification	Master's in Business Administration from Crummer Graduate School of Business, Florida, USA
Experience	
Terms and conditions of appointment	Re-appointment in terms of Section 152 (6) of the Companies Act, 2013
Details of remuneration sought to be paid	Nil
Last drawn remuneration, if applicable	Not Applicable
Shareholding in the company held either himself or on a beneficial basis for any other persons	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
The number of meetings of the Board attended during the Year	3 (2020-21)
Directorship held in other companies as on date	<ul style="list-style-type: none"> • Finquest Properties Private Limited • Krihaan Texchem Private Limited • Finquest Arc Private Limited • Filmquest Entertainment Private Limited • Krishi Organic Chemicals Industries Pvt. Ltd • Finquest Commodities Private Limited • Urvi Holdings Pvt. Ltd • Finquest Financial Solutions Private Limited • Jusal Properties Private Limited • Pankh Properties Private Limited • Premier Tissues (India) Ltd • Pat Holdings Private Limited • Pat Financial Consultants Pvt Ltd • Finquest Securities Private Limited • Sukhwant Properties Private Limited • Rubfila International Limited
Membership/Chairmanship of Committees of other Companies as on date	Nil

Name	Sri Ajay Agarwal
Date of Birth/ Age	June 15, 1964 / 57 Years
Profile	Provided in the Explanatory Statement
Nature of her expertise in specific functional areas	Leadership and Management Strategy, Marketing, Logistics, Import & Exports, Commercial including Public Relations, Business Development.
Date of first appointment on the Board	November 25, 2020
Qualification	A Fellow member of the Institute of Chartered Accountants of India
Experience	More than 30 Years
Terms and conditions of appointment	As per the resolution at Item no. 4 and 5 of this Notice read with the explanatory statement thereto.
Details of remuneration sought to be paid	As per the resolution at Item no. 5 of this Notice read with the explanatory statement thereto.
Last drawn remuneration, if applicable	Not Applicable

Shareholding in the company held either himself or on a beneficial basis for any other persons	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
The number of meetings of the Board attended during the Year	3 (2020-21)
Directorship held in other companies as on date	Krihaan Texchem Private Limited
Membership/Chairmanship of Committees of other Companies as on date	Nil

Name	Sri Panchapakesan Swaminathan
Date of Birth/ Age	January 20, 1965 / 57 Years
Profile	Provided in the Explanatory Statement
Nature of her expertise in specific functional areas	Leadership and Management Strategy, Financial and Investment Banking
Date of first appointment on the Board	June 24, 2021
Qualification	A qualified Chartered and Cost Accountant
Experience	More than 23 Years
Terms and conditions of appointment	Sri Panchapakesan Swaminathan shall be the Independent Director of the Company with effect from June 24, 2021, for a term of 5years.
Details of remuneration sought to be paid	Sitting fees as may be approved by the Board of Directors
Last drawn remuneration, if applicable	Not Applicable
Shareholding in the company held either himself or on a beneficial basis for any other persons	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
The number of meetings of the Board attended during the Year	Nil (2020-21)
Directorship held in other companies as on date	Nil
Membership/Chairmanship of Committees of other Companies as on date	Nil

DIRECTORS' REPORT TO THE SHAREHOLDERS**To the Members,**

The Reconstituted Board of the Company (as defined elsewhere in this Report) have pleasure in presenting the Sixth (6th) Directors' Report together with the audited financial statements of the Company for the financial year ended March 31, 2021 ('Period under Review').

In accordance with the application made by Oman Inc. HUF, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order dated April 26, 2019 ("Insolvency Commencement Order") had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the corporate debtor, i.e., Digjam Limited ("Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). Sri Parag Sheth (IP Registration No. IBBI/PA-002/IP-N00142/2017-18/10381) was appointed as an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code. Subsequently, Hon'ble NCLT vide its Order dated January 1, 2020 had appointed Sri Sunil Kumar Agarwal (IP Registration No. IBBI/PA-001/IP-01390/2018-19/12178) as Resolution Professional ("RP") of the Company. Upon appointment of the IRP / RP, the powers of the Board of Directors were suspended.

Pursuant to its order dated May 27, 2020 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by Finquest Financial Solutions Private Limited ("FFSPL") ("Resolution Applicants") for the Company under Section 31 of the Code. In accordance with the provisions of the Code and the NCLT order, the Approved Resolution Plan is binding on the corporate debtor and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

As per the Approved Resolution Plan, during the period between the NCLT Approval Date (as defined in the Approved Resolution Plan) and the Closing Date (as defined in the Approved Resolution Plan) ("Interim Period") i.e. 180 days from the NCLT Approval Date, a monitoring committee was constituted ("Monitoring Committee") which during the period following the date of approval from Hon'ble NCLT and until the Closing Date, comprising of 1 (One) representative of the Financial Creditors, 2 (Two) representatives of the Resolution Applicants and the Erstwhile Resolution Professional managed the affairs of the Company as a going concern and supervised the implementation of the Resolution Plan. The powers of the Board of Directors continued to remain suspended for the part of the period to which this report pertain to as per the terms of the Approved Resolution Plan. Accordingly, the Monitoring Committee was in office for the part of the period to which this report primarily pertains. During the CIR Process (i.e. between April 26, 2019 and May 27, 2020), the IRP / RP was entrusted with the management of the affairs of the Company. The mandate of the Monitoring Committee was to manage the affairs of the Company as a going concern and supervise the implementation of the Resolution Plan. The Monitoring Committee stood dissolved on completion of the Interim Period, the Reconstituted

Board of the Company took over control over the operation w.e.f. November 22, 2020 and new management was put in place.

The Reconstituted Board of Directors of the Company is submitting this Report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI LODR Regulations"). The

Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to its reconstitution and same was under supervision of the Monitoring Agent.

This Report was discussed in a meeting held with the Key Management Persons and thereafter taken on record by the Reconstituted Board.

IMPLEMENTATION OF RESOLUTION PLAN

The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), vide its order dated May 27, 2020, approved the Resolution Plan submitted by Finquest Financial Solutions Private Limited under Section 31 of the Insolvency and Bankruptcy Code, 2016.

Pursuant to the Approved Resolution Plan, the following key changes have taken place during the Year under review:

- Reduction and cancellation / extinguishment of Share Capital of the Company, detailed in note no. 11 to financial statements;
- Increase in authorised share capital and allotment of securities;
- Reconstitution of the Board of Directors of the Company and its Committees; and
- Revocation of powers of existing Promoters and Promoters Group

FINANCIAL RESULTS

	(Rs. Lakhs)	
	March 31, 2021	March 31, 2020
Operations for the year resulted in (Loss)/Profit before Interest and Depreciation of	(1246.42)	(1,391.11)
less: Finance Costs	23.66	112.79
less: Depreciation	242.47	254.65
(Loss)/Profit for the year before Exceptional Items and Tax	(1512.55)	(1,758.55)
less: Exceptional Items	2406.42	-
(Loss)/Profit Before Tax	893.87	(1,758.55)
less: Taxation	-	-
(Loss)/Profit After Tax	893.87	(1,758.55)

Other Comprehensive Income	-	13.87
Balance brought forward	893.87	(1,744.68)
leaving a Balance of	1845.72	(12,506.28)
which is carried forward		

REVIEW OF KEY BUSINESS MATTERS

After the Approval of the Resolution Plan and implementation of the same by the Monitoring Committee (till closing date) and thereafter by the reconstituted Board, the manufacturing of woollen and worsted fabrics at the Company's mill located at Jamnagar had been recommenced from the month of November, 2020 which was suspended from October 22, 2018 due to extremely tight liquidity, working capital position and due to on-going CIRP Process.

During the Period under Review the Company has achieved a total income of Rs. 611.47 Lakh as against Rs. 88.84 Lakhs in previous financial year. The net profit after tax (after exceptional item) of the Company for the year under review is Rs. 893.87 Lakh as against Loss of Rs. 1744.68 Lakh for the previous year. The net profit for the year under review includes an exceptional item of Rs. 2406.42 Lakh on account of write off/ Impairment / Extinguishment of Current and Non-Current Assets and due to Extinguishment / Write – Back of Non-Current Liabilities provided in earlier years, more particularly described in Note No. 27. of the Financial Statements.

COMPANY'S PERFORMANCE:

The total sales of the Company for the year under review amounted to Rs. 611.47 lakh. The loss before tax and exceptional item was Rs. 1512.55 Lakh mainly due to sub-optimum level of manufacturing operations, lower profitability, provision for doubtful debts and advances, interest burden and depreciation. The Profit after tax of Rs. 893.87 lakh is due to exceptional item of Rs. 2406.42 lakh as mentioned above.

A detailed analysis of financial results is given in the "Management Discussion and Analysis Report", which forms part of this Report.

DIVIDEND:

There is no recommendation of dividend on preference shares and equity shares of the Company for the financial year under review.

TRANSFER TO RESERVES:

No amount has been transferred to Reserves for the financial year under review.

IMPACT OF COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. In assessing the recoverability of Company's assets such as Investments, Loans, Trade receivable etc. the Company has considered internal and external information. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

NATURE OF BUSINESS:

There has been no change in the nature of the business of the Company during the year under review.

DEPOSITS:

During the year under review, your Company has not accepted/ renewed any public deposits within the meaning of Sections 73 to 76A of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Particulars of loans, guarantees or investments pursuant to Section 186 of the Companies Act, 2013 are provided in the notes to the financial statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary, joint venture or associate company.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Demise of Sri Bharat Patel, Chairman

Sri Bharat Patel, Chairman of the Company from 2020 to 2021 breathed his last on May 29, 2021 at Mumbai. Sri Bharat Patel was appointed on the Board of the company in 2020 and was a visionary and a major guiding force in reviving the company which was in severe distress due to on-going CIRP process. Under his Mentorship and Visionary leadership, he accepted challenge to revive many well-known Textile Brands during his long career with a vision to build one of the most trusted Textile Brands in the Country. The Company immensely benefitted from his vision and leadership during his tenure. The Board and the management are committed in carrying forward the vision of Sri Bharat Patel in elevating the company to new heights.

The Board and all the employees pay their homage from their heart for his contributions to the company.

Composition of the Board

During the year under review, Sri Sidharth Birla (DIN: 00004213), Sri S. Ragothaman (DIN: 00042395), Sri A.R. Sreekanth (DIN: 05324789) and Sri G. Ramanathan (DIN: 08321952) have tendered their resignation as Directors of the Company w.e.f. June 25, 2020, in terms of the approved Resolution Plan. The Company places on record its sincere and deep appreciation of the valuable guidance and services rendered by Sri Sidharth Birla, Sri S. Ragothaman, Sri A. R. Sreekanth and Sri G. Ramanathan.

Pursuant to commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional / the Monitoring Committee for the part of the year under review, in accordance with the provisions of the Code / Approved Resolution Plan.

As a part of the implementation of the Resolution Plan, the erstwhile board of directors of the Company were replaced with new board of directors and Monitoring Committee had appointed Sri Bharat Patel (DIN: 01100361), Sri Hardik B. Patel (DIN: 00590663), Sri D. G. Rajan (DIN: 00303060) and Ms. Sudha Bhushan (DIN: 01749008) w.e.f July 13, 2020 in the casual vacancies caused due to resignations of Sri Sidharth Birla, Sri S. Ragothaman, Sri A.R. Sreekanth and Sri G. Ramanathan respectively. The Monitoring Committee had also appointed Sri Ajay Kumar Agarwal (DIN: 03508224) as the Additional Director of the Company effective from August 8, 2020 and the appointment of Sri Ajay Kumar Agarwal, as Director of the Company was approved by the Shareholders of the Company at their 5th Annual General Meeting held on September 26, 2020.

Thereafter, The Board of Directors on November 25, 2020, appointed Sri Ajay Agarwal (DIN: 00649182) as an Additional Director (Whole-time Directors) of the Company, not liable to retire by rotation, for a term of three (3) consecutive years with effect from November 25, 2020 to November 24, 2023, subject to approval of members in the ensuing annual general meeting.

The Board of Directors on June 24, 2021, appointed Sri Panchapakesan Swaminathan (DIN: 00901560) as Additional Director (Independent Director) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years with effect from June 24, 2021 to June 23, 2026, subject to approval of members in the ensuing annual general meeting. Upon the demise of Sri Bharat Patel, the Board of Directors at their meeting held on May 24, 2021 designated Sri Hardik B. Patel as Chairman of the Company.

The Board of Directors of the company comprises of 6 directors as on the date of report details as under:

- Sri Hardik B. Patel (DIN: 00590663), Chairman
- Sri Ajay Kumar Agarwal (DIN: 03508224), Non-executive Non-Independent Director
- Sri D. G. Rajan (DIN: 00303060), Independent Director
- Ms. Sudha Bhushan (DIN: 01749008), Independent Director
- Sri Panchapakesan Swaminathan (DIN: 00901560), Additional Director (Independent Directors)
- Sri Ajay Agarwal (DIN: 00649182), Additional Director (Whole-time Directors)

In the opinion of the Board of your Company, Sri Ajay Agarwal and Sri Panchapakesan Swaminathan are persons of integrity and possesses relevant expertise and experience and they fulfil the conditions specified in the Companies Act, 2013 and the Listing Regulations, for such an appointment.

The board of directors has recommended the appointment of Sri Ajay Agarwal and Sri Panchapakesan Swaminathan in ensuing annual general meeting to members for their approval. Sri Hardik B. Patel, retires by rotation at the 6th

Annual General Meeting and being eligible, offers himself for re-appointment pursuant to Section 152 and other applicable provisions of the Companies Act, 2013.

Key Managerial Personnel

During year under review, Sri Ajay Agarwal (DIN: 00649182) was appointed as Whole Time Director of the Company, for a term of three (3) consecutive years with effect from November 25, 2020 to November 24, 2023. Thereafter, the Board of Directors also designated / Appointed Sri Ajay Agarwal (DIN: 00649182) as the Chief Financial Officer of the Company with effect from June 24, 2021.

Sri Satish Shah has resigned as Chief Financial Officer with effect from April 10, 2020, due to health-related problems. Sri Jatin Jain has resigned as Company Secretary and Compliance Officer with effect from November 30, 2020, due to his pre-occupation. Sri Satish Shah and Sri Jatin Jain both have provided the detailed reason of their resignation and a confirmation that there was no other material reason for their resignation other than the reason provided as above.

Sri Punit Bajaj has been appointed as Company Secretary and Compliance Officer and appointed as key managerial personnel of the Company with effect from June 24, 2021.

Your Company has following key managerial personnel as on date of this report:

Sri Ajay Agarwal, Whole Time Director and Chief Financial Officer;

Sri Punit Bajaj, Company Secretary and Compliance Officer.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each independent director who are part of reconstituted Board confirming that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 read with the schedules, rules made thereunder and Regulation 16(1) (b) of the Listing Regulations.

POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP and other employees is annexed to this Report as Annexure A and is also available on the weblink <http://digjam.co.in/files/policy/Policy%20on%20Remuneration%20to%20Exec%20Director%20%26%20Sr%20Management.pdf>

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

Disclosures pertaining to remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure B.

NUMBER OF MEETINGS OF THE BOARD

Members may kindly note that the directors of the reconstituted board were not in office for the part of the period to which this report primarily pertains. Resolution Professional during the CIRP and Monitoring Committee from completion of CIRP until implementation of Resolution Plan, were entrusted with and responsible for the management of the affairs of the Company.

After the re-constitution of Board as a part of the implementation of Resolution Plan of the Company with effect from November 22, 2020, three (3) board meetings were held during the year under review. For attendance and other details, please refer the Corporate Governance Report which forms part of the Annual Report 2020-21.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As per section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors of the Company were suspended during the CIRP with effect from April 26, 2019 and such powers were vested with the Resolution Professional. As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT vide its order dated May 27, 2020, the Reconstituted Board of the Company took over control over the operation w.e.f. November 22, 2020 after completion of interim period. Therefore, being very short period, it was not feasible for the new board of directors to carry out the performance evaluation of board, its committees and individual directors during the remaining period of year under review after re-constitution.

The Company has put in place a policy containing, inter alia, the criteria for performance evaluation of the Board, its committees and individual Directors (including independent directors) is annexed to this Report as Annexure C.

DIRECTORS' RESPONSIBILITY STATEMENT

Members may kindly note that the directors of the reconstituted board were not in office for the part of the period to which this report primarily pertains. Resolution Professional during the CIRP and Monitoring Committee from completion of CIRP until completion of interim period, were entrusted with and responsible for the management of the affairs of the Company.

As pointed out above, the reconstituted Board of Directors have been in office only since November 22, 2020. The reconstituted Board is submitting this report in compliance with the Act and Listing Regulations and the Directors, as on date, are not to be considered responsible for the fiduciary duties discharged with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to November 22, 2020.

Accordingly, as required under section 134(3) (c) read with section 134 (5) of the Act, the board of directors, based on the knowledge/ information gained by them about the actions of the resolution professional/ Monitoring Committee (i.e. who were entrusted with and responsible for the management of the affairs of the Company prior to the November 22, 2020) and the affairs of the Company in a limited period of time, from the records of the Company, state that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed and no material departures have been made from the same;
- b. such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c. the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. the internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- f. the reconstituted board has devised the proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND THEIR REPORTS**Statutory Auditor**

The terms and conditions of the Resolution Plan approved by the Hon'ble NCLT vide its Order dated May 27, 2020 provides that, the existing Statutory Auditors shall be deemed to vacated their office on the closing date of the interim period (i.e. 180 days from the approval of the Resolution Plan) which is November 22, 2020. Thereafter, the Board of Directors in their meeting held on November 25, 2020 decided that pursuant to the provisions of Section 139(8) of the Companies Act, 2013 and rules made thereunder, M/s S.K. Bajpai & Co., Chartered Accountants (Firm Registration no. 004330C) were appointed as Statutory Auditor of the Company to hold office for their second term w.e.f. November 23, 2020, to fill the casual vacancy as per aforesaid terms and conditions of the Resolution Plan, to hold office till the conclusion of the 6th Annual General Meeting ('AGM') to be held in the year 2021, on such remuneration as may be mutually agreed, between the Board of Directors and the Auditors plus out of pocket expenses as may be incurred.

Accordingly, the term of existing statutory auditors gets completed on conclusion of 6th AGM of the Company in terms of the said approval and Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014. As their term will expire on conclusion of 6th AGM, the Board of Directors of the Company proposes to change the Statutory Auditors as part of good corporate governance. The Audit Committee and the Board of Directors at their meetings held on June 24, 2021, after considering various parameters and subject to approval of the shareholders, recommended the appointment of M/s. Nayan Parikh & Co., Chartered Accountants (Firm

Registration No. 107023W) as Statutory Auditors in place of retiring Statutory Auditors, for a term of 1 (one) year commencing from conclusion of this 6th AGM till the conclusion of 7th AGM.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor' Report does not contain any qualification or reservation. There is also no fraud has been reported by the Auditors in their Audit Report for the year ended March 31, 2021.

Cost Auditor

The Company had appointed M/s N.D. Birla & Co., Cost Accountants, Ahmedabad, to audit the cost accounts of the Company for the year ended March 31, 2021 and the remuneration payable to them was approved by the Members at their 5th Annual General Meeting. Further, the Board of Directors on the recommendation of Audit Committee has re-appointed M/s N.D. Birla & Co., Cost Accountants (Firm Registration No. 000027) as Cost Auditor, to conduct audit of the cost accounting records of the Company for the financial year ending on March 31, 2022. As required under Section 148 of the Companies Act, 2013, a resolution regarding ratification of the remuneration payable to M/s N.D. Birla & Co., Cost Accountants, forms part of the Notice convening the 6th Annual General Meeting of the Company.

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(5) of the Companies (Accounts) Rules, 2014, it is confirmed that the Company has made and maintained the cost records as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013.

Secretarial Auditor

CS Viral Sanghavi (Proprietor: Viral Sanghavi & Associates), Practicing Company Secretary (FCS: 10331, CP: 9035), was appointed as Secretarial Auditor, to conduct the audit of secretarial records of the Company for the financial year ended on March 31, 2021 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is annexed to this Report as Annexure D.

