

Aerodrome Road,  
Jamnagar – 361 006, India.  
E-mail: cosec@digjam.co.in

August 31, 2023

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

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

**Code No. 539979**

**Symbol "DIGJAMLMTD"**

**Subject: Annual Report for the Financial Year 2022-2023 including Notice of the Eighth (8th) Annual General Meeting ("AGM") of Digjam Limited**

Dear Sir/ Madam,

Pursuant to regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of Eighth (8<sup>th</sup>) Annual General Meeting ("AGM") for the Financial Year ended March 31, 2023 which is sent to the members through electronic means as per the circulars from Ministry of Corporate Affairs and Securities and Exchange Board of India.

Important details with regard to AGM are as under:

Sr. No.	Particulars	Details
1.	AGM details	<b>Day:</b> Friday <b>Date:</b> September 22, 2023 <b>Time:</b> 11:00 a.m. (IST) <b>Through Video Conference / Other Audio-Visual Means</b>
2.	Cut-off date to determine list of members entitled to receive Notice of AGM and Annual Report	Friday, August 25, 2023
3.	Cut-off date to determine list of members entitled for e-voting	Friday, September 15, 2023
4.	Remote e-voting start time, day and date	9.00 a.m. (IST), Tuesday, September 19, 2023
5.	Remote e-voting end time, day and date	5.00 p.m. (IST), Thursday, September 21, 2023

## DIGJAM LIMITED

The logo for DIGJAM Limited, featuring the word "DIGJAM" in white, uppercase letters on a dark blue rectangular background.

Aerodrome Road,  
Jamnagar – 361 006, India.  
E-mail: cosec@digjam.co.in

The above documents are also being made available and can be accessed/downloaded from the Company's website [www.digjam.co.in](http://www.digjam.co.in) and the website of National Securities Depository Limited ("NSDL"), the e-voting agency appointed by the Company at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

This is for your information and record please.

Thanking you,

Yours faithfully,  
For **DIGJAM Limited**

**(Vinayak Hoskote Rao)**  
Executive Director  
DIN: 10073636

Encl: as above



# ANNUAL REPORT

2022-23

FINE SUITINGS FROM

**DIGJAM**

it's who you are



**DIGJAM LIMITED**



## **Sri 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 AND CORPORATE INFORMATION****BOARD OF DIRECTORS**

Sri Hardik Bharat Patel (DIN: 00590663)  
(Chairman and Whole Time Director)  
Sri Ajay Agarwal (DIN: 00649182)  
(Non-Executive Non-Independent Director)  
(w.e.f May 26, 2022)  
Sri D.G. Rajan (DIN: 00303060)  
(Independent Director)  
Ms. Sudha Bhushan (DIN: 01749008)  
(Independent Director )  
Sri P. Swaminathan (DIN: 00901560)  
(Independent Director )  
Sri Vinayak Hoskote Rao (DIN: 10073636)  
(Executive Director w.e.f March 16, 2023)

**CHIEF FINANCIAL OFFICER**

Sri Ajay Agarwal (upto May 31, 2022)  
Sri Satish Shah (from August 6, 2022 to February 15, 2023)  
Sri Pankaj Gharat (w.e.f. May 29, 2023)

**COMPANY SECRETARY**

Sri Punit A. Bajaj

**SENIOR EXECUTIVES**

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

**REGISTERED OFFICE & MILLS**

Aerodrome Road,  
Jamnagar 361 006, Gujarat  
Tel No.: 0288-2712972  
e-mail: cosec@digjam.co.in  
website: www.digjam.co.in

**STATUTORY AUDITORS**

M/s. Nayan Parikh & Co.  
Chartered Accountants

**COST AUDITORS**

M/s. N.D Birla & Co.  
Cost Accountants

**SECRETARIAL AUDITORS**

Viral Shanghavi and Associates  
Practicing Company Secretary

**INTERNAL AUDITORS**

M/s. G. M. Kapadia & Co.  
Chartered Accountants

**CORPORATE IDENTITY NUMBER**

L17123GJ2015PLC083569

**ISIN FOR EQUITY SHARES**

INE731U01028

**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  
Tel: (033) 4072 4051 – 52 – 53  
e-mail: mcssta@rediffmail.com  
website: www.mcsregistrars.com/