Secretarial Audit Report:

The directors of the reconstituted Board were not in office for the part of the period to which this report primarily pertains. Resolution Professional during the CIRP and Monitoring Committee/Agent from completion of CIRP until completion of interim period i.e. Closing date(November 22, 2020), were entrusted with and responsible for the management of the affairs of the Company. The reconstituted Board of Directors have been in office only since November 22, 2020 and reconstituted Board is submitting these explanations in compliance with the Act. Explanations to the observations made by the secretarial auditor in his report for the year under review are as follows:

- a) The Company had received letter no. NSE/LIST/SOP/0584 dated September 1, 2020 from National Stock Exchange of India Ltd. ("NSE") in relation to levy of fine for various Non-compliance/delay in filings under Regulations 13, 31, 33 and 34 of SEBI (LODR) Regulations, 2015 during CIRP period details as follows:

- a. As required under Regulation 33 of SEBI (LODR) Regulations, 2015; the submission of Audited Financial Results for the year ended March 31, 2019 should have to be disclosed before May 30, 2019 but the same was submitted on February 4, 2020 and the unaudited Financial Results for the quarter ended June 30, 2019, September 30, 2019 and December 31, 2019 should have to be disclosed before August 14, 2019, November 14, 2019 and February 14, 2020 respectively but the same were submitted on April 9, 2020.

In this regard, the NSE has levied fine 12,50,000/-, Rs. 11,90,000/-, 7,35,000/- and 2,65,000/- (exclusive of GST @ 18%) for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- b. As required under Regulation 31 of SEBI (LODR) Regulations, 2015; the submission of the Shareholding Pattern for the Quarter ended September, 2019 and December, 2019 has to be filed with Stock Exchanges within 21 days from the end of the quarter i.e. October 21, 2019 and January 21, 2020 respectively but the same were submitted on March 22, 2020.

In this regard, The NSE levied fine of Rs. 3,04,000/- and Rs. 1,22,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- c. As required under Regulation 13 of SEBI (LODR) Regulations, 2015; the delayed submission of the Statement of investor grievances for the Quarter ended September, 2019, December, 2019 and March, 2020 has to be filed with Stock Exchanges by October 21, 2019, January 21, 2019 and May 15, 2020 (extension granted due to COVID-19) respectively but the statement for QE September & December, 2019 were submitted on March 3, 2020 while statement for QE March, 2020 submitted on May 19, 2020.

In this regard, The NSE levied fine of Rs. 1,33,000/- and Rs. 42,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- d. As required under Regulation 34 of SEBI (LODR) Regulations, 2015; the delayed submission of Annual Report for year ended March 31, 2019 with the Stock Exchanges.

In this regard, The NSE levied fine of 1,40,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

The observations and comments given by the Secretarial Auditors in his report are self-explanatory and hence, the same to be treated as explanation provided under Section 134 of the Act.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditor, Cost Auditor and Secretarial Auditor of your Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously through periodical reviews by management to provide reasonable assurance that all assets are safeguarded; and all transactions entered into by Company are authorized, recorded and reported properly.

Internal control systems are integral to the Company's corporate governance. The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliances as well as an enhanced control consciousness.

The reconstituted board / management are of the opinion that based on the knowledge/ information gained by them about affairs of the Company in a limited period of time from records of the Company, the Company has effective internal financial control systems and policies and such controls are operating effectively. The reconstituted management is taking steps for further strengthening of internal financial controls.

Post-acquisition, the reconstituted Board/management has reviewed the internal controls framework of the Company with an objective to have a robust internal control framework commensurate with the size, scale and nature of business of the Company. The reconstituted management has initiated steps to implement the robust internal control framework. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP).

The details relating to internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of the Annual Report 2020-21.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of this Report.

BUSINESS RISK MANAGEMENT

The main identified risks at the Company are Commercial risks, financial risks, operational risks and legal & regulatory risks. Your Company has established a comprehensive risk management system to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk Management strategy as approved by the board of Directors is implemented by the Company management.

CORPORATE SOCIAL RESPONSIBILITY:

The profit of the Company is less than the amount specified under section 135 of the Companies act, 2013 and, thereby, provision of Corporate social responsibilities and obligation thereof are not applicable to the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed to this Report as Annexure E.

CHANGE IN SHARE CAPITAL

As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated May 27, 2020, the following changes have taken place in the share capital of your Company during the year under review:

Authorised Share Capital

Pursuant to the Resolution Plan, the authorised share capital of your Company was increased from Rs. 1,25,05,00,000 (Rupees One Hundred Twenty-Five Crore and Five Lakh only) divided into 10,00,50,000 (Ten Crore and Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 1,00,05,00,000 (Rupees One Hundred Crore and Five Lakh only) and 25,00,000 (Twenty-Five Lakh) Preference Shares of Rs. 100 (Rupees One Hundred only) each aggregating to Rs. 25,00,00,000 (Rupees Twenty-Five Crore only) to Rs. 1,27,05,00,000 (Rupees One Hundred Twenty-Seven Crore and Five Lakh only) divided into 10,00,50,000 (Ten Crore and Fifty Thousand) equity Shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 1,00,05,00,000 (Rupees One Hundred Crore and Five Lakhs only) and 27,00,000 (Twenty-Seven Lakh) Preference Shares of Rs. 100 (Rupees One Hundred only) each aggregating to Rs. 27,00,00,000 (Rupees Twenty-Seven Crore only) by creation of additional 2,00,000 (Two Lakh) Preference Shares of Rs. 100 (Rupees Hundred Only) each aggregating to Rs. 2,00,00,000 (Rupees Two Crore Only).

Issued, Subscribed and Paid-up Share Capital

Pursuant to the implementation of Resolution Plan as approved by Hon'ble NCLT:

a. Reduction and Cancellation / extinguishment of Share Capital of the Company:

The existing issued, subscribed and Paid-up share capital of the Company was reduced from Rs. 92,64,16,210 (Rupees Ninety-two Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,76,41,621 (Eight Crore Seventy-six Lakh Forty-one Thousand Six Hundred and Twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) preference shares of Rs. 100 (Rupees One Hundred only) each to Rs. 2,00,00,000 (Rupees Two Core only) consisting of 20,00,000 (Twenty Lakh) equity shares of Rs. 10 (Rupees Ten only) each, accordingly the value of issued, subscribed

and paid-up share capital of the Company was reduced by Rs. 90,64,16,210 (Rupees Ninety Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,56,41,621 (Eight crore Fifty-six Lakh Forty-one Thousand Six hundred and twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) Preference Shares of Rs. 100 (Rupees One Hundred only) each.

b. Allotment of Equity Shares and Preference Shares to FFSPL

Pursuant to Resolution Plan, during the year, the Company allotted 1,80,00,000 (One Crore and Eighty Lakhs only) Equity Shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 18,00,00,000 (Rupees Eighteen Crores only) and 27,00,000 (Twenty-Seven Lakhs) – 7% Non-convertible Cumulative Redeemable Preference Shares of Rs. 100 (Rupees One Hundred only) each aggregating to Rs. 27,00,00,000 (Rupees Twenty-Seven Crores only) to Finquest Financial Solutions Private Limited. As on March 31, 2021, the total equity paid-up share capital of your Company was 2,000 Lakhs divided into 2,00,00,000 equity shares of Rs. 10 each fully paid-up and total preference paid-up share capital of your Company was 2,700 Lakh divided into 27,00,000 preference shares of Rs. 100 each fully paid up.

EXTRACT OF ANNUAL RETURN OF THE COMPANY

The copy of the Annual Return of the Company as provided under sub-section (3) of section 92 of the Companies Act, 2013 is available on the web link www.digjam.co.in.

SECRETARIAL STANDARDS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (“SEBI”). Your Company has also implemented several best governance practices.

Separate reports on Corporate Governance Compliance and Management Discussion and Analysis as stipulated under Regulation 34 read with Schedule V of the Listing Regulations forms part of the Annual Report 2020-21 along with the requisite certificate issued by Statutory Auditors of your Company regarding compliance of the conditions of Corporate Governance.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

With reference to Section 134(3) (h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Companies Act, 2013 entered by

your Company during the year under review, were in the ordinary course of business and on an arm’s length basis.

During the year under review, your Company had not entered into any contract or arrangement with a related party which could be considered ‘material’ (i.e. transactions exceeding ten percent of the annual turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of your Company on materiality of Related Party Transactions. There are no transactions that are required to be reported in form AOC-2. However, all the transactions with related parties, which were in the ordinary course of business and on an arm’s length basis, have been disclosed in Note No. 37 of the Financial Statements.

COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

- (1) Audit Committee;
- (2) Nomination and Remuneration Committee;
- (3) Stakeholders’ Relationship Committee.

As the powers of the Board of Directors stood suspended post commencement of the CIR process and continued to remain suspended in terms of the Approved Resolution Plan till closing date ie. November 22, 2020.

Post implementation of Approved Resolution Plan, the Audit Committee, Nomination and Remuneration has been reconstituted in accordance with the provisions of Companies Act, 2013 and SEBI LODR Regulations, with effect from November 25, 2020 the details with respect to the compositions, powers, terms of reference, number and dates of meetings of such committees held during the year are given in details in the report on Corporate Governance which forms part of this Annual Report.

During the year, the reconstituted Board has accepted all the recommendations made by various committees including Audit Committee.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has adopted a Vigil Mechanism/Whistle Blower Policy in terms of the provisions of Companies Act, 2013 and the Listing Regulations, to provide a formal mechanism to the Directors and employees of the Company to report their genuine concerns and grievances about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or Ethics. The policy provides adequate safeguards against victimization of Directors and employees who avail such mechanism and also provides for direct access to the Vigilance Officer and the Chairman of Audit Committee. The Audit Committee of the Board is entrusted with the responsibility to oversee the vigil mechanism. During the year, no personnel was denied access to the Chairman of the Audit Committee. The Vigil Mechanism/Whistle Blower Policy is annexed to this Report as Annexure F and is available on the website of the Company at <http://digjam.co.in/files/Whistle%20Blower%20Policy%20v2.pdf>.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The aim of the policy is to provide protection to women employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where women employees feel secure. All women employees (permanent, contractual, temporary, trainees) are covered under the said policy.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to redress complaints received on sexual harassment.

No complaint was pending at the beginning of the year and none was received during the year.

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

The Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated May 27, 2020 approved the Resolution Plan submitted by Finquest Financial Solutions Private Limited.

Except above, no other significant or material orders were passed by the Regulators or Courts or Tribunals impacting

the going concern status and Company's operations in future.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or events occurred on these items during the year under review:

- a. Receipt of any remuneration or commission from any of its subsidiary companies by the Whole-time Directors of the Company.
- b. During the year under review, the Company has not bought back any of its securities/ not issued any sweat equity shares / not provided any Stock Option Scheme to its employees / not issued any equity shares with differential rights.
- c. There was no revision of the previous year's financial statements during the financial year under review.

ACKNOWLEDGEMENTS

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from its bankers, other stakeholders, concerned Government Departments, other authorities, its channel partners, employees and shareholders.

For and on behalf of the Board

Hardik B. Patel
Chairman
DIN: 00590663

Mumbai
August 13, 2021

Annexure-A**Policy on remuneration to Executive Directors & Senior Management**

This Policy concerns the remuneration and other terms of employment for the Company's Executive Directors and Senior Management (Key Management Personnel and others one level below the Board).

1. Guiding principles:

The objective of this remuneration policy is to outline a framework to support that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent executives of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance.

The Remuneration & Nominations Committee (RNC) of the Board (equivalent to the Nomination & Remuneration Committee in the Companies Act, 2013) determines individual remuneration packages for executive Directors and, where relevant, other senior non-director management personnel, taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

2. Remuneration:**a) Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

c) Severance pay:

There are, in the usual course, no severance fees (routine notice period not considered as severance fees) or other severance benefits.

3. Role of the Remuneration & Nominations Committee:

The Remuneration & Nominations Committee (RNC) of the Board discharges the functions of the Nomination and Remuneration Committee as envisaged under Sec.178 of the Companies Act, 2013. The RNC is responsible for

- a) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this policy;
- b) advising the Board on issues concerning principles for remuneration, remuneration and other terms of employment for Executive Directors & Senior Executives;
- c) recommending to the Board, candidates and terms of employment for EDs and senior executives
- d) monitoring and evaluating programs for variable remuneration;
- e) monitoring and evaluating the application of this Policy; and
- f) monitoring and evaluating current remuneration structures and levels in the Company.

The RNC is also responsible for overseeing the Company's share option schemes and any long term incentive plans, which includes determination and recommendation to the Board of the eligibility for benefits.

4. Authority to decide on deviations from this Policy:

The Board of Directors may, in any individual or collective case, deviate from this Policy if there are, in its absolute discretion, particular reasons to do so.

5. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. No such amendment or modification will be however binding on the Employees unless the same is notified to the Employees in writing.

Annexure B**Particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year:
Not applicable as there is no Executive Director as on March 31, 2021 who is drawing salary/remuneration.
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
Not applicable as there is no Chief Financial Officer and Company Secretary or any other directors drawing remuneration at year end.
- c) The percentage increase in the median remuneration of employees in the financial year: **(15.59%)**
- d) The number of permanent employees on the rolls of Company: **530 (as on March 31, 2021)**
- e) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:
Average increase in remuneration during the last financial year for Employees other than Managerial Personnel is (20.17%) and (0.00%) for Managerial Personnel.
- f) If remuneration is as per the remuneration policy of the Company: **Yes**
Note: For the above computation, sitting fees paid to the Directors, leave encashment and retirement benefits have not been considered as remuneration.

Statement of particulars of employees pursuant to provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of top ten employees in terms of remuneration drawn per annum #

Sr. No.	Name of Employee
1.	Mr. Ajeet Kumar
2.	Mr. Pawan Rathi
3.	Mr. Rajendra Kumar Tiwari
4.	Mr. Sharad Goel
5.	Mr. K. Sudhakaran
6.	Mr. Pradeep Kumar Singh
7.	Mr. V. K. Madhak
8.	Mr. Anand Kumar Singh
9.	Mr. Sanjeev Joshi
10.	Mr. C. L. Vashiar

#The details required under sub-rule 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided on specific request made by any shareholder, which is forming part of this report. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Details of Employees who were:

- I. employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1,02,00,000 per annum: **None**
- II. employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8,50,000 per month: **None**
- III. employee who employed throughout the financial year or part thereof, was in receipt of remuneration during the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **None**

For and on behalf of the Board

Hardik B. Patel
Chairman
DIN: 00590663

Mumbai
August 13, 2021

Annexure C

Criteria for Evaluation of Independent Directors and the Board

The Company's Governance Code provides for review of the overall functioning of the Board and which has been regularly carried out by the Board. The Companies Act, 2013 mandates performance evaluation of the Independent Directors by the Board, inter alia, to determine renewal/extension of tenure. The Act also provides for the Remuneration & Nominations Committee to evaluate every director's performance.

As required under Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements), 2015, the Remuneration & Nominations Committee has laid down the following criteria for performance evaluation of Independent Directors as well as of the Board.

1. Broad understanding of the Company's business including financial, marketing, strategic plans and key issues;
2. Special skills/expertise contributing to the overall effectiveness and diversity of the Board;
3. Making measured and balanced contributions to Board discussions and deliberations after taking into consideration the interests of all stakeholders;
4. Standards of propriety;
5. Assisting the Company in implementing best Corporate Governance practices.

It is expected that while evaluating the Independent Directors on the aforesaid criteria, the Board will be able to record their relative satisfaction and also decide whether to extend or continue the term of appointment of the Independent Director. However, subject to applicable laws, the evaluation details shall be confidential.

Further, the important criteria for evaluating the Board may be:

1. Spread of talent and diversity in the Board;
2. Contribution to effective Corporate Governance and transparency in the Company's operations;
3. Deliberations/decisions on the Company's strategies, policies and plans and provision of guidance to the Executive Management.
4. Monitoring the implementation of the strategies and the executive management's performance;
5. Dialogue with the management.

Annexure DSecretarial Audit Report**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DIGJAM Limited
L17123GJ2015PLC083569
Aerodrome Road,
Jamnagar 361 006

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIGJAM Limited** having CIN: L17123GJ2015PLC083569 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, has admitted petition for initiation of Corporate Insolvency Resolution Process ("CIRP") u/s 9 of the Insolvency and Bankruptcy Code, 2016 ("the Code") filed by operational creditor vide Order no. C.P. (I.B.) 594/9/ NCLT/AHM/2018 dated 26th April, 2019.

The Committee of Creditors had approved the Resolution Plan and was filed with Hon'ble NCLT which was approved by the Hon'ble NCLT vide Orders dated May 27, 2020 and Sri Sunil Kumar Agarwal, erstwhile Resolution Professional ("RP") of the Company has been appointed as Monitoring Agent of Monitoring Committee during Interim Period (i.e. 180 days from approval of the Resolution Plan) to supervise the implementation of the Resolution Plan. The Interim period of Monitoring Committee completed on November 22, 2020 and hence the Board of the Company was re-constituted to manage the affairs of the Company after completion of Interim period.

Further, I have been informed by RP that certain information including the Minutes of meeting of Committee of Creditors ("CoC"), Meeting of Monitoring Committee ("MC") and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than Committee of Creditors, Monitoring Committee and the Hon'ble NCLT.

In view of this, my verification and/or examination of the Board process and compliance, Secretarial Standards as well as related relevant Minutes Books, procedures, papers and documents, etc. are restricted during the period April 1, 2020 to November 22, 2020 under review and wherever applicable herein after in this Secretarial Audit Report and therefor my observation are limited for the period mentioned hereinabove and to the extent as mentioned hereinabove.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable as the Company does not have any Employee Stock Option Scheme and Employee Stock Purchase Scheme]**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company does not have any listed debt securities]**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.]**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not Applicable as there was no reportable event during the period under review];**
- (vi) The laws as are applicable specifically to the Company are as under:
- Textiles Committee Act, 1963;
 - Textiles (Development and Regulation) Order, 2001;
 - Textile (Consumer Protection) Regulations, 1988;

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

- Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India under the Companies Act, 2013.
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") except the Provisions as specified in regulations 17, 18, 19, 20 and 21 which were not applicable during the Insolvency Resolution Process period from – April 26, 2019 to November 22, 2020 in respect of a listed entity which was undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code.

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

- The Company had received letter no. NSE/LIST/SOP/0584 dated September 1, 2020 from National Stock Exchange of India Ltd. ("NSE") in relation to levy of fine for various Non-compliance/delay in filings under Regulations 13, 31, 33 and 34 of SEBI (LODR) Regulations, 2015 during CIRP period details as follows:
 - As required under Regulation 33 of SEBI (LODR) Regulations, 2015; the submission of Audited Financial Results for the year ended March 31, 2019 should have to be disclosed before May 30, 2019 but the same was submitted on February 4, 2020 and the unaudited Financial Results for the quarter ended June 30, 2019, September 30, 2019 and December 31, 2019 should have to be disclosed before August 14, 2019, November 14, 2019 and

February 14, 2020 respectively but the same were submitted on April 9, 2020.

In this regards, the NSE has levied fine 12,50,000/-, Rs. 11,90,000/-, 7,35,000/- and 2,65,000/- (exclusive of GST @ 18%) for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- As required under Regulation 31 of SEBI (LODR) Regulations, 2015; the submission of the Shareholding Pattern for the Quarter ended September, 2019 and December, 2019 has to be filed with Stock Exchanges within 21 days from the end of the quarter i.e. October 21, 2019 and January 21, 2020 respectively but the same were submitted on March 22, 2020.

In this regards, The NSE levied fine of Rs. 3,04,000/- and Rs. 1,22,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- As required under Regulation 13 of SEBI (LODR) Regulations, 2015; the delayed submission of the Statement of investor grievances for the Quarter ended September, 2019, December, 2019 and March, 2020 has to be filed with Stock Exchanges by October 21, 2019, January 21, 2019 and May 15, 2020 (extension granted due to COVID-19) respectively but the statement for QE September & December, 2019 were submitted on March 3, 2020 while statement for QE March, 2020 submitted on May 19, 2020.

In this regards, The NSE levied fine of Rs. 1,33,000/- and Rs. 42,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

- As required under Regulation 34 of SEBI (LODR) Regulations, 2015; the delayed submission of Annual Report for year ended March 31, 2019 with the Stock Exchanges.