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**DIGJAM LIMITED**

CIN: L17123GJ2015PLC083569

Registered Office: Aerodrome Road, Jamnagar – 361 006,  
Gujarat, India.E-mail: [cosec@digjam.co.in](mailto:cosec@digjam.co.in); Telephone: +91 (0288) 2712972-73Website: [www.digjam.co.in](http://www.digjam.co.in)**NOTICE OF THE 8<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Friday, September 22, 2023 at 11.00 a.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors ('the Board') and auditors thereon.
- To appoint a director in place of Sri Ajay Agarwal (DIN: 00649182), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

- To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024**

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, 2024, amounting to ₹ 75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes thereon and re-imbursment 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 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 16, 2023 to September 22, 2023 (both days inclusive).

Place: Mumbai  
Date: May 29, 2023**Registered Office:**Aerodrome Road,  
Jamnagar 361 006  
(Gujarat)

CIN: L17123GJ2015PLC083569

[cosec@digjam.co.in](mailto:cosec@digjam.co.in)[www.digjam.co.in](http://www.digjam.co.in)By Order of the Board  
of Directors  
For **DIGJAM Limited****Punit Bajaj**  
Company Secretary  
Membership No.:  
ACS - 58392**NOTES:**

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') and pursuant to relevant Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('the Listing Regulations'), in respect of the businesses under Item No. 3 of the Notice is annexed hereto. The Board of Directors ('the Board') have considered and decided to include Item No. 3 given above in the 8th Annual General Meeting ('AGM'), as they are unavoidable in nature.
- In terms of Section 152 of the Act, Sri Ajay Agarwal (DIN: 00649182) retires by rotation at this meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The Relevant details of the Director proposed to be re-appointed, as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings ('SS-2') is annexed to this notice.
- In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, May 5, 2022 and December 28, 2022 ("MCA Circulars for General Meetings") and The Securities and Exchange Board of India ("SEBI") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ("SEBI Circulars for General Meetings"), permitted the holding of the general meetings through VC / OAVM, without the physical presence of the members at a common venue till September 30, 2023. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM will be the registered office of the Company at **Aerodrome Road, Jamnagar – 361 006, Gujarat, India**. Attendance of the Members participating in the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum for the AGM as per section 103 of the Act.
- As the AGM is being held pursuant to MCA Circulars for General Meetings and SEBI Circulars for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.  
  
Further, pursuant to sections 112 and 113 of the Act, 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 / OAVM and cast their vote through e-voting. As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- Electronic copy of complete Annual Report and Notice of AGM are also being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes.

6. Recorded transcript of the proceedings at the AGM shall also be made available on Company's website in Investor Section soon after conclusion of said meeting.
7. Members holding shares in physical mode are requested to intimate MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company ('the RTA') at 383, Lake Gardens, 1st Floor, Kolkata 700 045, changes, if any, in their names, registered address along with pin code number, e-mail address, telephone / mobile number, Permanent Account Number ('PAN'), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. and relevant evidences. Members holding shares in electronic mode shall update such details with their respective Depository Participant ('DP').
8. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / RTA / Depositories. The Notice can also be accessed from the websites of the Company i.e. [www.digjam.co.in](http://www.digjam.co.in) as well as from the website of Stock Exchanges where Company is listed i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on website of National Securities Depository Limited ('NSDL') (agency for providing the remote e-voting facility and e-voting during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. The Register of members and share transfer books of the Company will remain closed from Saturday, September 16, 2023 to Friday, September 22, 2023 (both days inclusive) for the purpose of AGM.
10. **Section 88 of the Act read with Rules framed thereunder provide for maintenance of Members Register having details like e-mail ID, Income Tax Permanent Account Number (PAN), Unique Identification Number, Corporate Identification Number, Father's / Mother's/ Spouse's Name, Status, Occupation and Nationality etc.** Form for furnishing these information may be downloaded from Company's website [www.digjam.co.in](http://www.digjam.co.in) and sent to the Company or its Registrar and Share Transfer Agent. Registration of e-mail ID will also facilitate receipt of all communication including Annual Report, Notices and Circulars etc electronically from the Company. Even after registration for e-communication, members will continue to be entitled to receive such documents in physical form, upon making a request for the same.
11. **Mandatory furnishing of KYC details and nominations by holders of physical securities:**  
SEBI/HO/MIRSD/MIRSD\_PoD-1/P/CIR/2023/37 dated 16th March 2023, SEBI has made it mandatory to furnish PAN, Email address, Mobile Number, Bank Account details and Nomination by holders of Physical Securities. This is applicable for all the security holders in physical mode. The salient features and requirements of the circular are as follows:
  - Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhar by 30th September 2023 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of folio.
  - The Registrar and Share Transfer Agent shall not process any service requests or complaints received from the holder(s)/ claimant(s), till PAN, KYC and Nomination documents/details are received.
  - Folios wherein any one of the said document / details are not available on or after 1st October 2023, shall be frozen and member will not be eligible to lodge grievance or avail service request from the Registrar and Share Transfer Agent and not eligible for receipt of dividend in physical mode after 1st April 2024.
  - After 31st December 2025, the frozen folios shall be referred by Registrar and Share Transfer Agent/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

In view of the above, members holding shares in Physical Form are requested to send self-attested copy of valid PAN card (linked with Aadhar) or latest Demat account CML copy duly attested by DP, KYC details duly mentioned in ISR-1 form (Mobile Number and Email ID are mandatory), ISR-2 form and Nomination Form (SH-13) immediately to the Company's Registrar and Share Transfer Agent by post or courier. The required forms (ISR-1, ISR-2, SH-13 etc.) can be downloaded from [www.digjam.co.in](http://www.digjam.co.in).
12. **Friday, September 15, 2023** has been fixed as '**Cut off Date**' for determining Members entitled to facility of voting by remote e-voting and for e-voting at said AGM following Regulation 44 of the SEBI LODR, 2015.
13. Equity Shares of the Company are available for dematerialisation both with NSDL and Central Depository Services (India) Limited ('CDSL'). ISIN is **INE731U01028**.
14. 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 not to 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.
15. In terms of circulars issued by The Securities and Exchange Board of India ('SEBI'), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA of the Company.
16. As per Regulation 40 of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. 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 RTA, M/s. MCS Share Transfer Agent Limited for assistance in this regard. In view of the above, members are advised to dematerialize shares held by them in physical form.

17. As per the provisions of section 72 of the Act, the facility of making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to the DP in case the shares are held by them in electronic mode and to the Company / RTA, in case the shares are held in physical mode.

18. Members holding shares in physical mode, in identical order of names, in more than 1 (one) folios are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in 1 (one) folio. A consolidated share certificate will be issued to such members after making requisite changes.

In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

#### 19. Issue of shares in Demat mode only:

SEBI vide its notification dated January 24, 2022 amended certain provisions of the Listing Regulations, inter-alia, pertaining to issue of shares in demat mode only. Further, SEBI vide its circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued operational guidelines for demat of securities received for processing investor's service request.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. It also substantially reduce the risk of fraud. Therefore, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

For more details, please visit our website at <https://www.digjam.co.in>.

20. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. The e-mail address can be registered with the DP in case the shares are held in electronic mode and with the RTA in case the shares are held in physical mode.

21. Members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 10 (ten) days in advance of the date of AGM through e-mail on [cosec@digjam.co.in](mailto:cosec@digjam.co.in). The same will be replied by the Company suitably.

22. 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 the Directors are interested under Section 189 of the Act and all other documents referred to in this Notice will be available for inspection in electronic mode.

The copies of the documents will also be available for electronic inspection during normal business hours on

working days from the date of circulation of the Notice upto the date of AGM. For any communication, members may also send requests to the Company's investor e-mail id [investors@digjam.co.in](mailto:investors@digjam.co.in) or [cosec@digjam.co.in](mailto:cosec@digjam.co.in).