In this regards, The NSE levied fine of 1,40,000/- (exclusive of GST @ 18%) respectively for Non-Compliance of the Regulation. The Company has made application/Representation for waiver of fine before the fine waiver Committee of NSE for waiving of the fine.

I further report that during the year under review: -

- Adequate notices are generally given by Company Secretary to Resolution Professional during the period of corporate insolvency resolution process from April 1, 2020 to May 27, 2020 and to Monitoring Agent during the period from May 27, 2020 to November 22, 2020 to schedule the Meetings of Resolution Professional or Monitoring Committee, as the case may be, to manage the affairs of the Company.

Adequate notices are also generally given by Company Secretary to newly constituted Board of Directors of the

Company during the period from November 22, 2020 to March 31, 2021 to manage the affairs of the Company.

Agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

- 2) All the decisions to manage the affairs of the Company are carried out by Resolution Professional during the period from April 1, 2020 to May 27, 2020 and by Monitoring Agent during the period May 27, 2020 to November 22, 2020 and thereafter by the newly constituted Board of Directors of the Company during the period from November 22, 2020 to March 31, 2021. As informed, there were no dissenting views and hence not recorded as part of the minutes. These functions are performed by the Resolution Professional only to the limited extent of discharging the powers of the Board of Directors of the Company (suspended during CIRP) which have been conferred upon him in terms of provisions of Section 17 of the Code.

I further report that based on review of compliance mechanism established by the Company, I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.

As per the information provided and explanations given to me in the representations made by the management and relied upon by me, I further report that, the following are the specific events/actions took place, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

- 1) Pursuant to Section 96 of the Companies Act, 2013, the 5th Annual General Meeting ("AGM") of the members of the Company for the year 2019-20 which was required to be held on or before September 30, 2020. The same was duly convened on September 26, 2020 through Video Conferencing/Other Audio Visual Means.
- 2) The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, vide Order dated April 26, 2019 (Insolvency Commencement Order) had initiated Corporate Insolvency Resolution Process ("CIRP") based on petition filed by the operational creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Sri Parag Sheth IP Registration No. IBBI/IPA-002/IP-N00142/2017-18/10381 was appointed as Interim Resolution Professional (IRP) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of committee of creditors (CoC) held on May 24, 2019, the CoC members unanimously resolved to replace the IRP to the proposed Resolution Professional (RP) by suggesting name of Sri Sunil Kumar Agarwal as a RP

for the remaining period of CIRP. The Hon'ble NCLT, Ahmedabad Bench, vide Order dated January 1, 2020, appointed Sri Sunil Kumar Agarwal as a RP for the Company. Pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were to be exercised by the IRP/ RP.

The Hon'ble NCLT has approved the Resolution Plan submitted by M/s. Finquest Financial Solutions Private Limited vide Order dated May 27, 2020. The Resolution Plan, as approved by the Hon'ble NCLT, is binding on the Company and its employees, members, creditors and other stakeholders involved, as per the provisions of the Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT has also approved the constitution of Monitoring Committee and appointment of Sri Sunil Kumar Agarwal as Monitoring Agent until closing date to supervise implementation of the Resolution Plan.

- 3) The Monitoring Agent decided November 22, 2020 as the closing date for the interim period for the purpose of implementation of requisite actions envisaged under the approved Resolution Plan and re-constitution of the Board of Directors to manage the affairs of the Company.
- 4) Subsequent to approval of Resolution Plan by the NCLT, the following changes have been made in the Company: -
- a) **Reduction and Cancellation / extinguishment of Share Capital of the Company**

The existing issued, subscribed and Paid-up share capital of the DIGJAM Limited was reduced from Rs. 92,64,16,210 (Rupees Ninety-two Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,76,41,621 (Eight Crore Seventy-six Lakh Forty-one Thousand Six Hundred and Twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) preference shares of Rs. 100 (Rupees One Hundred only) each to Rs. 2,00,00,000 (Rupees Two Core only) consisting of 20,00,000 (Twenty Lakh) equity shares of Rs. 10 (Rupees Ten only) each, accordingly the value of issued, subscribed and paid-up share capital of the Company was reduced by Rs. 90,64,16,210 (Rupees Ninety Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,56,41,621 (Eight crore Fifty-six Lakh Forty-one Thousand Six hundred and Twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) Preference Shares of Rs. 100 (Rupees One Hundred only) each.

The reduction of existing issued, subscribed and paid-up share capital of the Company shall be effected by:

- i) the existing equity shares of Promoters and Promoters Group aggregating to 2,75,27,589 shall stand extinguished. The balance 6,01,14,032 no. of equity shares held by public shall be written down by about 96.67% i.e. by cancellation of 5,81,14,032 equity shares. As such these shareholders shall continue to hold 20,00,000 equity shares of face value of Rs. 10 each amounting to Rs. 2,00,00,000 (Rupees Two Crore only), on proportionate basis.
- ii) The existing preference shares of promoters and promoters group aggregating to 5,00,000 number of

preference shares of face value Rs. 100 shall stand extinguished.

In view of determining the Shareholders whose shares will be cancelled/extinguished, the Board of Directors in their Board meeting held on February 8, 2021 had fixed March 4, 2021 as the Record Date for the purpose of reduction. In continuation to this, the Board of Directors at their meeting held on March 19, 2021 has Taken on record the Shareholders whose shares will get Extinguished / Cancelled pursuant to order passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, in view of Record date.

The Company has made necessary application for Reduction of share capital and Listing/Recommencement of equity share trading of the Company before the Stock Exchanges, Depositories, Registrar of Companies etc. As the above applications are under process and to maintain the Symmetry regarding the issued, subscribed and Paid-up share capital of the Company the impact of the Reduction of share capital is not taken effect as on the closing of the Financial Year March 31, 2021. The impact of the reduction of share capital will be taken after application for reduction of share capital of the Company is processed by all above reference authorities.

b) Issue and Allotment of 1,80,00,000 Equity Shares and 27,00,000 Preference Shares to M/s. Finquest Financial Solutions Private Limited ("Successful Resolution Applicant"), as per the approved Resolution Plan

The Company has through its Board of Directors in their meeting held on March 19, 2021 has issued and allotted the securities as per the details mentioned below:

- i) 1,80,00,000 (One Crore and Eighty Lakhs only) Equity Shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 18,00,00,000 (Rupees Eighteen Crores only) to Finquest Financial Solutions Private Limited;
- ii) 27,00,000 (Twenty-Seven Lakhs) – 7% Non-convertible Cumulative Redeemable Preference Shares of Rs. 100 (Rupees One Hundred only) each aggregating to Rs. 27,00,00,000 (Rupees Twenty-Seven Crores only) to Finquest Financial Solutions Private Limited.

The Company has made necessary application for Listing of share capital of equity share of the Company issued to Successful Resolution Applicant before the Stock Exchanges, Depositories, Registrar of Companies etc. The above applications are under process and to maintain the Symmetry regarding the issued, subscribed and Paid-up share capital of the Company the impact of the Securities issued to Successful Resolution Applicant is not taken effect as on the closing of the Financial Year March 31, 2021.

Pursuant to the implementation of the Resolution Plan, the Authorized share capital of the Company stands increased to Rs. 1,27,05,00,000 (Rupees

One Hundred Twenty-Seven Crore and Five Lakh only) divided into 10,00,50,000 (Ten Crores Fifty Thousand only) Equity Shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 1,00,05,00,000 (Rupees One Hundred Crore and Five Lakh only) and 27,00,000 (Twenty-Seven Lakh only) Preference Shares of Rs. 100 (Rupees One Hundred only) each aggregating to Rs. 27,00,00,000 (Rupees Twenty-Seven Crore only).

- iii) The Company has not filed the PAS-3 for the allotment of Equity Shares and Preference shares allotted on March 19, 2021, upto the end of the Financial Year as on 31st March 2021, but has filed it on 28th May 2021.
- c) **Reconstitution of the Board of Directors of the Company with effect from November 22, 2020 and its Committees with effect from November 25, 2020.**
 - i) Appointment of Sri Bharat Jayantilal Patel as Chairman and Non-Executive Director of the Company on a rotational basis.
 - ii) Appointment of Sri Hardik B. Patel as Non-Executive Non-Independent Director of the Company on a Rotational basis.
 - iii) Appointment of Sri Ajay Kumar Agarwal as Non-Executive Non-Independent Director of the Company on a Rotational basis.
 - iv) Appointment of Sri Duraiswamy Gunaseela Rajan as Independent Director of the Company for a period of 5 years.
 - v) Appointment of Ms. Sudha Bhushan as Independent Director of the Company for a period of 5 years.
 - vi) Appointment of Sri Ajay Agarwal as Whole Time Director of the Company for a period of 3 years.

Accordingly, the newly constituted Board and Board Committees are as under:

Board of Directors

- | | |
|--------------------------------------|--|
| (1) Sri Bharat Jayantilal Patel : | Chairman and Non-Executive Director |
| (2) Sri Hardik B. Patel : | Non-Executive Non-Independent Director |
| (3) Sri Ajay Kumar Agarwal : | Non-Executive Non-Independent Director |
| (4) Sri Duraiswamy Gunaseela Rajan : | Independent Director |
| (5) Ms. Sudha Bhushan : | Independent Director |
| (6) Sri Ajay Agarwal : | Whole Time Director |

Audit Committee

- | | |
|--------------------------------------|-------------|
| (1) Ms. Sudha Bhushan : | Chairperson |
| (2) Sri Duraiswamy Gunaseela Rajan : | Member |
| (3) Sri Hardik B. Patel : | Member |

Nomination & Remuneration Committee

- (1) Sri Hardik B. Patel : Chairman
 (2) Sri Bharat Jayantilal Patel : Member
 (3) Sri Duraiswamy Gunaseela Rajan : Member
 (4) Ms. Sudha Bhushan : Member

Stakeholders Relationship Committee

- (1) Ms. Sudha Bhushan : Chairperson
 (2) Sri Ajay Kumar Agarwal : Member
 (3) Sri Ajay Agarwal : Member

d) Revocation of powers of existing promoters and promoters group with effective from May 27, 2020

All powers of management and operation of the Company granted to the erstwhile promoters/promoter group *inter-alia* including the following persons:

- i) Sri S K Birla
 ii) Sri Sidharth Kumar Birla
 iii) Ms. Sumangala Birla
 iv) Ms. Madhushree Birla
 v) Central India General Agents Ltd
 vi) iPro Capital Ltd
 vii) Birla Holdings Ltd
 viii) Janardhan Trading Co Ltd
 ix) Birla Eastern Limited
 x) Nathdwara Investment Co Ltd.
 xi) Sukriti Education Society
 xii) Sushila Birla Memorial Institute and / or their nominees shall stand withdrawn, revoked, terminated and rescinded.

For, **Viral Sanghavi & Associates**
Company Secretaries

CS Viral Sanghavi
Proprietor
M. No. FCS 10331, CP 9035
On 10th August, 2021 at Jamnagar
UDIN: F010331C000765228

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
DIGJAM Limited (L17123GJ2015PLC083569)
Aerodrome Road,
Jamnagar 361 006

Our Secretarial Review Report of even date, for the financial year ended March 31, 2021 is to be read along with this letter.

Management's Responsibility

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility

1. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
 2. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
 3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
 4. The compliance of the provisions of Corporate, Specific and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Disclaimer

1. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
 2. I have not carried out the physical verification of any records due to prevailing conditions of COVID 2019 in the country. I have relied on the records as made available by the Company through digital mode as well as I have also relied on the Management representation made by the Company.

For, **Viral Sanghavi & Associates**
Company Secretaries

CS Viral Sanghavi
Proprietor
M. No. FCS 10331, CP 9035
On 10th August, 2021 at Jamnagar
UDIN: F010331C000765228

Annexure E**Conservation of Energy, Technology Absorption,
Foreign Exchange Earnings and Outgo**

Information as per Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

i. The steps taken or impact on conservation of energy:

Energy conservation receives priority attention on an on-going basis in the Company and continuous efforts are made to conserve and optimize use of energy with constant monitoring, regular maintenance and improved operating techniques. Some specific steps taken include:

- Replacement of DC motors with AC motors and hydraulic systems with AC drives.
- Electronic counter meters and proximity switches are being installed in place of electromechanical counter meters and switches.
- Supply air fans have been replaced with FRP fans in the humidification plant.
- Maintenance of near unity Power Factor; Installation of capacitors to improve PF and reduce transmission losses.
- Use of natural lighting wherever feasible; replacing of conventional lamps with energy efficient lighting.

ii. The steps taken by the Company for utilizing alternate sources of energy:

The Company is examining the usage of solar energy. Further, the Company is presently sourcing part of its power requirement through Indian Energy Exchange where some of the sellers are generating power through renewable resources.

iii. The capital investment on energy conservation equipment:

Financial impact not separately quantified.

B. Technology Absorption

i. The efforts made towards technology absorption:

Constant monitoring of process, technology and product up gradation globally and to offer similar products through in-house R&D as well as through progressive manufacturing activities.

Continuous improvements being made in quality control methods and testing facilities.

Regular interaction with foreign equipment designers and manufacturers and major raw material suppliers for improvements in processing and operating parameters.

ii. The benefits derived:

- a. Fabrics certified in accordance with recognised standards.
- b. Technology upgradation to meet the specifications of exportable products.
- c. Increased range and variety of fabrics with finishes like bio-polishing, 100% wool washable fabrics and nano finished fabrics.
- d. Improvement in quality and marketability of existing products.
- e. Energy and water conservation.
- f. Better and easier availability of materials leading to less dependence on imported items and saving of foreign exchange outgo.
- g. Improved productivity and improved machine performance resulting in saving in process cost.

iii. No fresh technology has been imported during the last three years.

iv. Doing expenditure on Research and Development on normal practice.

C. Foreign Exchange Earnings and Outgo

	Year ended March 31, 2021	Year ended March 31, 2020
Total foreign exchange earned	-	21.22
Total foreign exchange used	61.40	-

For and on behalf of the Board

Hardik B. Patel
Chairman
DIN: 00590663

Mumbai
August 13, 2021

Annexure F**WHISTLE BLOWER POLICY****1. Preface**

- a. The Company has adopted its Corporate Governance Regulations under relevant Regulation, Listing Agreement and Company Law as well as best practices relating thereto. The Board believes that the good governance is voluntary and self-disciplining, with the strongest impetus coming from Directors and the management itself. The management and organization at DIGJAM Limited aims to be progressive, competent and trustworthy, while reflecting and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has formulated the Code of Conduct for Directors and Senior Management (“the Code”), which lays down the principles and standards that should govern the actions of the Company and their employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. This policy requires the employees to report violations, i.e., every employee of the Company shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company.
- b. Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for directors, stakeholders, employees and their representatives to freely communicate their concerns about illegal or unethical practices/behavior, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.
- c. Under the Companies Act, 2013 every listed company is required to establish a vigil mechanism for directors and employees to report genuine concerns.
- d. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company.

2. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code/Company’s Rules.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Clause 49 of the

Listing Agreement with the Stock Exchanges.

- b. **“Employee”** means every employee of the Company and their representative bodies including Directors of the Company.
- c. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Audit Committee and include the auditors of the Company and the police.
- d. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. **“Company”** means DIGJAM Limited.
- f. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

3. Scope

- a. This Policy is an extension of the Code of Conduct for Directors & Senior Management, Code of Best Practices for the Board and Rules and Regulations of the Company. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.
- c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

4. Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or its subsidiaries. Any such disclosure shall be made within a reasonable time from the occurrence of the alleged violation and in any case, not later than six months from alleged occurrence.

5. Disqualifications

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

- c. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company.
- b. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- c. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigator appointed for this purpose.
- d. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- e. The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure (and not in the Protected Disclosure itself). Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible for it to interview the Whistle Blowers.

7. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator, as directed by Audit Committee, who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. Any member of the Audit Committee who may have a conflict of interest in respect of the matter under investigation/the protected disclosure, should recuse himself and the other members of the Committee shall deal with the matter.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

8. Protection

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of Audit Committee (e.g. during investigations carried out by Investigators).
- b. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- c. Any violation of the above protection should be reported to the Chairman of the Audit Committee who shall cause the same to be investigated and

recommend appropriate action, if required, to the management.

9. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. Decision

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the management of the Company to take such disciplinary or corrective action as the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The Investigator shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of three years.

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

MANAGEMENTS DISCUSSION AND ANALYSIS REPORT

We submit herewith our Managements' Discussion & Analysis Report for the year ended March 31, 2021. We have included discussions on all specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's competitive position.

INDIAN ECONOMIC OVERVIEW

With an overall slowdown in the global economy which is estimated to have contracted by around 3.3% in 2020 on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth is expected to be reversed with positive growth of 6% expected to moderate to 4.4% in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum pan-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. Growth in India is estimated to have contracted to -7.3% in FY 2021 with the country witnessing a second wave of the pandemic in March, 2021. The localised lockdowns have resumed which are likely to impair economic activity. However, the COVID-19 pandemic has severely impacted economies worldwide. Basis the fallout, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, etc.

TEXTILES

Global Textile Industry

The COVID-19 pandemic has impacted each and every business in some way or the other, the global textile industry has been drastically impacted. Asia, being one of the largest markets for textile industry in the world has suffered due to sudden drop in international demand for their products coupled with prolonged lockdowns and restrictions in majority of Asian countries. Shortage of raw materials and several supply chain disruptions have worsened the situation globally. It is estimated that exports to major buying regions in the European Union, United States, and Japan might decline by approx. 70%. The key markets in the textile industry are China, European Union, the United States and India, all of which were affected due to the COVID-19 pandemic.

Indian Textile Industry

The textiles sector is a major contributor to the Indian economy in terms of foreign exchange earnings and employment. Textile & garments industry in India is expected to reach US\$223 Billion by 2021 from US\$140.4 Billion in 2018. India is the third-largest textile manufacturing industry and contributes approximately 6% to the total textile production, globally.

India ranks 2nd as the largest producer of textiles and garments and is the 5th largest exporter of textiles spanning apparel, home and technical products.

The Government of India is working on major initiatives and reforms in the Textile sector, including launch of a 'Mega Integrated Textile Region and Apparel (MITRA) Park' scheme to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period; starting a focused product scheme; positioning the country as a global hub in the man-made fibre (MMF) and technical textiles segments. Competitive advantage, robust demand, favourable government policies, increasing investments and urbanisation are expected to be the key drivers for revival of the industry.

COMPANY & INDUSTRY STRUCTURE

The Company operates in woollen worsted textiles segment and operates a fully equipped composite mill (ISO 9001 certified) in Jamnagar, Gujarat, which has been manufacturing high quality worsted fabrics for over last six decades. The woollen worsted industry in the country comprises of a few mills in the organized sector and a number of units in the unorganized sector. Company's commitment to quality and customer orientation reflects in its strong widely recognized and valuable brand - **DIGJAM**. The mill had a proven track record of design and manufacture of high-quality fabrics. The Company is proactive in its marketing efforts by enhancing its brand visibility, strengthening marketing organization and closer interaction with and expansion of its channel partners.

OPERATIONS

The financial year ended met with a pandemic COVID-19 which has impacted in each and every sector of the industries in India and the textile industry is not an exception.

The textile industry remains one of the mainstays of the national economy, and a significant contributor to Indian exports. The woollen/worsted fabric industry, however, increasingly faces challenges in the market from changing consumption patterns driven by cheaper alternative fabrics and shift away from daily formal wear. The demand during the year was particularly affected due general liquidity constraints in the market. The prices of wool have surged further during the year setting new highs, mainly due to shortage of raw materials and several supply chain disruptions due to on-going COVID-19 Pandemic have worsened the situation globally, resulting in higher raw material cost.

Pursuant to Hon'ble NCLT, Ahmedabad Bench order dated May 27, 2020 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by Finquest Financial Solutions Private Limited ("FFSPL") ("Resolution Applicants") for the Company under Section 31 of the Code. The Reconstituted Board of the Company took over control over the operation w.e.f. November 22, 2020 and new management was put in place. The new management of the Company is gaining confidence of the various stakeholders viz. vendors, suppliers, lenders and customers etc.

We believe that our business is backed by necessary skills and expertise and remain cautiously optimistic that performance will improve as the Resolution Plan has been approved now, with continuing momentum of operational improvements and expected upturn in the economic conditions helping domestic as well as export demand.