23. Members are requested to quote Folio No. or Client ID and DP ID Nos. in all communications with the Company.

24. Equity Shares of the Company are listed both on the BSE Limited (Code: 539979) and National Stock Exchange of India Limited (Code: DIGJAMLMTD) and regularly traded thereon.

#### 25. E-voting (voting through electronic means):

i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with The Companies (Management and Administration) Rules, 2014, standard 8 of the Secretarial Standard on General Meetings, regulation 44 of the Listing Regulations and pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with National Securities Depository Limited ('NSDL') to facilitate the members to cast their votes from a place other than venue of the AGM ('remote e-voting'). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their votes by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by NSDL.

In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.

ii. In view of the massive outbreak of the COVID-19 pandemic, social distancing is still a norm to be followed and pursuant to the MCA Circulars for General Meetings and the SEBI Circulars for General Meetings, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM.

iii. The members can join the AGM through VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the AGM and within 15 (fifteen) minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will be in addition to large members (members 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.

- iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.
- v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the Depositories as on Friday, September 15, 2023, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.
- vi. The members who have cast their votes by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their votes again.
- vii. The members whose names appear in the Register of Members / List of Beneficial Owners as on Friday, September 15, 2023 are entitled to vote on the resolutions set forth in the Notice. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for seeking assistance for issuance of the User Id and Password for exercising their right to vote by electronic means.
- viii. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- ix. The Company has appointed Mr. Viral Sanghavi, Proprietor of Viral Sanghavi & Associates, Practicing Company Secretaries (Membership No. FCS 10331: COP No. 9035), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

**26. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- i. In case shares are held in physical mode please provide 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.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (below) (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)**
- iii. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

- iv. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**27. Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:**

- The remote e-voting period **begins on 9:00 a.m. (IST) on Tuesday, September 19, 2023 and ends on 5:00 p.m. (IST) on Thursday, September 21, 2023.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (**cut-off date**) i.e. **Friday, September 15, 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 15, 2023.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Listing Regulations, 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.

The way to vote electronically on NSDL e-voting System consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#)**

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>

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. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**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. NSDL and CDSL.**

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.viralsanghavi@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Ketan Patel at evoting@nsdl.co.in.
4. A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail.
5. The Company has appointed Mr. Viral Sanghavi, Proprietor of Viral Sanghavi & Associates, Practicing Company Secretaries (Membership No. FCS 10331: COP No. 9035), to act as the

Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.

6. The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, within two working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
7. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.
8. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.digjam.co.in and on the website of NSDL www.evoting.nsdl.com and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.
9. Subject to receipt of requisite number of votes, the Resolution(s) set out in the Notice shall be deemed to be passed on the date of the AGM.

### **28. Instructions for members attending the AGM through VC/OAVM & e-voting during AGM are as under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. 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.
3. 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.
4. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
5. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7. 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.
8. 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 **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cosec@digjam.co.in](mailto:cosec@digjam.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cosec@digjam.co.in](mailto:cosec@digjam.co.in). These queries will be replied to by the company suitably by email.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. 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.
11. 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## ANNEXURE TO THE NOTICE

**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 Ajay Agarwal (DIN: 00649182)**, aged 58 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 Share in the Company.

Except for Sri Ajay Agarwal 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 N.D. Birla & Co.as the Cost Accountant, Ahmedabad (Firm Registration No. 000028), as the Cost Accountant of the Company**

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 2023-24 at a remuneration of ₹ 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. 3 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.

Place: Mumbai  
Date: May 29, 2023

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

**Registered Office:**  
Aerodrome Road,  
Jamnagar 361 006  
(Gujarat)  
CIN: L17123GJ2015PLC083569  
[cosec@digjam.co.in](mailto:cosec@digjam.co.in)  
[www.digjam.co.in](http://www.digjam.co.in)

**Punit Bajaj**  
Company Secretary  
Membership No.:  
ACS - 58392

**Contact Details:**

<b>Company</b>	Mr. Vinayak Hoskote Rao Executive Director DIGJAM Limited Registered Office: Aerodrome Road, Jamnagar – 361 006, Gujarat, India. CIN: L17123GJ2015PLC083569 E-mail: <a href="mailto:cosec@digjam.co.in">cosec@digjam.co.in</a>
<b>Registrar and Transfer Agent</b>	MCS Share Transfer Agent Limited 383 Lake Gardens, First floor, Kolkata, India. Contact Person: Mr. Subhash Bhat-tachary E-mail: <a href="mailto:mcssta@rediffmail.com">mcssta@rediffmail.com</a>
<b>e-Voting Agency</b>	National Securities Depository Limited E-mail: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Phone: 022 - 4886 7000 and 022 - 2499 7000
<b>Scrutinizer</b>	Mr. Viral Sanghavi Practising Company Secretary E-mail: <a href="mailto:cs.viralsanghavi@gmail.com">cs.viralsanghavi@gmail.com</a>

## ANNEXURE TO THE NOTICE DATED MAY 29, 2023

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

Name	Sri Ajay Agarwal
Date of Birth/ Age	June 15, 1964 / 58 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	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	6 (2022-23)
Directorship held in other companies as on date	Krihaan Texchem Private Limited, Leggiuno India Private Limited and Diggers Properties Private Limited
Membership/Chairmanship of Committees of other Companies as on date	Nil

## DIRECTORS' REPORT

### To the Members,

Your Directors' are pleased to present the 8th Annual Report of the Company, along with the financial statements for the Financial Year ended March 31, 2023 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 ("Listing Regulations").

### 1. FINANCIAL HIGHLIGHTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of The Companies (Accounts) Rules, 2014 ('Accounts Rules').

The financial performance of the Company, for the Financial Year ended on March 31, 2023 is summarized below:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
<b>Revenue from operations and Other Income</b>	<b>3,410.59</b>	<b>3,603.69</b>
<b>Operating Profit / (Loss) before Interest, Depreciation and Taxes</b>	(317.22)	540.33
<b>less: Finance Costs</b>	411.45	197.79
<b>less: Depreciation</b>	102.18	224.84
<b>(Loss)/Profit for the year before Exceptional Items and Tax</b>	(830.85)	117.70
<b>less: Exceptional Items</b>	389.94	-
<b>(Loss)/Profit Before Tax</b>	(1,220.79)	117.70
<b>less: Taxation</b>	-	-
<b>(Loss)/Profit After Tax</b>	(1,220.79)	117.70
<b>Other Comprehensive Income</b>	32.52	31.74
<b>Balance brought forward</b>	(1,188.27)	149.44
<b>leaving a Balance of</b>	806.88	1,995.16
<b>which is carried forward</b>		

### 2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

During the Period under Review, the revenue from operations and other income was ₹ 3,410.59 lakh as compared to the last year's revenue of ₹ 3603.69 lakh. The net loss after tax (after exceptional item and other comprehensive income) of the Company for the year under review is ₹ (1,188.27)

lakh as compared to the last year's net profit of ₹ 149.44 lakh for the previous year. The net loss for the current year includes an exceptional item of ₹ 389.94 lakh on account of discarding of Property, Plant and Equipment in nature of Building, more particularly described in Note No. 27. of the Financial Statements.

More details on the financial statements of the Company along with various financial ratios are available in the Management Discussion & Analysis Report forming part of this report.

### 3. DIVIDEND:

On account of the Loss After Tax reported by the Company during the Financial Year 2022-23, the Board of Directors do not recommend any dividend (previous year Nil).

### 4. TRANSFER TO RESERVES:

The Directors' do not propose to transfer any amounts to the general reserves of the Company, on account of the Loss After Tax reported by the Company during the Financial year ended March 31, 2023 in the profit and loss account.

### 5. IMPACT OF COVID-19

Health scares due to COVID-19 Pandemic had resulted in global economic disruption for an extended period of nearly 2 years over its various phases. However, due to robust vaccination programmes, particularly by countries with large population, the pandemic could be controlled to a substantial extent. The company was not directly adversely impacted due to this pandemic during the year under review.

### 6. 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.

### 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company has not given any loans and any guarantees, made any investment and provided any security (ies) covered under the provisions of section 186 of the Companies Act, 2013.