ENVIRONMENT & SAFETY

We are fully conscious of the need for both environmentally clean and safe operations. Our policy requires all operations to be conducted in a way so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources.

HUMAN RESOURCES

Management recognizes that employees represent our greatest assets and it is only through motivated, creative and committed employees that we can achieve our aims. Hence, the Company attempts to take care of welfare and betterment of employees.

OTHER MATTERS

During the period under review, Pursuant to its order dated May 27, 2020 NCLT Order, the Adjudicating Authority approved the resolution plan submitted by Finquest Financial Solutions Private Limited. We look forward to a further implementation of the Plan to utilize the Company's intrinsic strengths. Internal control systems are regarded as being adequate and are continuously reviewed for further improvement. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence including compliance with all relevant regulations and laws. We record our appreciation of all our sincere employees, gratefulness to our Shareholders, lenders and banks and other stakeholders, concerned Government and other authorities and our channel partners for their continued support and to customers for their reposing faith and confidence in us.

CAUTIONARY STATEMENT

Statements in this "Managements' Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. However, actual results could or may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations also include success of implementation of the approved Resolution Plan, global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, economic developments within India and countries with which the Company conducts business besides other factors, such as litigation and labour negotiations.

CORPORATE GOVERNANCE REPORT

The Company follows principles of good governance and emphasizes transparency, integrity and accountability. We believe that good governance is voluntary, self-disciplining with strongest impetus from Directors and the management itself. The management and organization at Digjam Limited endeavors to be progressive, competent and trustworthy, for customers and stakeholders, while reflecting and respecting the best of Indian values in its conduct.

CORPORATE INSOLVENCY RESOLUTION PROCESS

The Company was undergoing the corporate insolvency resolution process ("CIRP") with effect from April 26, 2019 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"). During the said process, the powers of the board of directors of the Company were suspended and were being exercised by the Resolution Professional ("RP") duly appointed by the Adjudicating Authority which in this case is Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"). The Company continued to operate as a going concern and while the RP managed the affairs of the Company from the initiation of CIRP proceeding till the approval of Resolution Plan.

The Resolution Plan submitted by Finquest Financial Solutions Private Limited ('Resolution Applicant') was approved by the committee of creditors ("CoC") of the Company. The RP submitted the CoC approved Resolution Plan to the Hon'ble NCLT for its approval and the NCLT vide its order dated May 27, 2020 approved the Resolution Plan, submitted by the resolution applicant under Section 31 of the IBC.

As per the approved Resolution Plan, a Monitoring Committee was constituted for the implementation of the Resolution Plan and all the decisions which could otherwise have been taken by the Company's board of directors, were taken by the Monitoring Committee and Shri Sunil Kumar Agarwal (IP Registration No. IBBI/IPA-001/IP-01390/2018-19/12178), who acted as Resolution Professional during CIRP of the Company, was appointed to act as the Monitoring Agent. As a part of the implementation of the Resolution Plan, the erstwhile board of directors of the Company were replaced by the new board of directors with effect from November 22, 2020 i.e after completion of the interim period (period of 180 days from date of approval of Resolution Plan by Hon'ble NCLT) and took control over the management of the Company.

THE BOARD OF DIRECTORS

The Board of the Company is broad-based and consists of eminent individuals. The Company is managed by the board of directors in co-ordination with the senior management team.

The Hon'ble NCLT, vide its order dated May 27, 2020, approved the Resolution Plan submitted by Finquest Financial Solutions Private Limited under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Resolution Plan"). As a part of the implementation of the Resolution Plan, the new Board of directors were appointed by the Monitoring Committee and thereafter they took control over the management of the Company with effect from November 22, 2020.

As on March 31, 2021, the Board comprises of six (6) Directors. The Board has an optimum combination of executive and non-executive Directors including one (1) woman independent director. Out of total Six (6) Directors, one (1) is executive director, three (3) are non-executive non-independent directors and two (2) are independent directors. The composition of the board of directors of the Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board had 2 independent Directors viz. Sri D.G. Rajan, Ms. Sudha Bhushan.

During the year under review, on June 25, 2020, all four Directors of the Company of the erstwhile Board of the Company i.e. Sri Sidharth Birla (DIN: 00004213), Sri S. Ragothaman (DIN: 00042395), Sri A.R. Sreekanth (DIN: 05324789) and Sri G. Ramanathan (DIN: 08321952), vacated the office of Directors as per the terms and conditions of the approved Resolution Plan. Thereafter, Sri Bharat Patel (DIN: 01100361), Sri Hardik B. Patel (DIN: 00590663), Sri D. G. Rajan (DIN: 00303060) and Ms. Sudha Bhushan (DIN: 01749008) were appointed as Directors by the Monitoring Committee wef. July 13, 2020 in the casual vacancies caused due to resignations of Sri Sidharth Birla, Sri S. Ragothaman, Sri A.R. Sreekanth and Sri G. Ramanathan respectively. The Monitoring Committee had also appointed Sri Ajay Kumar Agarwal (DIN: 03508224) as the Additional Director of the Company effective from August 8, 2020 and the appointment of Sri Ajay Kumar Agarwal, as Director of the Company was approved by the Shareholders of the Company at their 5th Annual General Meeting held on September 26, 2020.

Thereafter, The Board of Directors on November 25, 2020, appointed Sri Ajay Agarwal (DIN: 00649182) as an Additional Director (Whole-time Directors) of the Company, not liable to retire by rotation, for a term of three (3) consecutive years with effect from November 25, 2020 to November 24, 2023, subject to approval of members in the ensuing annual general meeting.

After closer of the Financial Year, the demise of Sri Bharat Patel, Non-executive Director and Chairman of the Company breathed his last on May 29, 2021 at Mumbai. The Board of Directors on June 24, 2021, appointed Sri Panchapakesan Swaminathan (DIN: 00901560) as Additional Director (Independent Director) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years with effect from June 24, 2021 to June 23, 2026, subject to approval of members in the ensuing annual general meeting. Upon the demise of Sri Bharat Patel, the Board of Directors at their meeting held on May 24, 2021 designated Sri Hardik B. Patel as Chairman of the Company.

During the year, Company's Board met three (3) times i.e. on November 25, 2020, February 8, 2021 and March 19, 2021 after the reconstitution of Board. The Company has held a minimum of one board meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Companies Act, 2013.

Agenda papers are sent electronically to the directors, well in advance, before the meetings. Draft minutes of the board and committee meetings are circulated to the directors of the Company for their comments and thereafter, noted by the board/committees at the next meeting.

During the year under review, the position of the Chairman is non-executive, non-managerial in nature.

The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri Ajay Agarwal is the Whole Time Director & Chief Financial Officer accountable to the Board for actions and results and is the only executive director. Sri Bharat Patel is the father of Sri Hardik B. Patel, hence, both are related to each other; Except the aforesaid, no other director of the Company is related to any other directors on the Board. Details are given below by category, board and general meeting attendance, shareholding, fees and total Directorships besides Memberships and Chairmanships of Board Committees.

Director	Category	Board attendance *	Attendance at last AGM	B/M/Ch**	Sitting Fees Paid Rs.	Shares held as on March 31, 2021
Sri Bharat Patel Chairman (w.e.f July 13, 2020)	Non-independent non-executive	2/3	N.A	2/-	-	-
Sri Hardik B. Patel Director (w.e.f July 13, 2020)	Non-independent non-executive	3/3	N.A	1/1-	-	-
Sri Ajay Kumar Agarwal Director (w.e.f August 8, 2020)	Non-independent non-executive	3/3	Yes	1/1-	-	100
Sri D. G. Rajan (w.e.f July 13, 2020)	Independent Non- Executive	2/3	Yes	4/7/5	55,000	-
Ms. Sudha Bhushan (w.e.f July 13, 2020)	Independent Non- Executive	3/3	N.A	3/4/2	85,000	-
Sri Ajay Agarwal Whole Time Director (w.e.f November 25, 2020)	Executive	3/3	Yes	1/1-	-	-

* : For the period under review (attendance data relates to relevant meetings while a Director)

** : B = Board Membership (public limited companies only), M/Ch = Membership/Chairmanship of SEBI specified Board Committees including Digjam Limited.

All the directors have informed about their committee membership/chairmanship as mandated by Regulation 26(1) of the Listing Regulations and on the basis of that, none of the directors on the Board of the Company acts as a member of more than ten (10) committees or acts as a chairperson of more than five (5) committees (considering only Audit Committee and Stakeholders Relationship Committee) in which he/she is a director.

All the independent directors have submitted a declaration that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an independent judgment and without any external influence. Further, in compliance with sub-rule (1) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all the existing independent directors of the Company have applied online to the Indian Institute of Corporate Affairs ("IICA") for inclusion of their name in the data bank and they have received the registration certificate from IICA.

Details of Skill/experience/ competence of Directors as required are provided in the Annexure.

Appointment and remuneration of any Executive Director require approval of shareholders and such appointments are made for not more than five years and, when eligible, they can be re-appointed at the end of the term. Independent Directors, as required under the Companies Act, 2013 ('the Act'), are appointed for a term of upto 5 years in Annual General Meeting, and are eligible for re-appointment but cannot hold office for more than two consecutive terms (becoming eligible again after the expiry of three years from ceasing to be an independent director). 1/3rd of the other Directors retire every year and, when eligible, qualify for re-appointment. Nominee Directors, if any, are not considered independent and do not usually retire by rotation.

All specified details are provided in the notice for appointment or re-appointment of the directors.

Familiarization Program

Independent Directors are given a formal letter of appointment which, inter alia, explains their role, function, duties and responsibilities. The Company has drawn up a Familiarization Programme for Independent Directors with a view to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of industry in which the company operates, business model of the Company etc. (weblink: <http://digjam.co.in/files/policy/Familiarization%20Programme%20for%20>

Independent%20Directors.pdf). The Remuneration & Nominations Committee has laid down the criteria for performance evaluation of Independent Directors and such evaluation is to be done by the Board (excluding the Director being evaluated) and based on the evaluation, the Board determines the continuation/extension of the term. Performance evaluation of Non-Independent Directors and the Board as a whole and Chairman of the Company is also required to be done by the Independent Directors as per relevant regulations.

RESPONSIBILITIES

The Board's principal focus is on strategic issues and approval, policy and control and delegation of powers and it has specified a schedule of major matters (covering those required under law or SEBI Code) that are reserved for its consideration and decision, including, inter alia, review of corporate performance, reporting to shareholders, approving annual budget including capital budget, monitoring the implementation and effectiveness of the governance practices, appointing key executives and monitoring their remuneration, monitoring and managing potential conflicts of interest, ensuring integrity of Company's accounting and financial reporting system and that appropriate systems of control are in place, reviewing Board evaluation framework, setting up corporate cultural values and high ethical standard, treating all shareholders fairly and exercising objective independent judgment on corporate affairs.

The respective roles of the Board and the Management are clearly demarcated. The Management is required to (a) provide necessary inputs and basis to support the Board in its decision making process in respect of the Company's strategy, policies, performance targets and code of conduct (b) manage day-to-day affairs of the Company to best achieve targets and goals approved by the Board (c) implement all policies and the code of conduct, as approved by the Board (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its Committees (e) be responsible for ensuring strict and faithful compliance with all applicable laws and regulations and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board. The Board requires that the organization conducts business and develops relationships in an honest and responsible manner. To establish a policy framework to promote and adhere to the spirit, a Code of Conduct for all employees of the Company has been instituted and the Board has adopted a Business Code of Conduct for Directors and Senior Executives. In accordance with the requirements, the Board has laid down the Whistle Blower Policy and Policy for Prevention of Sexual Harassment at Work place. The Board has also laid down the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as well as the Code of Conduct to Regulate, Monitor and Report Trading by Employees & other Connected Persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The overall management of the Company is vested in the Whole Time Director, subject to general supervision, control and direction of the Board. Sri Ajay Agarwal (DIN: 00649182) who was appointed by the reconstituted Board with effect from November 25, 2020 as the Whole Time Director of the

Company holds the qualifications of Chartered Accountant and has about 30 years of corporate and industrial experience. The day-to-day working of the plant at Jamnagar is looked after by experienced officers. The Chief Financial Officer/ General Manager (Accounts and Finance) heads the finance function discharging the responsibility entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

BOARD MEETINGS AND COMMITTEES

Board Meetings are held at varying locations and are usually scheduled in advance. The Board generally meets at least once a quarter after reconstitution of Board wef. November 22, 2020 to, inter-alia, review all relevant matters and approve the quarterly financial results. Independent Directors are required to meet at least once a year without the presence of non-independent directors and the management to, inter alia, discuss prescribed matters. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. The agenda for meetings is prepared by the Company Secretary, in consultation with the Chairman and papers are circulated to all Directors in advance. Draft minutes of the board and committee meetings are circulated to the directors of the Company for their comments and thereafter, noted by the board/committees at the next meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the agenda. Senior Officers are called to provide clarifications and make presentations whenever required. The Board met three (3) times on November 25, 2020, February 8, 2021 and March 19, 2021. To enable fuller attention to the affairs of the Company, the Board delegates specified matters to its committees, which also prepare groundwork for decision-making and reports to the Board. However, no matter is left to the final decision of any committee, which under law or the Articles may not be delegated by the Board or may require its explicit approval.

Independent Directors separately met on March 30, 2021 to, inter alia, discuss matters prescribed under Company Law and Regulation 25 of the SEBI Listing Regulations. The meeting was attended by Sri D. G. Rajan and Ms. Sudha Bhushan.

COMMITTEES OF THE BOARD

As a part of the implementation of the Resolution Plan approved the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 27, 2020 under Section 31 of the Insolvency and Bankruptcy Code, 2016, the following Committees of the Board have been reconstituted with effect from November 25, 2020:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee

Audit Committee

The terms of reference of the Audit Committee, as specified by the Board in writing, include the whole of the matters

specified in SEBI Listing Regulations and the Companies Act, including a review of audit procedures and techniques, financial reporting systems, reviewing and approving related party transactions and disclosure thereof, scrutiny of any loans & investments, reviewing the functioning of Whistle Blower mechanism, review of Management Discussion & Analysis Report, reviewing internal control systems and procedures, management letters/letters of internal control weakness from Auditors, Internal Audit Report related to internal control weaknesses besides ensuring compliance with regulatory guidelines. The majority of committee members are Independent Directors. The Committee members collectively have requisite knowledge of finance, accounts and company law. The Committee recommends the appointment of CFO, external, internal, secretarial and cost auditors and their fees and other payments and also takes an overview of the financial reporting process to ensure that financial statements are correct, sufficient and credible. Any financial report of the Company can be placed in the public domain only after review by the Audit Committee. The reports of the statutory and internal auditors are regularly reviewed along with management's comments and action-taken reports. The Committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it needs to do so.

As on March 31, 2021, the Committee comprises Ms. Sudha Bhushan (Chairperson), Sri D. G. Rajan and Sri Hardik B. Patel and is mandated to meet at least four times in a year; to assess the final audited accounts and to review each quarter, the quarterly results and the limited review report before they are put up to the Board. The Committee met one (1) time on February 8, 2021 after reconstitution during the year. The meetings were scheduled in advance. Ms. Sudha Bhushan, Sri D. G. Rajan and Sri Hardik B. Patel attended all meetings held during the year ended March 31, 2021. Chairperson of the Audit Committee could not attend the Annual General Meeting due to unavoidable circumstances.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee (which discharges the functions of the Nomination & Remuneration Committee as envisaged under Section 178 of the Act) comprises of non-executive Directors, majority of whom are independent. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; any compensation of non-executive Directors is a subject only for the whole Board. The Committee has devised a policy on Board diversity and when required, makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further Directors to strengthen the Board. The Committee has also formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy for the remuneration of the Directors, Key Managerial Personnel and other employees as well as criteria for evaluation of Independent Directors and the Board (Remuneration Policy and the Evaluation criteria are annexed). The Committee, as on March 31, 2021, comprises of Sri Hardik B. Patel (as Chairman), Sri Bharat Patel (non-executive Director),

Ms. Sudha Bhushan (Independent Director) and Sri D. G. Rajan (Independent Director). Sri Bharat Patel ceased to be Member of the Committee w.e.f May 29, 2021 due to sad demise. Pursuant to the approval of the Resolution Plan, the powers of the Board of Directors continued to stand suspended in accordance with the provisions of the Approved Resolution Plan. Accordingly, no meeting was held during the financial year ended March 31, 2021.

The Board approved payment to each Independent Director sitting fees of Rs.25,000 for every Board Meeting, Rs. 5,000 for every Audit Committee meeting, Rs.5,000 for Stakeholders Relationship Committee meeting, Rs. 5,000 for Remuneration & Nominations Committee and Rs. 5,000 for separate meeting of Independent Directors. No commission is paid to any Director.

Stakeholders Relationship Committee

The Committee is empowered to consider and resolve the grievances of security holders of the Company as well as to discharge all functions of the Board in connection with transfers and issue of certificates and record keeping in respect of the securities issued by the Company from time to time as well as to oversee the performance of the Registrar and Share Transfer Agents. Any shareholder grievance is referred to this Committee in the first instance for earliest resolution of a problem. The Company has about 65,000 shareholders and with a view to expedite share transfers, the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited, has been authorised to effect share transfers/transmissions, etc. The Deputy Company Secretary, Sri Punit Bajaj, is appointed as Compliance Officer under relevant regulations with effect from February 8, 2021. As on March 31, 2021, the Committee comprises of Ms. Sudha Bhushan (Chairperson), Sri Ajay Kumar Agarwal and Sri Ajay Agarwal. During the year, 3 complaints/queries were received and all have been resolved. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2021. The Committee met 1 time on February 8, 2021 after reconstitution during the year. The meetings were scheduled in advance. Ms. Sudha Bhushan, Sri Ajay Kumar Agarwal and Sri Ajay Agarwal attended meeting held during the year ended March 31, 2021.

SHAREHOLDER INFORMATION & RELATIONS

The primary source of information for Shareholders is the Annual Report, which includes, *inter-alia*, the reports of the Board and the Auditors, audited Accounts, and the Management's Discussion and Analysis Report on operations and outlook. Management's statement on the integrity and fair presentation of financial statements is provided to the Board as part of the process of accounts approval. Shareholders are intimated via print media of quarterly financial results and performance besides significant matters, within time periods stipulated from time to time by Stock Exchanges. Quarterly results are published in Financial Express, all editions (including Ahmedabad, in Gujarati).

General Meetings of the Company are held at its Registered Office at Aerodrome Road, Jamnagar 361 006, Gujarat. The 1st and 2nd Annual General Meetings were held on September 23, 2016 (at 10.00 a.m.) and September 22, 2017 (at 10.00 a.m.) respectively at Company's Registered

Office at Aerodrome Road, Jamnagar 361 006 while the 3rd Annual General Meeting was held on September 28, 2018 (at 9.00 a.m.) at Ashirwad Club Resort, Near Jamnagar – Khambhaliya By-Pass Road, Jamnagar 361 006. The 4th and 5th Annual General Meeting was held on August 7, 2020 (at 10:00a.m.) and September 26, 2020 (at 5:00 p.m.) respectively through Video Conferencing/Other Audio Visual Means and deemed address for both the meetings was at Company's Registered Office at Aerodrome Road, Jamnagar 361 006, 2020. Besides, the Special Resolutions for approving the appointment of and remuneration payable to Sri C. Bhaskar as Managing Director for the period from March 18, 2016 to December 31, 2017, for keeping the Register of Members of the Company and the respective Register of other security holders, if any, as required u/s 88 of the Act together with the Index of Members and/or other security holders at the office of RTA and for amendment of Articles of Association at the Annual General Meeting held on September 23, 2016, Special Resolution was approved at the AGM held on September 28, 2018 for approving the appointment of and remuneration payable to Sri C. Bhaskar as Managing Director for three years wef January 1, 2018. No Special Resolution was put through postal ballot during the year and there is no item in the notice for the forthcoming Annual General Meeting requiring postal ballot. No Dividend has been declared so far and thus there was no date of mailing nor delay in payment. The Company keeps all shareholders informed via advertisements in appropriate newspapers of relevant dates and items requiring notice. **MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata 700 045 are Registrars and Share Transfer Agents (RTA)** both for shares held in physical and dematerialized form. The address for Shareholders' general correspondence is Company Secretary, DIGJAM Limited, Aerodrome Road, Jamnagar 361 006 (Gujarat); designated e-mail ID for grievance redressal is investors@digjam.co.in (of Compliance Officer) and mcssta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to Registrars directly in case of any inquiry/grievances, etc. The Company had published and shall continue to publish quarterly results etc. in English and relevant vernacular print media and hold Annual General Meetings, and pay dividends (if any) within the time limits prescribed by law or regulations. The relevant information is displayed on the Company's website: www.digjam.co.in.