### 8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

### 9. SIGNIFICANT EVENT DURING THE YEAR UNDER REVIEW

BSE Limited and National Stock Exchange of India Limited, vide their letters dated March 13, 2023, have approved our application for reclassification of the erstwhile members of the "Promoters and Promoter Group" (prior to the implementation of Resolution Plan as mentioned below) as "Public Shareholders" in terms of Regulation 31A of the SEBI Listing Regulations.

Further, during the year under review, the Company is in process to sale / dispose of surplus land ad measuring 65,584.50 Sq. Mtrs. as identified by the Board of Directors at their meeting held on August 29, 2023 for consideration

not less than Rs. 60 Crore. Subsequently, the Board has also obtained Shareholder consent to sale / dispose of above said land by passing Special Resolution at 7th Annual General meeting held on September 24, 2023.

#### 10. CHANGE IN SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2023 stood at ₹ 2000 Lakhs. There was no change in the paid-up share capital during the year. The Company have outstanding paid-up preference share capital of ₹ 2700 Lakhs as on March 31, 2023.

During the year under review, the 27,00,000 - 7% Cumulative, Non-Convertible Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 27,00,00,000/- which were allotted to Finquest Financial Solutions Private Limited ('FFSPL') by the Board of Directors of the Digjam Limited on March 19, 2021 have now acquired 2,70,00,000 Voting Rights by operation of the Second Proviso to sub-section (2) of Section 47 of the Companies Act, 2013 for non-payment of dividend for period of 2 years.

It may be noted that FFSPL is the sole Promoter of the Company and is holding 1,80,00,000 Equity Shares of Rs. 10/- each (90% of the present paid-up Equity Share Capital). Consequently, after acquiring 2,70,00,000 voting rights on 27,00,000 - 7% Cumulative, Non-Convertible Redeemable Preference Shares in terms of 2nd proviso to sub-section (2) of Section 47 of the Companies Act, 2013 the Voting Rights of FFSPL will increase to 4,50,00,000 i.e. 95.74% of the aggregate paid-up Equity and Preference Share Capital of the Company.

During the year under review, the Company has neither issued any shares with differential voting rights nor granted any stock options or sweat equity or warrants.

As on March 31, 2023, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

There is no instance where the Company failed to implement any corporate action within the specified time limit.

#### 11. DIRECTORS & KEY MANAGERIAL PERSONNEL

##### a. Composition of the Board

Composition of Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Non-Independent Director and Non-Executive Independent Directors including Women Director in accordance with the provisions of Companies Act, 2013 and Regulation 17 of Listing Regulations. All the Directors have rich experience and specialized knowledge in sectors covering law, finance, accountancy and other relevant areas.

As on March 31, 2023, the Board consisted of six directors comprising of three Non-Executive Independent Directors including a woman director, namely:

Sr. No.	Name of Director	Designation
1.	Sri Hardik Patel (DIN: 00590663)	Whole Time Director Director and Chairman
2.	Sri Ajay Agarwal (DIN: 00649182)	Non-Executive, Non-Independent Director
3.	Sri D. G. Rajan (DIN: 00303060)	Non-Executive, Independent Director
4.	Ms. Sudha Bhushan (DIN: 01749008)	Non-Executive, Independent Director
5.	Sri Panchapakesan Swaminathan (DIN: 00901560)	Non-Executive, Independent Director
6.	Sri Vinayak Hoskote Rao (DIN: 10073636)	Executive Director

The profile of all the Directors can be accessed on the Company's website at [www.digjam.co.in](http://www.digjam.co.in).

None of the Directors of the Company have incurred any disqualification under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Directors have confirmed that they are not debarred from accessing the capital market as well as from holding the office of Director pursuant to any order of Securities and Exchange Board of India or Ministry of Corporate Affairs or any other such regulatory authority. In the view of the Board, all the directors possess the requisite skills, expertise, integrity, competence, as well as experience considered to be vital for business growth.

The composition of Board of Directors and detailed analysis of various skills, qualifications and attributes as required and available with the Board has been presented in the Corporate Governance Report.