No presentation has been made to institutional investors, etc. The financial year of the Company is from April 1 to March 31. The Company continues to upload from time to time necessary financial data on its website. There are no GDR/ADR, warrants or other secured convertible instruments issued or outstanding. The Company's Equity Shares are listed at National Stock Exchange of India Ltd., Mumbai (Stock Code 'DIGJAMLTD') and BSE Ltd., Mumbai (Stock Code 539979). The Company has paid the up-to-date listing fees for each of these Stock Exchanges. Equity Shares of the Company are compulsorily traded in dematerialized form. The Company has entered into agreements with NSDL and CDSL. The ISIN is

INE731U01010. As on March 31, 2021, 8,69,38,763 Equity Shares representing 99.20% of the total Equity Shares were held in dematerialized form and 7,02,858 Equity Shares representing 0.80% were held in physical form. Out of the balance as on April 1, 2020 of the unclaimed 3,31,703 shares held by 12,417 shareholders credited in "DIGJAM Limited Unclaimed Suspense Account" in dematerialized form, no shareholders/heirs have approached for claiming the shares during the year and accordingly, 3,31,703 shares belonging to 12,417 shareholders remain unclaimed to the credit of this account. Voting Rights in respect of the aforesaid 3,31,703 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders. By operation of the 2nd Proviso to sub-section (2) of Section 47 of the Act, the holder of 5,00,000 – 8% Non-Convertible Redeemable Preference Shares (unlisted) of Rs. 100/- each, a company forming part of the Promoter Group, became entitled to 50,00,000 Voting Rights thereon with effect from March 27, 2017.

Distribution of shareholding pattern of Equity Shareholding, high/low market price data and other information is given below:

Distribution and pattern of Equity Shareholding as on March 31, 2021:

Distribution of Equity Shareholding				
Shareholding range (Nos.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	53,467	82.41	52,26,120	5.96
501 – 1000	4,813	7.42	42,67,337	4.87
1,001 - 2,000	2,804	4.32	46,30,474	5.28
2,001 - 5,000	2,228	3.44	79,10,756	9.02
5,001 - 10,000	878	1.35	68,99,490	7.87
10,001 and above	688	1.06	5,87,07,444	66.99
Total	64,878	100.00	8,76,41,621	100.00

This statement is on the basis of the Shareholding pattern as on March 31, 2021 submitted to the Stock Exchanges.

Note:

The Company had initiated the process for Reduction of share capital pursuant to Order dated May 27, 2020 by the Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad approving the Resolution Plan. In view of above, the Board of Directors in their Board meeting held on February 8, 2021 has fixed March 4, 2021 as the Record Date for determine the name of eligible members whose shares will be extinguished and cancelled. In continuation to this, the Board of Directors at their meeting held on March 19, 2021 has taken on record the Shareholders whose shares has been extinguished / cancelled and allotted 18,00,00,000 Equity Shares to Finquest Financial Solutions Private Limited pursuant to approved terms of the Resolution Plan and the necessary application for extinguishment / cancellation is made with the concerned authorities which is under consideration. Hence, the effect of extinguishment / cancellation is not included in the shareholding pattern and related details presented in this report.

Pattern of Equity Shareholding as on 1

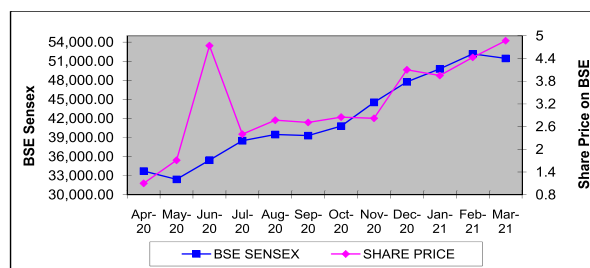
	Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoter Holding					
1.	Promoters				
	Indian Promoters	9	0.01	2,75,27,589	31.31
	Foreign Promoters	--	--	--	--
2.	Person acting in concert	--	--		--
	Sub Total	9	0.01	2,75,27,589	31.41
Non-Promoters Holding					
1.	Institution				
	Mutual Funds	3	0.00	740	0.00
	Banks, FIIs, Insurance Companies	33	0.05	87,07,653	9.94
	FIIs	--	--	--	--
	Sub Total	36	0.05	87,08,393	9.94
2.	Non-Institutions				
	Indian Bodies Corporate	395	0.61	35,96,680	4.10
	Individuals holding nominal capital up to Rs. 1.00 Lakh	63208	97.43	3,34,68,150	38.19
	Individuals holding nominal capital more than Rs. 1.00 Lakh	269	0.41	1,37,87,669	15.73
	Non-residents-Individuals	957	1.48	5,42,912	0.62
	Other (Clearing Members, NRIs, HUF, Trust, Overseas Corporate Bodies, Foreign Corporate Bodies and EPFA)	4	0.01	10,228	0.01
	Sub Total	64,833	99.94	5,14,05,639	58.65
	Total	64,878	100.00	8,76,41,621	100.00

This statement is on the basis of the Shareholding pattern as on March 31, 2021 submitted to the Stock Exchanges.

Aggregate of non-promoter shareholding: 68.59 %

Monthly High and Low Market Price Data of Equity Shares [April 2020 to March 2021]				
	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
Year 2020				
April	1.10	0.80	1.15	0.80
May	1.71	1.07	1.55	1.05
June	4.78	1.75	3.45	1.55
July	4.96	2.33	3.90	2.35
August	3.85	2.30	3.60	2.30
September	3.10	2.39	3.05	2.40
October	3.30	2.64	3.30	2.65
November	3.01	2.50	3.00	2.45
December	4.47	2.76	4.45	2.80
Year 2021				
January	5.49	3.76	5.50	3.80
February	4.74	3.45	4.60	3.50
March	4.88	4.43	4.90	4.40
During the Year	5.49	0.80	5.50	0.80

Equity performance compared to BSE Sensex during April 1, 2020 to March 31, 2021



The Credit Analysis & Research Limited (CARE) had revised the Company's credit rating in July, 2017 to CARE (Single D) for Long Term Bank Facilities for INR 40.50 Crores and for Short Term Bank Facilities for INR Rs. 54.00 Crores. During the year in subject, credit rating agency has withdrawn the ratings assigned to the Company for Bank Facilities due to the Resolution Plan approved by the Adjudicating Authority vide its Order dated May 27, 2020.

SUSPENSION OF TRADING OF EQUITY SHARES ON STOCK EXCHANGES

The equity shares of the Company is temporary suspended from trading on BSE Limited and National Stock Exchange of India Limited from March 4, 2020 due to restructuring of capital of the Company pursuant to the implementation

of Resolution Plan duly approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 27, 2020 under Section 31 of IBC.

COMMODITY AND FOREIGN EXCHANGE RISKS

The Company is exposed to commodity price risks due to fluctuation in prices of raw materials. Further, the Company is liable to pay for its imports/expenses in the relevant currency (US Dollar, Australian Dollar, Euro and/or Pound) while major part of its export receivables are denominated in US Dollar and Euro; accordingly, the Company is subject to foreign exchange risks arising from fluctuations in the exchange rates vis-a-vis the Indian Rupee. The Company seeks to mitigate commodity price risks through constant monitoring of input prices, and advance booking/purchases of raw materials when relevant subject to availability of funds. In respect of foreign exchange risks, the Company takes pro-active steps to manage these risks, by regularly tracking the currency parity scenario and at times taking suitable forward cover in consultation with the Bankers to the Company.

ANNUAL GENERAL MEETING FOR FY 2020-21

Pursuant to the General Circular dated April 8, 2020, the General Circular dated April 13, 2020, the General Circular dated May 5, 2020, the General Circular dated June 15, 2020, the General Circular dated September 28, 2020, the General Circular dated December 31, 2020 and the General Circular dated January 13, 2021 issued by the Ministry of Corporate affairs ("MCA Circulars"), the 6th Annual General Meeting ("AGM") for the year ended March 31, 2021 is scheduled to be held on Monday, September 20, 2021 at 11:00 a.m. through Video Conferencing ("VC").

The members may attend the 6th AGM scheduled to be held on Monday, September 20, 2021, through VC. Detailed instructions for participation are provided in the notice of the 6th AGM.

NEXT FINANCIAL CALENDAR

Company's Financial Year is based on 12 Months Starting from 1st April to 31st March

1st Quarterly Results: Before August 14, 2021

2nd Quarterly Results: Before November 14, 2021

3rd Quarterly Results: Before February 14, 2022

Audited Yearly Results for the Year ending March 31, 2022: Before May 30, 2022

Date of Book Closure: From Monday, September 13, 2021 to Monday, September 20, 2021 (Both Days Inclusive)

Dividend Payment Date: During the year under review the Company has not declared dividend.

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, managerial

staff and workmen, trainees, contract) are covered under this Policy. No related complaint was filed during the year, and accordingly, none are pending.

MANDATORY/NON-MANDATORY DISCLOSURE

- a. During the year under review, there have been no transactions of a material nature of the Company with its promoters, Directors or the management, their subsidiaries or relatives, etc. except for transactions of routine nature as disclosed in the notes on accounts. Accordingly, there have been no potential conflict(s) with the interests of the Company. The "Policy on materiality of related party transactions and on dealing with related party transaction" as approved by the Board may be accessed from the link <http://digjam.co.in/files/policy/Policy%20on%20Related%20Party%20Transactions.pdf>.
- b. During the year under review, there has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the SEBI or any Statutory Authority on any matter related to capital markets except:
 - i. There was delay in declaring the Results under Regulation 33 of Listing Regulations for Year ended March 31, 2019 and for Quarter ended June 30, 2019, September 30, 2019 and December 31, 2019. Due to this NSE levied fine of Rs. 12,50,000/-, 11,90,000/-, 7,35,000/- and 2,65,000/- respectively for Non-Compliance of the Regulation vide its letter dated September 1, 2020;
 - ii. There was also delay in filing the with Stock Exchanges like Shareholding Pattern under Regulation 31 of Listing Regulations for Quarter ended September 30 & December 31, 2019. Due to this NSE levied fine of Rs. 3,04,000/- and Rs. 1,22,000/- respectively for Non-Compliance of the Regulation vide its letter dated September 1, 2020;
 - iii. There was also delay in filing the with Stock Exchanges like submission of Investor Grievances Statement under Regulation 13 of Listing Regulations for the quarters ended September 30, 2019 and December 31, 2019. Due to this the NSE levied fine of Rs. 1,33,000/- and Rs. 42,000/- respectively for Non-Compliance of the Regulation vide its letter dated September 1, 2020;
 - iv. There was also delay in filing the with Stock Exchanges like submission of Annual Report for year ended March 31, 2019. Due to this NSE levied fine of Rs. 1,40,000/- for Non-Compliance of the Regulation vide its letter dated September 1, 2020.

The Company has made necessary applications/ Representations for waiver of fine before the appropriate department of NSE and the same is under consideration.
- c. The Company has complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing

Regulations, to the extent applicable to the Company. The audit reports on the financial statements of the Company do not contain any modified opinion and internal auditors report to the Audit Committee.

- d. The Company has adopted a Vigil Mechanism/ Whistle Blower Policy in terms of the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to provide a formal mechanism to the directors and employees of the Company to report their genuine concerns and grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics. The policy provides adequate safeguards against victimization of directors and employees who avail such mechanism and also provides for direct access to the Vigilance Officer and the Chairperson of Audit Committee. The Audit Committee of the Board is entrusted with the responsibility to oversee the vigil mechanism. During the year, no personnel was denied access to the Chairperson of the Audit Committee. The Vigil Mechanism/Whistle Blower Policy is available on the website of the Company at <http://digjam.co.in/files/Whistle%20Blower%20Policy%20v2.pdf>.
- e. Policy for determination of material subsidiary is available on website of the Company: <http://digjam.co.in/files/Policy%20for%20Material%20Subsidiaries.pdf>.
- f. The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilization of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.
- g. The Company has received certificate from CS Viral B Sanghavi, practicing Company Secretary certifying that none of the directors on the Board of the Company for the year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.
- h. During the year under review, the board had accepted all recommendations of the committees, which are mandatorily required.
- i. Total fees for all services, paid by the Company, to the Statutory Auditors has been disclosed in the notes to the Audited Accounts.
- j. The Whole Time Director & Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations.
- The Whole Time Director & CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.
- k. Of the non-mandatory suggestions, those relating to a Chairman's Office, appointment of separate persons

to the posts of Chairman and that of the Whole Time Director & CFO had been adopted while audit qualification as well as reporting by Internal Auditor directly to Audit Committee have been adopted; sending six-monthly information to each shareholder household has not been adopted.

The above represents the Company's philosophy on, and implementation of, its corporate governance. Auditor's certification as required forms a part of this Annual Report.

For and on behalf of the Board

Mumbai
August 13, 2021

Hardik B. Patel
Chairman
DIN: 00590663

BOARD OF DIRECTORS

as on the date of signing of the Corporate Governance Report

SRI Hardik B. Patel (DIN: 00590663)

A Masters in Business Administration from Crummer Graduate School of Business, Florida, USA. He is the founder and Promoter of FINQUEST and has worked with pre-eminent investment banks and asset advisory firms such as Merrill Lynch, PCE Investment Bankers and Fidelity Investments in the USA. Sri Patel specializes in developing bespoke client specific solutions including creating prudent asset allocation techniques and building model portfolios.

He is on the Board of Rubfila International Limited, Premier Tissues (India) Limited, Finquest Securities Private Limited, Finquest Financial Solutions Private Limited, Finquest Arc Private Limited and Krihaan Texchem Private Limited and many family promoted companies.

SRI AJAY KUMAR AGARWAL (DIN: 03508224)

A Delhi University Post-Graduate, is having expertise in operations of textile and other industry, administration, general management and Government liaisoning. Sri Agarwal is having an experience of over 36 years in manufacturing industry. He is associated with the Company since last 24 years in various senior positions including as Chief Operating Officer.

Sri Ajay Kumar Agarwal is not on the Board of any Company except DIGJAM Limited.

SRI DURAISWAMY GUNASEELA RAJAN (DIN: 00303060)

A Fellow Member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He is also an Associate Member of the Institute of Internal Auditors. Sri Rajan served as a Partner at Lovelock & Lewes from 1967 and was the Senior Partner (Chairman) of the firm from 1984 till 1990. He also served as the Chairman of the Direct Taxation Committee of the Southern India Chamber of Commerce & Industry and a Member of the Board of Governors of The Doon School, Dehradun.

Sri D.G. Rajan is on the Board of Rubfila International Limited, Balaji Telefilms Limited, Balaji Motion Pictures Limited, IFGL Refractories Limited, Lotte India Corporation Limited, Havmor Ice Cream Private Limited and ALT Digital Media Entertainment Limited.

MS. SUDHA BHUSHAN (DIN: 01749008)

A qualified Chartered Accountant, Company Secretary, an Insolvency Resolution Professional and a Registered Valuer. She is Co-Founder of Taxpert Professionals, a multifaced consulting company and also advisor to Bank of Baroda, NRI and International operations. She is on the board of Aurionpro Solutions Limited, Finquest Financial Solutions Private Limited, Matix Fertilisers and Chemicals Limited and Choice International Limited.

She is Co-Chairperson of Business Next Committee at Indian Merchant Chamber – LW and a member of Indo French Chamber of Commerce and industry. She has vast experience in the Audit and Assurance with expertise in Foreign Exchange Management Act, International Transaction Advisory, Structuring and regulatory affairs. She has also authored many books on International Transactions, Due Diligence on FEMA, etc.

SRI PANCHAPAKESAN SWAMINATHAN (DIN: 00901560)

A Chartered and Cost Accountant with 23 years of experience. Prior to setting up his own financial consultancy services, he had worked with Ernst & Young, Allsec Financials Ltd and his last employment was with Allsec Technologies Limited as Chief Financial Officer. He successfully handled the seed funding, private equity and finally the IPO of the company.

Sri P. Swaminathan is not on the Board of any Company except DIGJAM Limited.

SRI AJAY AGARWAL (DIN: 00649182)

A qualified Fellow member of the Chartered Accountant Institute with more than 30 years of rich experience with various Indian corporates and has held leadership position for steering the operations in the field of Textile, speciality chemicals and metallurgy businesses.

He is credited with setting up a Greenfield Pharma project in overseas location. He has been instrumental in raising funds from strategic investors in his past positions and has adopted a holistic approach to steer the stressed business into a “turnaround” story including “Reid & Taylor” India operations.

Sri Ajay Agarwal is on the Board of Krihaan Texchem Private Limited.

AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES

Pursuant to Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ajay Agarwal, Whole Time Director of DIGJAM Limited (“Company”), hereby declare that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company’s Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2021.

For DIGJAM Limited

Ajay Agarwal
Whole Time Director
DIN: 00649182

Mumbai
August 13, 2021

STATUTORY COMPLACENCE CERTIFICATE

June 24 2021
The Board of Directors
DIGJAM Limited
Aerodrome Road,
Jamnagar 361 006

Dear Sirs/Madam:

- I. In connection with the above and in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, we hereby certify that:
- a. we have reviewed the Balance Sheet as at March 31, 2021, Statement of Profit and Loss and Cash Flow Statement, including Notes thereto, for the financial year ended on that date (hereinafter referred to as “the financial statements”) of DIGJAM Limited (“the Company”), and that to the best of our knowledge and belief:
 - i. the financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. the financial 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 we have evaluated the effectiveness of the 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 we have taken 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, if any, have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud, if any, 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. No such instance was noticed during the year.

Thanking You,

Your faithfully
For DIGJAM Limited
Ajay Agarwal
Whole Time Director
& Chief Financial Officer
DIN: 00649182

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTOR

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

To,
The Members of
DIGJAM Limited
Jamnagar

I have carried out the online verification of the relevant registers, records, forms, returns and disclosures received through digital mode from the Directors of DIGJAM Limited having CIN: L17123GJ2015PLC083569 and having registered office at Aerodrome Road, Jamnagar, Gujarat – 361 006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company, Directors & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, RBI or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	DIN Status	Date of Appointment
1.	Bharat Jayantilal Patel	01100361	Approved	13/07/2020
2.	Hardik B. Patel	00590663	Approved	13/07/2020
3.	Ajay Kumar Agarwal	03508224	Approved	08/08/2020
4.	Duraiswamy Gunaseela Rajan	00303060	Approved	13/07/2020
5.	Sudha Bhushan	01749008	Approved	13/07/2020
6.	Ajay Agarwal	00649182	Approved	25/11/2020

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

For, **Viral Sanghavi & Associates**

Company Secretaries

CS Viral B Sanghavi

Proprietor

M. No. FCS 10331, CP 9035

UDIN: F010331C000797581

Signed on 17th August, 2021 at Jamnagar

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
DIGJAM Limited,
(CIN: L17123GJ2015PLC083569)

1. We have examined the compliance of conditions of Corporate Governance by DIGJAM Limited (“the company”) for the year ended March 31, 2021 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) along with the relevant records and documents maintained by the Company and furnished to us.

Management’s Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations

Auditor’s Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance, as stated in paragraph above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (‘ICAI’), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, to the extent applicable, during the year ended March 31, 2021.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing

Place: Agra
Date: July 24 2021

For S.K.Bajpai & Co.
Chartered Accountants
Firm Reg. No. 004330C

(CA. Sarvesh Kumar Bajpai)
Partner
Membership No. 073277
UDIN: 21073277AAAABJ7479

Independent Auditor's Report

To The Members of Digjam Limited Report on the Audit of the Financial Statements Opinion

We were engaged to audit the accompanying financial statements of Digjam Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March 2021 and its profit for the year ended on that date.

Basis of opinion

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

Other matters

1. For actuarial valuation of the Gratuity liability and Privilege Leave liability we relied on actuarial valuation report of Management's Expert.
2. As refer to Note 36 to the financial statements the company has not reappointed CFO till the year ended 31.03.2021. Shri Satish Shah previous CFO of the Company resigned on April 10, 2020 thereby creating casual vacancy. As per section 203(4) of the Companies Act, 2013 if the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy, however due to suspension of power of board till reconstitution of board such reappointment could not be done. The Term of the Monitoring Committee came to an end with effect from November 22, 2020 with the conclusion of the Interim Period i.e. 180 days from the approval of the Resolution Plan & hence the board of the company was re-constituted to manage the

affairs of the company. However the new CFO has been appointed in Board Meeting held on June 24, 2021.

Our opinion on the Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by M/s Oman Inc. (HUF), operational creditor against Digjam Limited ("the Company") and appointed Mr. Parag Seth to act as Interim Resolution Professional (IRP) with the directions to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

Hon'ble NCLT vide its Order dated January 1, 2020 had appointed Sri Sunil Kumar Agarwal as Resolution Professional of the Company, which was proposed by the Committee of Creditors ("CoC") in their first meeting held on May 24, 2019

Thereafter, pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were exercised by RP. The Resolution Plan had been approved by the Hon'ble NCLT, Ahmedabad Bench vide its Order dated May 27, 2020 and a Monitoring Committee had been constituted vide the Resolution Plan Approval Order and Sri Sunil Kumar Agarwal (erstwhile RP of the Company) was part of the Monitoring Committee as per the provisions of the Order. The Monitoring Committee so constituted had, inter alia, supervised the implementation of the Plan.

The term of the Monitoring Committee came to an end with effect from November 22, 2020 with the conclusion of the Interim Period i.e. 180 days from the approval of the Resolution Plan i.e. May 27, 2020, & hence the board of the company was re-constituted to manage the affairs of the company.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

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

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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021 from being appointed as director in terms of section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For S.K. Bajpai & Company
Chartered Accountants
Firm Registration No.004330C

CA Sarvesh Kumar Bajpai
Partner
Membership No. 073277

Place: Agra

Date: June 24, 2021

UDIN:21073277AAAABF7160

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Digjam Limited of even date)

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

We have audited the internal financial controls over financial reporting of DIGJAM LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For S.K. Bajpai & Company
Chartered Accountants
Firm Registration No.004330C
CA Sarvesh Kumar Bajpai
Partner
Membership No. 073277
UDIN:21073277AAAABF7160

Place: Agra

Date: June 24, 2021

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Digjam Limited of even date)

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
In respect of immovable properties of land and building, none have been taken on lease by the company. So reporting under this clause is not applicable.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loan, made investments or providing guarantees and securities and therefore, the provisions of the clause 3(iv) of the Order is not applicable.
- v. According the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 to which the directions issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provisions of the Act and Companies (Acceptance of Deposit) Rules, 2014, as amended would apply, therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have prima facie reviewed the cost record maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and we are of the opinion that, the prescribed cost records have been made and maintained. We have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues :
- (a) The Company had been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) No undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess , goods and services tax and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
- viii. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year. . In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3 (ix) of the order is not applicable to the Company
- x .To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.K. Bajpai & Company
Chartered Accountants
Firm Registration No.004330C
CA Sarvesh Kumar Bajpai
Partner
Membership No.073277

Place: Agra
UDIN:21073277AAAABF7160
Date:June 24, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3A	11,981.59	16,817.00
Intangible Assets	3B	3.71	2.95
Financial Assets			
Other Financial Assets	4	33.54	19.34
Total Non-Current Assets		12,018.84	16,839.29
Current Assets			
Inventories	5	912.81	2,216.43
Financial Assets			
Trade Receivables	6	160.56	181.14
Cash and Cash Equivalents	7	16.25	19.72
Other Balances with Banks	8	-	30.00
Other Financial Assets	4	-	12.39
Current Tax Assets	9	18.98	23.23
Other Current Assets	10	157.71	74.80
Total Current Assets		1,266.31	2,557.71
Total Assets		13,285.15	19,397.00
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	2,000.00	8,764.16
Other Equity	12	1,845.72	(7,612.30)
Total Equity		3,845.72	1,151.86
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	5,100.15	6,466.79
Other Financial Liabilities	14	-	85.91
Provisions	15	440.50	495.31
Total Non-Current Liabilities		5,540.65	7,048.02
Current Liabilities			
Financial Liabilities			
Borrowings	13	2,393.94	3,807.36
Trade Payables	16	-	47.74
- dues to micro and small enterprises		-	47.74
- dues to creditors other than micro and small enterprises		573.10	3,916.83
Other Financial Liabilities	14	-	2,976.15
Provisions	15	73.26	73.15
Other Current Liabilities	17	858.47	376.30
Total Current Liabilities		3,898.77	11,197.13
Total Liabilities		9,439.42	18,245.15
Total Equity and Liabilities		13,285.15	19,397.00

Accompanying notes form integral part of the financial statements

In terms of our report attached

For S K Bajpai & Co.
Chartered AccountantsS K Bajpai.
PartnerPunit Bajaj
Company SecretaryAjay Agarwal
Whole-Time Director &
Chief Financial OfficerHardik B. Patel
ChairmanAgra
June 24, 2021Jamnagar
June 24, 2021Mumbai
June 24, 2021Mumbai
June 24, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

		(Rs. in Lakhs)	
	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations	18	607.87	81.19
Other Income	19	3.60	7.65
Total		611.47	88.84
EXPENSES			
Cost of Materials Consumed	20	92.02	(2.72)
Purchase of Stock-in-Trade	21	0.22	2.12
Changes in Inventories (of Finished Goods, Work-in-Progress and Stock-in-Trade)	22	262.00	64.42
Employees Benefits Expense	23	955.13	1,141.82
Finance Costs	24	23.66	112.79
Depreciation and Amortisation Expense	25	242.47	254.65
Other Expenses	26	548.52	274.31
Total		2,124.02	1,847.39
Profit / (Loss) before Exceptional Items and Tax		(1,512.55)	(1,758.55)
Exceptional Items	27	2,089.32	-
Extinguishment of Pref. Share Liability-Gain	27	317.10	-
Profit / (Loss) before Tax		893.87	(1,758.55)
Tax Expense			
Current Tax		-	-
Deferred Tax	28	-	-
Total		-	-
Profit / (Loss) for the year		893.87	(1,758.55)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		-	13.87
Income Tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income		-	13.87
Total Comprehensive Income for the year		893.87	(1,744.68)
Earnings per Equity Share (Face Value of Rs. 10/- each)	29		
- Basic (in Rs.) (Weighted Avg No of shares)		1.04	(2.01)
- Diluted (in Rs.)		1.04	(2.01)

Accompanying notes form integral part of the financial statements

In terms of our report attached

For S K Bajpai & Co.
Chartered Accountants

S K Bajpai.
Partner

Punit Bajaj
Company Secretary

Ajay Agarwal
Whole-Time Director &
Chief Financial Officer

Hardik B. Patel
Chairman

Agra
June 24, 2021

Jamnagar
June 24, 2021

Mumbai
June 24, 2021

Mumbai
June 24, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flows from Operating Activities		
Loss before tax	893.87	(1,744.68)
Adjustments for:		
Depreciation and Amortisation Expense	242.47	254.65
Finance Costs	23.66	112.79
Interest Income	(1.64)	(1.78)
Provisions/Liabilities no longer required written back	(8,340.87)	(5.21)
(Gain)/Loss on sale of Property, Plant & Equipment (Net)	-	2.37
Provision for Doubtful Trade Receivables and Bad Debt written off	5,934.46	-
(Profit)/Loss on Impairment of Property, Plant & Equipment (Net)	7.29	-
Net Unrealised Foreign Exchange Loss/(Gain)	(1.71)	-
Operating Loss before Working Capital Changes	(1,242.47)	(1,378.86)
Changes in Working Capital:		
(Increase)/Decrease in Inventories	1,303.62	121.80
(Increase)/Decrease in Trade Receivables, Financial Assets and Other Assets	(62.42)	112.15
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities and Provisions	(3,049.51)	653.54
Cash Generated from Operations	(3,050.78)	(495.37)
Income Taxes paid	4.24	(0.07)
Adjusted exceptional items on Inventory, Trade Receivables and Liabilities	4,029.92	-
Net Cash Generated by Operating Activities [A]	983.38	(495.44)
B. Cash flows from Investing Activities		
Capital Expenditure on Property, Plant and Equipment and Intangible Assets	(15.85)	-
Capital Expenditure on CWIP	(10.54)	-
Proceeds from sale of Property, Plant and Equipment	-	7.00
Proceeds from Earnest Money	(2270.00)	130.00
Interest Received	1.64	1.78
Bank Balances not considered as Cash and Cash Equivalents – Matured/ (Invested)	30.00	(30.00)
Net Cash Flow used in Investing Activities [B]	(2,264.75)	108.78
C. Cash Flow from Financing Activities		
Adjusted exceptional items on Finance Cost	2,987.77	-
Repayment of Long Term Borrowings	(2,509.97)	-
Changes in borrowings - written back	(2,970.10)	-
Proceed from Issue of Equity Shares	1,800.00	-
Proceed from Issue of Pref Share	2,700.00	-
Proceeds from Short Term Borrowings	-	1,273.71
Finance Cost	(729.81)	(94.73)
Net Cash Flow from Financing Activities [C]	1,277.90	155.19
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	(3.47)	(231.47)
Cash and Cash Equivalents at the beginning of the year (Note 7)	19.72	251.19
Cash and Cash Equivalents at the end of the year (Note 7)	16.25	19.72

Note:

The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.

Accompanying notes form integral part of the financial statements

In terms of our report attached**For S K Bajpai & Co.**

Chartered Accountants

S K Bajpai
PartnerPunit Bajaj
Company SecretaryAjay Agarwal
Whole- Time Director
&
Chief Financial OfficerHardik B. Patel
ChairmanAgra
June 24, 2021Jamnagar
June 24, 2021Mumbai
June 24, 2021Mumbai
June 24, 2021

Statement of Changes in Equity for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Other Equity					Total Equity
	Equity Share Capital	Securities Premium Reserve	Capital Reserve	Retained Earnings	Total Other Equity	
Balance as at March 31, 2019	8,764.16	4,382.08	511.90	(10,761.60)	(5,867.62)	2,896.53
Loss for the year	-	-	-	(1,758.55)	(1,758.55)	(1,758.55)
Other Comprehensive Income for the year, net of income tax	-	-	-	13.87	13.87	13.87
Balance as at March 31, 2020	8,764.16	4,382.08	511.90	(12,506.28)	(7,612.30)	1,151.86
Cancellation of equity shares, w/off other reserves (Refer note no 11.3)	(8564.16)	(4382.08)	(511.90)	13,458.14	8,564.16	-
Other Comprehensive Income for the year, net of income tax	-	-	-	893.87	893.87	893.87
Issue of New Auth. Share Capital:1.8 crore shares @ 10 each	1,800.00	-	-	-	-	1,800.00
Total Comprehensive Income for the year	-	-	-	-	-	-
Balance as at March 31, 2021	2,000.00	-	-	1,845.72	1,845.72	3,845.72

Refer Note 1c

Accompanying notes form integral part of the financial statements

In terms of our report attached

For S K Bajpai & Co.
Chartered Accountants

S K Bajpai
Partner

Agra
June 24, 2021

Punit Bajaj
Company Secretary

Jamnagar
June 24, 2021

Ajay Agarwal
Whole-Time Director &
Chief Financial Officer

Mumbai
June 24, 2021

Hardik B. Patel
Chairman

Mumbai
June 24, 2021

Notes forming part of the Financial Statements
Notes to Financial Statements

1. Company Overview

a) DIGJAM Textiles Limited (“The Company”) was incorporated as a company limited by shares on June 17, 2015 under the Companies Act, 2013 as a wholly owned subsidiary of erstwhile Digjam Limited. A Scheme of Amalgamation (“the Scheme”) u/s 391 to 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as applicable, between erstwhile Digjam Limited (the “Amalgamating Company”) with the Company (the “Amalgamated Company”) was sanctioned by the Hon’ble High Court of Gujarat vide Order dated February 17, 2016. The said Scheme became effective on March 17, 2016 upon filing of the certified copy of the Order with the Registrar of Companies, Gujarat and pursuant thereto, the entire business and undertaking of the Amalgamating Company stands transferred to and vested in the Company as going concern without any further act, instrument, deed as and from the Appointed Date under the Scheme i.e. close of business on June 30, 2015. The name of the Company was changed to ‘Digjam Limited’ w.e.f March 23, 2016 in terms of the Scheme of Amalgamation. The Company is engaged in the business of trading in all kinds of textiles and manufacturing of high quality woolen/worsted fabrics at Jamnagar, Gujarat under the brand “DIGJAM”.

b) According to the National Company Law Tribunal (“NCLT”), Ahmedabad Bench, vide Order dated April 26, 2019 (“Insolvency Commencement Order”) has initiated Corporate Insolvency Resolution Process (“CIRP”) based on petition filed by Oman Inc. HUF under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“the Code”). Sri Parag Sheth (IP Registration No. IBBI/IPA-002/IP-N00142/2017-18/10381) was appointed as an Interim Resolution Professional (“IRP”) to manage affairs of the Company in accordance with the provisions of the Code. Subsequently, Hon’ble NCLT vide its Order dated January 1, 2020 has appointed Sri Sunil Kumar Agarwal (IP Registration No. IBBI/IPA-001/IP-01390/2018-19/12178) as Resolution Professional of the Company, which was proposed by the Committee of Creditors (“CoC”) in their first meeting held on May 24, 2019. Thereafter, pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were exercised by IRP/RP. The payment against the claims filed by various stakeholders as on the commencement of CIRP i.e. April 26, 2019 has been paid as per the terms and conditions of the Resolution Plan approved by the Hon’ble NCLT, Ahmedabad Bench vide its Order dated May 27, 2020.

The CoC considered the resolution plans submitted before it. After due deliberations, the CoC approved the Resolution Plan submitted by Finquest Financial Solutions Private Limited in their meeting held on February 11, 2020. The RP filed an application under Section 30(6) of the Code before the Hon’ble NCLT for its consideration and approval of the Resolution

Plan. The Hon’ble NCLT, vide its order dated May 27, 2020 (uploaded on the NCLT website on May 30, 2020), approved the Resolution Plan (“Resolution Plan Approved Order”).

The Resolution Plan, as approved by the Hon’ble NCLT, is binding on the Company and its employees, members, creditors and other stakeholders involved therein, as per the provisions of the Code. A Monitoring Committee had been constituted vide the Resolution Plan Approval Order and Sri Sunil Kumar Agarwal (erstwhile RP of the Company) was part of the Monitoring Committee as per the provisions of the Order. The Monitoring Committee so constituted had, inter alia, supervised the implementation of the Plan.

The term of the Monitoring Committee came to an end with effect from November 22, 2020 (herein after referred to as ‘Closing date’) with the conclusion of the Interim Period i.e. 180 days from the approval of the Resolution Plan & hence the board of the company was re-constituted to manage the affairs of the company.

Pursuant to the approved Resolution Plan, otherwise as stated below notes, the following consequential impacts have been given in accordance with the approved Resolution Plan/Indian Accounting Standards/The Company’s Act and hence, the same have been considered as Exceptional Items with net gain of Rs 2,358.71 Lakhs, details of the same is available in Note no 27

Pursuant to the approved Resolution Plan, otherwise as stated below notes, the following consequential impacts have been given in accordance with the approved resolution plan/Accountant Standards and hence, the Company on March 19, 2021 has made change in its Share Capital Structure & Preference Shares classified under Financial Liability, details of same is available in Note no. 11.3

The above results have been reviewed by the Audit Committee, and approved by The Board of Directors at their meetings held on June 24th, 2021

The Company operates in single business segment “Textiles” (as per IND AS 108 – “Segment Reporting”).

The Previous periods’ figures have been regrouped and rearranged wherever necessary.

2. Significant Accounting Policies

a) Statement of Compliance

The financial statements have been prepared in accordance with Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- 2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

c) Use of Estimates

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

d) Inventories

Inventories include stock-in-transit/bonded warehouses and with others for manufacturing/processing/replacement.

Inventories are stated at lower of cost on weighted average basis and net realizable value. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

e) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

f) Revenue Recognition

Sale of Goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, related discounts and claims. The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity

Sale of Services

Revenue from job work services and management consultancy services are recognized based on the services rendered in accordance with the terms of contracts.

Dividend Income

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Incomes

Wherever it is not possible to determine the quantum of accrual with reasonable certainty, e.g. Insurance & other claims, these continue to be accounted for to the extent the Company is reasonably certain of their ultimate collection.

g) Property, Plant and Equipment

Property, Plant & Equipment are stated at acquisition cost (i.e. fair value on the Appointed Date as determined under the Scheme of Amalgamation) less accumulated depreciation and net of impairment, if any. The actual cost capitalised includes freight, installation cost, duties and taxes and other incidental expenses related to acquisition.

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any recognized impairment loss. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in Progress (CWIP) and such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Derecognition

All items of Property, Plant and Equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Depreciation/amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Property, Plant & Equipment other than freehold land, buildings and plant and machinery are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. Depreciation on Building and Plant and Machinery has been charged on Straight Line Method over the useful life of assets as determined by the Valuer while evaluating fair value. The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

h) Intangible Assets**Intangible Assets acquired separately**

Intangible Assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of Intangible Assets

An Intangible Asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an Intangible Asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Useful lives of Intangible Assets

Intangible Assets are amortized over their estimated useful life on a straight line basis over a period of 5 years.

i) Impairment**Financial Assets (other than at fair value)**

The Company assesses at each Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of

the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

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

j) Leasing

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective is to classify the leases as finance or operating leases.

As a lessee:

Leases of PPE, where the group, as lessee, substantially all the risk and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease inception at the fair value of the leased property or if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges are included in borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments

made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Leases are classified as operating leases whenever the lessor retains substantially all the risks and rewards of ownership. Rental expense from operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to

compensate for the lessors expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue

k) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date.

Exchange differences arising on monetary items are recognized in profit or loss in the period in which they arise.

l) Employee Benefits

Employee Benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund and compensated absences.

j) Defined Contribution Plan:

The Company's contribution to Provident Fund, Superannuation Fund and Employees State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

k) Defined Benefit Plans:

For Defined Benefit Plans in the form of Gratuity Fund and compensated absences, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1. Service costs comprising current service costs, gains and losses on curtailments and settlements; and

2. Net interest expense or income

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

l) Short-Term Employee Benefits:

The undiscounted amount of Short-Term Employee Benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

m) Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

n) Earnings Per Share

Basic Earnings Per Share is computed by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company did not have any potential dilutive securities in current

o) Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of Deferred tax assets is reviewed at the end of each reporting period and reduced to the

extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of Deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

p) **Provisions, Contingent Liabilities, Contingent Assets and Commitments**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

q) **Financial Instruments**

Financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

1. **Financial Assets**

Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

At initial recognition, financial assets are classified: As financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified at amortised cost. Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the profit or loss on disposal of that financial asset.

Impairment of Financial Assets

The Company assesses impairment based on Expected Credit Loss (ECL) model to the following:

- i. Financial Assets measured at amortized cost:
 - Expected Credit Losses are measured through a loss allowance at an amount equal to:
 - A. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
 - B. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

ii. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not in its legal form.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity Instruments issued by a company are recognized at the proceeds received, net of issue costs.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts & Cumulative Redeemable but Non-Convertible Preference Shares.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost where the fair value approximates such amortised cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

r) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has identified twelve months as its operating cycle.

3. Recent Pronouncements for Indian Accounting Standards (Ind AS)

IND AS New Standard / Amendments issued

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company has adopted these new standards and amendments to existing standards.

On 24th July, 2020 the Ministry of Corporate Affairs (MCA) vide notification dated 24th July, 2020 has exercised the powers conferred by section 133 read with section 469 of the Companies Act, 2013, the Central Government, in consultation with the National Financial Reporting Authority, hereby makes the following rules further to amend the Companies (Indian Accounting Standards) Rules, 2015. These amendments have been made keeping in view the current business environment caused by the pandemic. COVID-19 has not only affected the health of people across the globe it has also caused severe disturbances in the global economic environment which has consequential impact on financial statements and reporting.

Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

A new definition of material has been introduced by this amendment.

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires

an entity to consider the characteristics of those users while also considering the entity's own circumstances.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 10 Events after the Reporting Period

A paragraph 21 of the Ind AS 10 have been substituted, in the amendment any non- adjusting events that could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity have been added.

Accordingly, the following disclosure to be provided

- a) the nature of the event; and
- b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.
- (3) The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

As per the amendment, a management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period;

- a) Started to implement the restructuring plan; or
- b) Announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.

Definition of term “business” has been substituted as An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Accordingly, providing goods or services to customers has been added.

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

The Company does not expect any impact from this amendment

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 116 – Leases

Due to the pandemic COVID- 19 – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modifications or not. For the practical expedient, an amendment has been made and the businesses don't have to treat this as a lease modification.

Presently IND AS 116 provides detailed guidance on accounting for lease modification,

- a) Lease modification is accounted for as a separate lease by lessee and lessor if the modification increases the scope of the lease by adding one or more right-of-use assets.

- b) If It is not accounted for as a separate lease, lessee re-measures the lease liability by discounting the revised lease payments using revised discount rate.

As per the amendment, as a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions below is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession in the same way if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met: –

- a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) any reduction in lease payments affects only payments originally due on or before the 30 June, 2021, and
- c) there is no substantive change to other terms and conditions of the lease.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts to Ind AS 116 on company Financial Statement.

3. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

Refer note 27, & 25

	GROSS CARRYING AMOUNT				DEPRECIATION & AMORTISATION				(Rs. in Lakhs)	
	As at April 1, 2020		As at March 31, 2021		As at April 1, 2020		As at March 31, 2021		NET BLOCK	
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
A TANGIBLE ASSETS										
Land	14,986.18	-	4,611.27*	10,374.91	-	-	-	-	-	10,374.91
Building	1,314.29	-	-	1,314.29	167.44	41.88	-	209.32	-	1,104.97
Plant & Equipment	1,508.58	6.91	-	1,515.49	843.35	196.66	-	1,040.01	-	475.48
Furniture & Fixtures	14.01	-	6.79	7.22	6.58	0.50	0.35	6.73	-	0.49
Vehicles	12.64	-	-	12.64	7.91	1.44	-	9.35	-	3.29
Office Equipment	11.49	8.52	0.97	19.04	4.91	1.80	0.12	6.59	-	12.45
	17,847.19	15.43	4,619.03	13,243.59	1,030.19	242.28	0.47	1,272.00		11,971.59

A CAPITAL WORK IN PROGRESS

	-	10.54	-	10.54	-	-	-	-	-	10.54
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B INTANGIBLE ASSETS

Software	14.65	0.42	-	15.07	11.70	0.20	-	11.90	-	3.17
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Amount of Amortisation in Land Written Off- Rs. 4,611.27 lakhs Refer note 27

	GROSS CARRYING AMOUNT				DEPRECIATION & AMORTISATION				(Rs. in Lakhs)	
	As at April 1, 2019		As at March 31, 2020		As at April 1, 2019		As at March 31, 2020		NET BLOCK	
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
A TANGIBLE ASSETS										
Land	14986.18	-	-	14,986.18	-	-	-	-	-	14,986.18
Building	1,314.29	-	-	1,314.29	125.58	41.86	-	167.44	-	1,146.85
Plant & Equipment	1,508.58	-	-	1,508.58	638.92	204.43	-	843.35	-	665.23
Furniture & Fixtures	14.01	-	-	14.01	4.88	1.70	-	6.58	-	7.43
Vehicles	26.43	-	13.79	12.64	10.77	1.56	4.42	7.91	-	4.73
Office Equipment	11.49	-	-	11.49	2.23	2.68	-	4.91	-	6.58
	17,860.98	-	13.79	17,847.19	782.38	252.23	4.42	1,030.19		16,817.00

B INTANGIBLE ASSETS

Software	14.65	-	-	14.65	9.28	2.42	-	11.70	-	2.95
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4. OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Unsecured, considered good		
Security Deposits	33.54	19.34
Total	33.54	19.34
Current		
Unsecured, considered good		
Security Deposits	-	11.91
Interest accrued on loans and deposits	-	0.48
Total	-	12.39

5. INVENTORIES

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Inventories		
(lower of cost and net realisable value)		
Raw Materials	98.37	19.07
Stock- In Transit Raw Material	70.86	-
Work-in-Progress	91.94	840.25
Stock In Trade	-	105.92
Finished Goods	592.17	1,230.95
Stores, Spares and Packing Materials	59.45	20.24
Total	912.81	2,216.43
• Inventory Written Off Due to Obsolence-FG: refer note 27	(742.49)	-
• Inventory Written Off Due to Obsolence-WIP: refer note 27	(488.51)	-

6. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a. Receivables considered good – secured	-	-
b. Receivables considered good – unsecured	555.85	580.72
c. Receivables which have significant increase in credit risk	-	-
d. Receivables – credit impaired	-	-
Allowance for doubtful debts (expected credit loss allowance)	(395.29)	(399.58)
Total	160.56	181.14

Note:

- There are no amounts due by directors or other officers of the Company either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- Amount of Trade Receivable Written Off: 79.54 lakhs Refer note 27
- Refer Note 30(b) for information about credit risk and market risk of Trade Receivables
- Break-up of Trade Receivables**

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables	160.56	181.14
Receivables from related parties	-	-
Total	160.56	181.14

e) Movement in allowance for doubtful trade receivables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	399.58	399.58
Add: Provision during the year	-	-
Less: Utilisation	4.29	-
Closing Balance	395.29	399.58

7. CASH AND CASH EQUIVALENTS

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Cash on Hand	0.68	0.01
Balances with Banks in Current Account	15.57	19.71
Total	16.25	19.72

8. OTHER BALANCES WITH BANKS

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
In Deposit Accounts	-	30.00
Total	-	30.00

9. CURRENT TAX ASSETS (NET)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Tax Refund Receivable	18.98	23.23

10. OTHER ASSETS

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current		
Prepaid Expenses	15.36	14.94
Balances with Govt. Authorities	91.64	43.66
Advance to Suppliers	34.14	-
Others	16.57	16.20
Total	157.71	74.79

* Amount of Other Current Assets Written Off: 12.65 lakhs Refer note 27

11. Equity Share Capital

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
10,00,50,000 (as at March 31, 2021 10,00,50,000) Equity Shares of Rs.10 each	10,005.00	10,005.00
27,00,000 (as at March 31, 2021: 27,00,000) Cumulative, Non-Convertible, Redeemable 7% Preference Shares, of Rs.100 each	2,700.00	2,500.00
	12,705.00	12,505.00
Issued, Subscribed & Fully Paid-up Capital		
2,00,00,000 (as at March 31, 2021: 2,00,00,000) Equity Shares of Rs.10 each	2,000.00	8,764.16

11.1 Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

Cumulative Non-Convertible Redeemable Preference Shares are classified as Financial Instruments and disclosed under Financial Liabilities - Borrowing.

11.2 Reconciliation of number of Shares**Equity Shares**

	As at March 31, 2021	As at March 31, 2020
Number of shares at the beginning of the year	8,76,41,621	8,76,41,621
Reduction of Share capital pursuant to resolution plan (Refer note 11.3)	(8,56,41,621)	-
Shares issued and allotted during the year	1,80,00,000	-
Balance at the end of year	2,00,00,000	8,76,41,621

11.3 Change in its Share Capital Structure & Preference Shares classified under Financial Liability as per resolution plan

Pursuant to the approved Resolution Plan, otherwise as stated below notes, the following consequential impacts have been given in accordance with the approved resolution plan/Accountant Standards and hence, the Company on March 19, 2021 has made change in its Share Capital Structure & Preference Shares classified under Financial Liability, details of same are:

- I. Extinguishment/Cancellation of Existing Issued, Subscribed and Paid-up Equity Capital (prior to fresh allotment), to 2,00,000 fully paid up Equity Share of Rs 10 Each & adjusting with the brought forward balance of General Reserve.
- II. Increase in Authorised Share Capital of the Company by adding 2,00,000 Preference Shares of Rs. 100 each.
- III. Allotment 1,80,00,00 fully paid-up Fresh Equity Shares of Rs. 10 each
- IV. Allotment of 27,00,000 Fresh fully paid up 7 % Cumulative, Non-Convertible Redeemable Preference Share of Rs 100 each payable at par
- V. Extinguishment of existing Capital Reserve, & Security Premium Reserve with Brought forward Balance in General Reserve.

The existing issued, subscribed and Paid-up share capital of the DIGJAM Limited was reduced from Rs. 92,64,16,210 (Rupees Ninety-two Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,76,41,621 (Eight Crore Seventy-six Lakh Forty-one Thousand Six Hundred and Twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) preference shares of Rs. 100 (Rupees One Hundred only) each to Rs. 2,00,00,000 (Rupees Two Core only) consisting of 20,00,000 (Twenty Lakh) equity shares of Rs. 10 (Rupees Ten only) each, accordingly the value of issued, subscribed and paid-up share capital of the Company was reduced by Rs. 90,64,16,210 (Rupees Ninety Crore Sixty-four Lakh Sixteen Thousand Two Hundred and Ten only) consisting of 8,56,41,621 (Eight crore Fifty-six Lakh Forty-one Thousand Six hundred and Twenty-one) equity shares of Rs. 10 (Rupees Ten only) each and 5,00,000 (Five Lakh) Preference Shares of Rs. 100 (Rupees One Hundred only) each.

The reduction of existing Issued, Subscribed and Paid-up share capital of the Company shall be effected by:

- i. The existing equity shares of Promoters and Promoters Group aggregating to 2,75,27,589 shall stand extinguished. The balance 6,01,14,032 no. of equity shares held by public shall be written down by about 96.67% i.e. by cancellation of 5,81,14,032 equity shares. As such these shareholders shall continue to hold 20,00,000 equity shares of face value of Rs. 10 each amounting to Rs. 2,00,00,000 (Rupees Two Crore only), on proportionate basis.
- ii. The existing preference shares of promoters and promoters group aggregating to 5,00,000 number of preference shares of face value Rs. 100 shall stand extinguished

In view of determining the Shareholders whose shares will be cancelled /extinguished, the Board of Directors in their Board meeting held on February 8, 2021 had fixed March 4, 2021 as the Record Date for the purpose of reduction. In continuation to this, the Board of Directors at their meeting held on March 19, 2021 has Taken on record the Shareholders whose shares will get Extinguished / Cancelled pursuant to order passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, in view of Record date.

The Company has made necessary application for Reduction of share capital and Listing/Recommencement of equity share trading of the Company before the Stock Exchanges, Depositories, and Registrar of Companies etc. As the above applications are under process and to maintain the Symmetry regarding the issued, subscribed and Paid-up share capital of the Company, the impact of the Reduction of share capital is taken as on March 19, 2021 of the Financial Year March 31, 2021.

Security Premium Reserve of Rs 4,382.08 Lakhs, created against the Equity Shares before extinguishment/ cancellation of Equity Share have been extinguished & Balance amalgamated with General Reserve

The 8% Non-cumulative, Non-Convertible Preference Shares, held by erstwhile Promoters, & Promotor group having amortised Value of Rs 317.10 Lakhs were extinguished

Capital Reserve created as per Amortised value (unwinding interest) of Preference share capital issued to Erstwhile Promotor & Promoters group Valued at Rs 511.90 Lakhs have been extinguished & Balance amalgamated with General Reserve

11.4 Shareholders holding more than 5% shares in the Company

Name of the Shareholders		As at March 31, 2021	As at March 31, 2020
Finquest Financial Solutions Private Limited	No. of Shares	1,80,00,000	-
	% of Shares held	90.00%	-
Central India General Agents Ltd.	No. of Shares	-	1,65,14,000
	% of Shares held	-	18.84%
ICICI Bank Ltd.	No. of Shares	2,44,251	73,41,497
	% of Shares held	1.22%	8.38%
Birla Holdings Ltd.	No. of Shares	-	72,50,000
	% of Shares held	-	8.27%

12. Other Equity

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Securities Premium Reserve		
Balance at the beginning of the year	4,382.08	4,382.08
Less: Extinguishment of Security Premium Reserve pursuant to resolution plan (Refer Note no 11.3)	(4,382.08)	-
Balance at the end of year	-	4,382.08
Capital Reserve		
Balance at the beginning of the year	511.90	511.90
Less: Extinguishment of Capital Reserve pursuant to resolution plan (Refer Note no 11.3)	(511.90)	-
Balance at the end of year	-	511.90
Retained Earnings		
Balance at the beginning of the year	(12,506.28)	(10,761.60)
Reduction of Share capital pursuant to resolution plan (Refer Note no 11.3)	8,564.16	-
Add: Extinguishment of Share Premium Reserve (Refer Note no 11.3)	4,382.08	-
Add: Extinguishment of Capital Reserve (Refer Note no 11.3)	511.90	-
Add: Profit / (Loss) for the year	893.87	(1,758.55)
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation	-	13.87
Balance at the end of year	1,845.72	(12,506.28)
Total	1,845.72	(7,612.30)

13. BORROWINGS

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Secured – at amortised cost		
Term Loans from Banks	4,787.87	7,091.38
Less: Current maturity of term loans	(2,393.94)	(3,545.69)
	2,393.94	3,545.68
Unsecured – at amortised cost		
Deposits Extinguished as per Resolution Plan	-	2,604.00
Less: Current maturity of Deposits	-	-
	-	2,604.00
Liability of Non-Convertible Redeemable Preference Share	2,706.21	317.09
Total	5,100.15	6,466.79
Current		
Secured – at amortised cost		
Current maturities of Non-Current borrowings	2,393.94	3,545.69
Unsecured – at amortised cost		
Unsecured Loan from Banks	-	212.67
Deposits	-	49.00
Total	2,393.94	3,807.36

Note

- a. The Non-Convertible Cumulative 7% Redeemable Cumulative, but Non- Convertible Preference Shares of Rs. 100, each, payable at par were allotted on March 19, 2021 having tenure of 7 years, but are not entitled to vote at the General Meeting of the Company unless dividend has been in arrears for minimum 2 years. For the purpose of determination/accrual of all rights (including the right of redemption), the date of allotment viz. March 19, 2021 is deemed to be the relevant date.. The Preference Shares are non-participating and shall have preferential right to repayment in the case of winding up or repayment of capital of the amount of the Share Capital paid-up. These Preference Shares are classified as Financial Instruments and hence, disclosed as Financial Liabilities in terms of IND AS requirements.
- b. Loan from a Bank total outstanding Rs. 1,273.71.00 Lakhs (As at March 31, 2021: Rs 1,273.71Lakhs), carrying interest linked to the Marginal Cost of Funds Based Lending Rate (MCLR), which is secured by first charge on fixed assets at Jamnagar and DIGJAM Brand and second pari passu charge on present and future stocks of raw materials, stock-in-process, finished goods and other current assets besides pledge of part of promoters' shareholding. Out of the same Rs636.85 Lakhs would be forming part of Borrowings under Current Liabilities , & Balance would form part of Borrowing under Non- Current Liabilities pursuant to the Resolution Plan
- c. Secured loans of Rs 2,640.50 Lakhs as on March 31, 2021 are for working capital from consortium of banks, comprising of UCO Bank and State Bank of India, and are secured by first charge on inventories and book debts besides second charge on movable machinery and fixed assets at Jamnagar as well as on DIGJAM brand, all ranking pari passu, and pledge of part of the promoters' shareholding in the Company. Out of the same Rs1,320.25.85 Lakhs would be forming part of Borrowings under Current Liabilities , & Balance would form part of Borrowing under Non- Current Liabilities pursuant to the Resolution Plan.
- d. Interest Payable on Secured Loan Rs 873.66 Lakhs as on March 31, 2021. Out of the same Rs436. 86 Lakhs would be forming part of Borrowings under Current Liabilities, & Balance would form part of Borrowing under Non- Current Liabilities pursuant to the Resolution Plan

14. OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Trade Deposits	-	85.91
Others	-	-
Total	-	85.91
Current		
Current maturities of Non-Current borrowings	-	-
Earnest Money	-	2,270.00
Interest accrued	-	706.15
Total	-	2,976.15

- Amount of Trade Deposits under Other Non-Current Financial Liability Written Back: Rs 66.67 lakhs Refer note 27
- Amount of Other Current Financial Liability Written Back: Rs 2,905.lakhs Refer note 27
- Amount of Other Current Financial Liability (Interest of MSME Trade Payable) Written Back: Rs 20.85 lakhs Refer note 27

15. PROVISIONS

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for Employee Benefits	440.50	495.31
Total	440.50	495.31
Current		
Provision for Employee Benefits	73.26	73.15
Total	73.26	73.15

- The provision for Employees Benefits includes Gratuity and compensated absences. For other disclosures refer Note 23.
- Amount of Provisions Other Financial Liability under Current Liabilities Written Back: Rs 22.59 lakhs Refer note 27

16. TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Acceptances		
Total outstanding dues of Micro and Small Enterprises	-	47.74
Total outstanding dues of creditors other than Micro and Small Enterprises	573.10	3,916.43
Total	573.10	3,964.17

- Amount of Trade Payable- MSME Written Back: Rs 47.74 lakhs Refer note 27
- Amount of Trade Payable- Non-MSME Written Back: Rs 2,178.66 lakhs Refer note 27

Note:

- a. Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2021. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors:

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
1. The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due	-	47.74
- Interest due	-	20.87
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	20.87
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

- b. Refer note 30 for information about credit risk and market risk of Trade Payables.

17. OTHER LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Current		
Statutory remittances (includes payable towards TDS, TCS, GST and employee statutory obligations)	21.38	258.72
Advance received from customers	108.09	117.58
Other Current Liability	729.00	-
Total	858.47	376.30

- Amount of Other Current Liability Written Back: Rs 128.99 lakhs Refer note 27

18. REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
Sale of Products	579.22	79.10
Other Operating Income	28.65	2.09
Total	607.87	81.19

PARTICULARS OF SALE OF PRODUCTS

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cloth	579.22	45.98
Others	-	33.12
Total	579.22	79.10

19. OTHER INCOME

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income comprises (At amortised cost)		
From Banks	0.93	1.69
From Others	0.71	0.09
Provisions/liabilities no longer required written back	-	5.21
Gain on Exchange Fluctuations	1.71	-
Miscellaneous Income	0.25	0.66
Total	3.60	7.65

20. COST OF MATERIALS CONSUMED

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	19.07	76.27
Add: Purchases during the year*	251.72	-
	270.79	76.27
Less: Sales / Transfer	9.54	59.92
	261.25	16.35
Less: Inventories at the end of the year*	169.23	19.07
Total	92.01	(2.72)
In transit Raw Material forming part of both Purchase & Closing stock as on March 31,2021	70.86	
Details of Material Consumed		
Wool and Synthetic Fibres	92.01	9.80
Yarn (bought out)	-	3.75
Others	-	3.42

21. PURCHASE OF STOCK-IN-TRADE

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cloth	0.22	2.12
Others	-	-
Total	0.22	2.12

22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished Goods	592.17	1,230.95
Work-in-progress	91.94	840.25
Stock-In-Trade	-	105.92
	684.12	2,177.12
Inventories at the beginning of the year		
Finished Goods	1,230.95	1,185.76
Work-in-progress	840.25	925.36
Stock-In-Trade	105.92	130.41
	2,177.12	2,241.53
Revaluation of Inventory (Exceptional Item)refer note 27	(1230.99)	-
Net (Increase)/Decrease	262.00	64.42

23. EMPLOYEE BENEFITS EXPENSE

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages, Bonus, etc.	701.44	883.69
Contribution to Provident and Other Funds	181.03	160.66
Staff Welfare Expenses	72.66	97.47
Total	955.13	1,141.82

EMPLOYEE BENEFITS:

I. Post-Employment Benefits

Defined Benefit Plan:

The Company has defined benefit plans for Gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

The defined benefit plans typically expose the Company to various risk such as:

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest Risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

a. Movement in present value of defined benefit obligation are as follows:

Particulars	(Rs. in Lakhs)	
	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Obligations at the beginning of the year	867.99	967.70
Current service cost	34.97	36.52
Interest cost	52.43	72.29
Actuarial (gain) / loss – due to change in financial assumptions	(15.30)	72.04
Actuarial (gain) / loss due to experience adjustments	43.94	(96.94)
Benefits paid	(104.77)	(183.62)
Present value of benefit obligation at the end of the year	879.26	867.99

Movement in the fair value of plan assets are as follows:

Particulars	(Rs. in Lakhs)	
	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Plan assets at the beginning of the year, at fair value	370.03	522.64
Interest Income	22.35	39.04
Return on plan assets excluding interest income	1.15	(11.03)
Contributions from the employer	130.74	3.00
Benefits paid	(104.77)	(183.62)
Fair value of plan assets at the end of the year	419.50	370.03

- b. The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

Particulars	(Rs. in Lakhs)	
	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the end of the year	(879.26)	(867.99)
Fair value of plan assets at the end of the year	419.50	370.04
Net Liability arising from defined benefit obligation	(459.76)	(497.95)

- c. Amount recognized in the Statement of Profit and Loss in respect of the defined benefits plans are as follows:

Particulars	(Rs. in Lakhs)	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	34.97	36.52
Net interest expense	30.08	33.24
Components of defined benefit costs recognised in the Statement of Profit & Loss	65.05	69.76
Remeasurements on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	28.64	(24.90)
Return on plan assets, excluding interest income	(1.15)	11.03
Components of defined benefit costs recognised in Other Comprehensive Income	27.49	(13.87)
Total	92.54	55.89

The current service cost and the net interest expenses for the year are included in the Employee Benefits Expense line item in the Statement of Profit and Loss. The Remeasurements of the net defined benefit liability/ asset is included in Other Comprehensive Income.