##### b. Changes in the Directors during the year under review:

Pursuant to recommendations of the Nomination and Remuneration Committee the details of changes in the Directorships approved by the Board during the financial year 2022-23 is given below:

Sri Ajay Kumar Agarwal (DIN: 03508224) has been appointed / redesignated, as Whole-time Director, designated as 'Executive Director' of the Company for a period of 3 (Three) years from April 1, 2022 to March 31, 2025, liable to retire by rotation, by the Board of Directors at their Meeting held on February 14, 2022. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on June 30, 2022. Further, he has ceased as Executive Director of the Company w.e.f January 31, 2023

The Board of Directors at their meeting held on May 25, 2022 approved the re-designation of Sri Ajay Agarwal (DIN: 00649182) from Whole Time Director to Non-

Executive Director of the Company w.e.f. May 26, 2022, is liable to retire by rotation.

Sri Hardik B. Patel has been appointed / redesignated, as Whole-time Director, designated as Whole Time Director cum Chairman of the Company for a period of 3 (Three) years from February 6, 2023 to February 5, 2026, not liable to retire by rotation, by the Board of Directors at their Meeting held on February 6, 2023. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on May 5, 2023.

Sri Parashiva Murthy B S has been appointed, as Additional Director of the Company by the Board of Directors at their meeting held on February 6, 2023. However, due to personal reasons Sri Parashiva Murthy B S resigned from the Board w.e.f March 16, 2023.

Sri Vinayak Hoskote Rao has been appointed, as Whole-time Director, designated as 'Executive Director' of the Company for a period of 3 (Three) years from March 16, 2023 to March 15, 2026, liable to retire by rotation, by the Board of Directors at their Meeting held on March 16, 2023. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on May 5, 2023.

**c. Retirement by Rotation:**

Pursuant to the provisions of Section 152(6) (d) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Sri Ajay Agarwal (DIN: 00649182) will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Information regarding the directors seeking re-appointment as required by Regulation 36 of the Listing Regulations and Secretarial Standard-2 has been given in the notice convening the ensuing Annual General Meeting.

**d. Key Managerial Personnel**

During year under review, Sri Ajay Agarwal (DIN: 00649182) has ceased to be Chief Financial Officer w.e.f. May 31, 2022.

Sri Satish Shah has been appointed as Chief Financial Officer of the Company with effect from August 8, 2022. However, Sri Satish Shah has ceased to be Chief Financial Officer w.e.f February 15, 2023.

As on 31st March, 2023, Your Company has following key managerial personnel as on date of this report:

Sri Punit Bajaj, Company Secretary and Compliance Officer.

**12. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each independent director who are part of the 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.

None of the independent directors are 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 objective independent judgment and without any external influence. The board of directors have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the same and in their opinion the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of the management.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act along with the Code of Conduct for Directors and Senior Management Personnel formulated by the Company as per Listing Regulations.

**13. 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>.

**14. PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time in respect of Directors/ employees of the Company is attached as 'Annexure- B' to this report.

The information required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time-to-time forms part of this Board Report. However, in terms of Section 136 of the Act, the annual report is being sent to the shareholders excluding the said statement. The said information is readily available for inspection by the shareholders at the Company's registered office during the business hours on all working days up to the date of ensuing Annual General Meeting and shall also be provided to any shareholder of the Company, who sends a written request to the Company Secretary and Compliance Officer at [investors@digjam.co.in](mailto:investors@digjam.co.in).

**15. NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2022-23, six (6) Board Meetings were held. The meetings were held in hybrid mode i.e., both physically and virtually in accordance with the applicable provisions of the Act. The details relating to Board Meetings and attendance of Directors in each board meeting held

during the FY-2022-23 has been separately provided in the Corporate Governance Report.

The maximum time gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of the Listing Regulations, Section 173 of the Act and Secretarial Standard on Meetings of the Board of Directors.

#### 16. COMMITTEES OF THE BOARD

The constitution of the Board Committees is in acquiescence of provisions of the Act and the relevant rules made thereunder, Listing Regulations and the Articles of Association of the Company. The Board has constituted Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee to deal with specific areas/activities that need a closer review and to have an appropriate structure for discharging its responsibilities.