- d. **Investment details of plan assets:**

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

- e. The defined benefit obligations shall mature after year ended March 31, 2021 as follows:

Particulars	(Rs. in Lakhs)	
	Gratuity	
As at March 31		
2022		76.02
2023		45.49
2024		104.91
2025		132.09
2026		125.60
Thereafter		406.71

- f. **Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	(Rs. in Lakhs)	
	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Delta effect of +1% change in the rate of Discounting	(49.22)	(51.58)
Delta effect of -1% change in the rate of Discounting	54.92	57.91
Delta effect of +1% change in the rate of salary increase	54.55	57.36
Delta effect of -1% change in the rate of salary increase	(49.81)	(52.05)
Delta effect of +1% change in the rate of employee turnover	0.96	0.06
Delta effect of -1% change in the rate of employee turnover	(1.05)	(0.07)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

g. **The principal assumptions used for the purpose of actuarial valuation were as follows:**

Particulars	Gratuity	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Discount Rate	6.33%	6.04%
Expected Return on Plan Assets	6.33%	6.04%
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee Turnover	1.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

24. **FINANCE COSTS**

Particulars	(Rs. in Lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Interest Expenses		
Working Capital and Term Loan	-	108.37
Others	23.05	2.71
Other borrowing costs	0.61	1.71
Total	23.66	112.79

25. **DEPRECIATION AND AMORTIZATION EXPENSE refer note 3**

Particulars	(Rs. in Lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	242.27	252.23
Amortization on Intangible Assets	0.20	2.42
Total	242.47	254.65

26. **OTHER EXPENSES**

Particulars	(Rs. in Lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Consumption of Stores, Spares and Packing Materials	99.27	0.18
Power and Fuel	93.46	51.59
Processing Expenses	52.17	5.41
Rent*	0.37	0.62
Repairs Expenses		
Repairs to Buildings	-	0.04
Repairs to Machinery	93.02	0.44
Repairs Others	6.18	0.52
Insurance expenses	20.68	21.99
Rates and Taxes	23.58	23.72
Travelling expenses	3.25	3.61
Freight and Other Selling Expenses	48.00	0.34
Advertisement and Sales Promotion	2.51	-
Director's Sitting Fees	1.40	-
Director's Travelling Expenses	1.02	-
Legal and Professional	49.22	89.06
Payments to Auditors **	7.42	6.90
Net Loss on Foreign Currency transactions and translations	-	6.08
Assets Discarded	7.29	2.37
Fees & Subscription	15.39	10.60
Conveyance Expenses	4.77	5.48
Other Expenses	19.51	45.36
Total	548.51	274.31

**** PAYMENT TO AUDITORS (EXCLUDING GOODS AND SERVICES TAX/SERVICE TAX)**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a. To Statutory Auditors		
For Statutory Audit	5.50	5.50
For Other Services		-
For reimbursement of expenses	0.76	1.40
Total	6.26	6.90

27: Exceptional Items: Gain Transferred to Reserve & Surplus:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a. Loss due to Impairment/ Write- Off/Extinguishment		
For Impairment of Property	(4,611.27)	-
Extinguishment of Inventory provided in Dec 2020	(1,230.99)	-
Doubtful Trade Receivables provided in Dec 2020	(81.14)	-
Recovery from Written off Trade Receivables provided in Dec 2020	1.60	-
Other Current Assets	(12.65)	-
Total	(5934.46)	-
b. Gain due to Extinguishment / Write- back		
Extinguishment/ Write – back of Non-Current Liabilities		
Extinguishment/ Write – back of Borrowings	2,653.00	-
Extinguishment of 8% Non-Cumulative Preference Share at (amortised Value)	317.10	-
Extinguishment/ Write – back of Trade Deposits	66.68	-
Extinguishment/ Write – back of Current Liabilities		
Extinguishment/ Write – back of Trade – Payable-MSME	48.00	-
Extinguishment/ Write – back of Trade – Payable-Non MSME	2,178.66	-
Extinguishment/ Write – back of Other Financial Liability (int to MSME vendors)	20.85	-
Extinguishment/ Write – back of Other Financial Liability	2,905.00	-
Extinguishment/ Write – back of Provisions under Current Liability	22.59	-
Extinguishment/ Write – back of Other Current Liability	128.99	-
Total	8,340.87	-
c. Total Gain due to Net Off (Liability Less Asset)	2,406.42	-

28. Deferred Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities:		
In relation to Property, plant and equipment	-	433.26
Deferred Tax Assets		
In relation to Carried Forward Business Losses	-	(433.26)
Total	-	-

Note: a. In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax asset has been recognised to the extent of deferred tax liabilities.

29. EARNINGS PER SHARE

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) after tax	893.87	(1,758.55)
Profit / (Loss) pertaining to equity shareholders	893.87	(1,758.55)
Weighted Average Number of Shares (WANS)	85417787	87641621
Nominal value per share	10	10
Basic and diluted EPS	1.04	(2.01)

30. Financial Instruments

1. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 13 off set by cash and bank balances) and total equity of the Company.

Gearing Ratio

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Debt (note i)	7,494.09	13,250.30
Less: Cash and Bank Balances & Deposit Accounts	16.25	49.72
Net Debt	7,477.84	13,200.58
Total Equity	3845.72	1,151.86
Net Debt to Equity Ratio	194.45%	1,146.03%

I. Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in note 13.

2. Category-wise classification of financial instruments

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Financial Assets		
Measured at amortised cost		
a. Trade Receivables	160.56	181.14
b. Cash and Cash Equivalents	16.25	19.72
c. Other Balances with Banks	-	30.00
d. Financial Assets	33.54	31.86
Total	210.35	262.72
Financial Liabilities		
Measured at amortised cost		
a. Borrowings	4,787.88	10,274.20
b. Trade Payables	573.10	3,964.17
c. Other Financial Liabilities	2,706.21	3,062.01
Total	8,067.19	17,300.39

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

Financial Assets / Liabilities	Fair Value	Fair Value Hierarchy		
		Quoted price in active market (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
		{Note 2(b)}		
As at March 31, 2021				
Redeemable Preference Shares (refer note 13)	2,706.21	2706.21	2,706.21	-
As at March 31, 2020				
Redeemable Preference Shares (refer note 13)	317.10	-	317.10	-

3. Financial Risk Management Objectives

Read with Note 30(3), the Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. MANAGEMENT OF MARKET RISK

The Company's size and operations does not results in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- Interest rate risk

i Currency Risk

The Company's activity does not expose it primarily to the financial risk of changes in foreign currency exchange rates. The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows: -

Particulars	As at	
	March 31, 2021	March 31, 2020
Liabilities (Foreign Currency)		
In US Dollars (USD)	-	61,376.40
In Euro (EUR)	-	56,289.04
In Great Britain Pound (GBP)	-	69,733.33
Assets (Foreign Currency)		
In US Dollars (USD)	118.62	33,735.29
In Euro (EUR)	4,185.45	-
In Great Britain Pound (GBP)	-	-

(Rs. in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Liabilities (INR)		
In US Dollars (USD)	-	46.26
In Euro (EUR)	-	46.75

In Great Britain Pound (GBP)	-	63.60
Assets (INR)		
In US Dollars (USD)	0.09	-
In Euro (EUR)	3.60	-
In Great Britain Pound (GBP)	-	-

Foreign Currency Sensitivity Analysis

The Company is no more exposed to the Foreign currency: USD, EUR and GBP.

The following table details, Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit and equity where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit and equity and the balances below would be negative.

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	0.18	(7.90)
Decrease in exchange rate by 5%	(0.18)	7.90

ii. Interest Rate Risk

Interest Rate Risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The Company is no more exposed to the Interest Rate Risk pursuant to Resolution Plan all the fluctuating Interest bearing Risk have been extinguished

B. MANAGEMENT OF CREDIT RISK

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company and it arises principally from the Company's Receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer including the default risk of the industry also has an influence on credit risk assessment. Credit Risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business (Refer note 6 – Trade receivables).

C. MANAGEMENT OF LIQUIDITY RISK

Liquidity Risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The details of contractual maturities of significant financial liabilities are as under:

Particulars	(Rs. in Lakhs)				
	Carrying amount	Less than 1 year	1 – 5 Years	More than 5 years	Total
As at March 31, 2021					
Borrowings	4,787.88	2,393.94	2,393.94	-	4,787.88
Trade Payables	573.10	573.1	-	-	573.10
Financial Liabilities	2,706.21	-	-	2706.21	2,706.21
Total	8,067.19	2,967.04	2,393.94	2706.21	8,067.19
As at March 31, 2020					
Borrowings	10,274.15	7,353.06	2,604.00	317.09	10,274.15
Trade Payables	3,964.17	3,964.17	-	-	3,964.17
Financial Liabilities	3,062.06	2,976.15	85.91	-	3,062.06
Total	17,300.38	14,293.38	2,689.91	317.09	17,300.38

31. Contingent Liabilities and Commitments

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Service Tax matters under appeal	-	155.11
Stamp Duty – Pursuant to the Scheme	43.82	48.80
Other Matters	-	72.93

Note: In the opinion of the Company, the possibility of relating to the net outflow of the above accounts are remote. As per approved resolution plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan, among other matters provide that upon the approval of this Resolution Plan by the National Company Law Tribunal (NCLT) and settlement and receipt of the payment towards the CIRP Costs and by the operational creditors as envisaged in terms of this plan, all the liabilities demands, damages, penalties, loss, claims of any nature whatsoever (whether admitted/verified/submitted/rejected or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future) including any liabilities, losses, penalties or damages arising out of non-compliances, to which the Company is or may be subject to and which pertains to the period on or before the Closing Date (i.e. November 22, 2020) and are remaining as on that date shall stand extinguished, abated and settled in perpetuity without any further act or deed. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

32. Segment Information

The company is primarily engaged in the business segment of “Textiles”. Information reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108, there is single reportable segment.

The information based on location of customers are as under:

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue		
Within India	611.47	88.84
Outside India (excluding Deemed Exports)	-	-
Total	611.47	88.84

Carrying amount of Assets

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	13,285.16	19,397.00
Outside India	-	-
Total	13,285.16	19,397.00

Additions to Fixed Assets

	Year ended March 31, 2021	Year ended March 31, 2020
Within India	15.85	-
Outside India	-	-
Total	15.85	-

33. The Company’s inventories as on March 31, 2021 are valued at lower of cost and realisable value based on management’s estimates. However, considering that the production has been started since December, 2020, post completion of Interim Resolution Period ended November, 22, 2020, as the covid pandemics –Wave#2, during this period, the market was very dull, & volatile to respond & so we were compelled not to produce more & not to offer more credit to our prospective customer. As the market slowed down, it led us into restricted sales mode thereby leading to extremely tight liquidity position and working capital position & hence restricted operations subsequently,

34. Interest provisions on borrowings, inter corporate deposits and interest payable to MSME are made up to April 26, 2019, Since there were paid subsequently as per Resolution Plan & Balance was squared off **refer note:27**, there is no outstanding known Liability falling under MSME as on March 31, 2021

35. IMPACT OF COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. In assessing the recoverability of Company's assets such as Investments, Loans, Trade receivable etc. the Company has considered internal and external information. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions; the Company expects to recover the carrying amount of the assets.

While trade receivable to the extent of Rs. 160.56 Lakhs as on March, 2021, the recoveries have been slow following disturbed market situation Due to ongoing Covid, Pandemic since the whole year under review, the sales are expected to pick up after ease in market situation & relaxation of Lock Down. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. In assessing the recoverability of Company's assets such as Investments, Loans, Trade receivable etc. the Company has considered internal and external information. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions; the Company expects to recover the carrying amount of the assets.

36. The Term of the Monitoring Committee came to an end with effect from November 22, 2020 with the conclusion of the Interim Period i.e. 180 days from the approval of the Resolution Plan & hence the board of the company was re-constituted to manage the affairs of the company. During the year CFO Shri Satish Shah resigned on 10.04.2020 due to personal reasons, however due to suspension of power of board till reconstitution of board reappointment was not done. Once the board was reconstituted the same matter was considered for reappointment of CFO. However due to non-availability of proper candidate and present COVID-19 situation reappointment was not done till year ended March 31, 2021. The Board is in process of finalising a suitable candidate soon.

37. **Related Party Disclosures:** According to Ind AS 24 'Related Party Disclosures'

Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS 24. However, they are not KMPs as per the Companies Act, 2013

A. List of Related Parties:

1. **Holding & Promoter Company**
 - a) Finquest Financial Solutions Private. Limited.
2. **Entities under Common Control**
 - Diggers Properties Pvt Ltd
 - Empire Lubricants Pvt Ltd
 - Equitable Financial Consultancy Services Pvt Ltd
 - Fidelity Multitrade Pvt Ltd
 - Filmquest Entertainment Pvt Ltd
 - Finquest ARC Pvt Ltd
 - Finquest Commodities Pvt Ltd
 - Finquest Securities Pvt Ltd
 - Finquest Wealth Advisory Services Pvt Ltd
 - Gracious Properties Pvt Ltd
 - JHP Finvest Pvt Ltd
 - JHP Securities Pvt Ltd
 - Jusal Properties Pvt Ltd
 - Krihaan Texchem Private Limited
 - Krishi Organic Chemical Industries Pvt Ltd
 - Lifestyle Supermarkets Pvt Ltd
 - Pankaj Cotton Company Pvt Ltd
 - Pankh Properties Pvt Ltd
 - Pasha Finance Pvt Ltd
 - PAT Financial Consultants Pvt Ltd
 - PAT Holdings Pvt Ltd
 - Pranav Holdings Pvt Ltd
 - Premier Tissue India Limited

- Rubfila International Ltd
- Securities Publication (I) Pvt Ltd
- Shoprite Mall Pvt Ltd
- Shoprite Marketing Pvt Ltd
- Sukhwant Properties Pvt Ltd
- Superior Financial Cons. Service Pvt Ltd
- Superior Financial Consultancy Services Pvt Ltd
- Unideep Properties Pvt Ltd
- Urvi Holdings Pvt Ltd

3. **Key Managerial Personnel/Directors**

- a) Non-Executive Independent Directors:
- (i) Sri S. Ragothaman (upto June 25, 2020)
 - (ii) Sri G. Ramanathan (upto June 25, 2020)
 - (iii) Sri A.R. Sreekanth (upto June 25, 2020)
 - (iv) Sri Duraiswamy Gunaseela Rajan (from July 13, 2020)
 - (v) Ms. Sudha Bhushan (from July 13, 2020)
- b) Non-Executive Non-Independent Directors:
- (i) Sri Sidharth Birla (upto June 25, 2020)
 - (ii) Sri Bharat Jayantilal Patel (from July 13, 2020)
 - (iii) Sri Hardik B. Patel (from July 13, 2020)
 - (iv) Sri Ajay Kumar Agarwal (from August 08, 2020)
- c) Whole Time Director:
- (i) Sri Ajay Agarwal, Whole Time Director (from November 25, 2020)
- d) Key Management Personnel:
- (i) Sri Ajay Kumar Agarwal, COO (upto May 21, 2020)
 - (ii) Sri Jatin Jain, Company Secretary (upto November 30, 2020)
 - (iii) Sri Satish Shah, CFO (upto April 10, 2020)

4. **Relative of Director:**

- a) Ruchit B Patel
- b) Minal B Patel
- c) Pankaj J Patel
- d) Saurabh A. Patel
- e) Prashant J. Patel
- f) Vihsal A. Patel
- g) Shweta H. Patel
- h) Tanvi R. Patel

5. **Post-employment benefit funds**

- a) Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund

B. **Transaction with Related Parties:**

(Rs. in Lakhs)

<u>Related Party</u>	<u>Nature of transaction</u>	<u>Year ended</u>	
		<u>March 31, 2021</u>	<u>March 31, 2020</u>
Finquest Financial Solutions Private Limited	Aggregate of long term deposits taken from time to time	-	-
	Non-convertible Redeemable Preference Shares	2,700.00	-
	Maximum outstanding balance (credit) during the year	5,229.00	-
	Central India General Agents Ltd.	-	-

	Interest expenses (gross) on above Deposits	-	5.20
	Maximum outstanding balance (credit) during the year	-	890.04
	Non-convertible Redeemable Preference Shares	-	317.10
Digjam Officers' Superannuation Scheme	Contribution to post employment benefit fund	-	-
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	130.90	3.00
Sri D. G. Rajan	Sitting Fees	0.55	-
Ms. Sudha Bhushan	Sitting Fees	0.85	-
Sri C. Bhaskar	Remuneration	-	1.10
Sri Ajay Kumar Agarwal	Remuneration (refer note d)	3.23	22.43
Sri Ajay Kumar Agarwal	Travelling Expense (refer note d)	1.02	-
Sri Satish Shah	Remuneration (refer note d)	1.97	24.68
Sri Jatin Jain	Remuneration (refer note d)	5.00	8.17

a) The remuneration exclude gratuity funded through LIC, and leave obligation for which contribution/provision are not separately identified. There was no other transaction with them during the aforesaid period.

Balance outstanding at the end of the year:

(Rs. in Lakhs)

Related Party	Nature of transaction	As at	As at
		March 31, 2021	March 31, 2020
Finquest Financial Solutions Private Limited	Outstanding balance (credit)	729.00	-
Central India General Agents Ltd.	Outstanding balance (credit)	-	890.04
Digjam Officers' Superannuation Scheme	Contribution outstanding	-	17.50
Shree Digvijay Woollen Mills Limited Employees Gratuity Fund	Contribution outstanding	459.76	497.95
Sri C. Bhaskar	Payables	-	53.33
Sri A.K. Upadhyay	Payables	-	31.42
Sri Ajay Kumar Agarwal	Payables	0.25	31.51
Sri Satish Shah	Payables	-	51.70
Sri Jatin Jain	Payables	-	10.77

C. Related Party relationships have been identified by the Management and relied upon by the Auditors.

38. Previous years' figures have been regrouped and rearranged wherever necessary.

Accompanying notes form integral part of the financial statements

In terms of our report attached

For S K Bajpai & Co.

Chartered Accountants

S K Bajpai
Partner

Punit Bajaj
Company Secretary

Ajay Agarwal
Whole- Time Director &
Chief Financial Officer

Hardik B. Patel
Chairman

Agra
June 24, 2021

Jamnagar
June 24, 2021

Mumbai
June 24, 2021

Mumbai
June 24, 2021

NOTES

DIGJAM

DIGJAM LIMITED

Registered Office & Mills Address

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Jamnagar - 361 006, Gujarat

Tel No.: +91 288 2712972 /73

E- mail: cosec@digjam.co.in

Website: www.digjam.co.in