The composition, terms of reference, attendance of directors at the meetings of all the above Committees has been disclosed in the Corporate Governance Report.

There has been no instance where the Board has not accepted any of the recommendations of the Audit Committee.

#### 17. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) and other applicable provisions of the Listing Regulations and in consonance with Guidance Note on Board Evaluation issued by the SEBI, the Board of Directors of the Company have formulated a Board Evaluation Policy which lays down the manner of evaluation of the Board as a whole, its committees and the individual Directors.

The Board on the recommendation of the Nomination and Remuneration Committee carried out an annual performance evaluation of the Board as a whole and directors individually. The Board also carried evaluation of the performance of its various Committees for the year under consideration. The performance evaluation of the Directors was carried out by the entire Board, other than the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction over the evaluation process.

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'.

#### 18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors of the Company confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed and no material departures have been made from the same;
- 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, 2023 and of the profit/loss of the Company for the year ended on that date;

- 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- the internal financial controls were in place and that such internal financial controls were adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 19. BUSINESS RISK MANAGEMENT

The Company has built a comprehensive risk management framework that seeks to identify all kinds of anticipated risks associated with the business and to take remedial actions to minimize any kind of adverse impact on the Company. 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.

The Company is not required to constitute the Risk Management Committee, as the provision of Regulation 21 of the Listing Regulations is not applicable to the Company.

The Company has also formulated and implemented a Risk Management Policy in accordance with Listing Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks. The Policy is available on the Website of the Company at [www.digjam.co.in](http://www.digjam.co.in). The other details in this regard are provided in the Corporate Governance Report, which forms part of this Annual Report.

#### 20. AUDITORS AND THEIR REPORTS

##### Statutory Auditor

M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) ("NPCO"), were re-appointed as the Statutory Auditors of the Company for a period of 5 (five) year from the conclusion of Seventh AGM till the conclusion of Twelfth AGM in year 2027, with an authority to the Audit Committee and the Board to decide the remuneration payable to them. Re-appointment of NPCO was approved by the members at the 7th AGM.

NPCO have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Auditor's Report and the observations and comments, appearing in the report, are self-explanatory and do not call for any further explanation / clarification by the Board as provided under section 134(3)(f) of the Act. The Statutory Auditors' Report on the financial statements of the Company for the Financial

Year ended March 31, 2023, forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

#### 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, 2023 and the remuneration payable to them was approved by the Members at their 7th 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, 2024. 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 Eighth 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), Practising 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, 2023 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'.

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.

#### Internal Auditors

M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Registration No. 104767W), were appointed as the Internal Auditors of the Company for the FY-2022-23 in the Board Meeting held on May 25, 2022 in accordance with the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

### 21. 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.

### 22. INTERNAL FINANCIAL CONTROLS

According to Section 134(5) (e) of the Act, the term Internal Financial Control ('IFC') means the policies and procedures

adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and early detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls and the Board is responsible for ensuring that IFC are laid down in the Company and that such controls are adequate and operating effectively.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3)(i) of the Act forms part of the Audit Report.

### 23. 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.

### 24. CORPORATE SOCIAL RESPONSIBILITY:

As per General Circular No. 14 /2021 date 25th August, 2021, where the amount required to be spent by a company on Corporate Social Responsibility ('CSR') does not exceed Fifty Lakhs rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee in such cases, shall be discharged by the Board of Directors of the company. Therefore, company did not Comprise CSR Committee. The Board of Directors of the company monitoring the CSR initiatives of the Company. The Board had adopted a CSR Policy.

The CSR Policy of the Company inter alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Act. The Policy on CSR as approved by the Board of Directors in accordance with the requirements of the Act is available on the Company's website at [www.digjam.co.in](http://www.digjam.co.in) and is also annexed herewith and marked as 'Annexure- E'.

Pursuant to Section 135 of the Act read with CSR Policy of the Company, the Company is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. As the average net profit of the Company during previous three financial years was negative, the Company was not required to spend any amount for the CSR purpose during the year under review.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is annexed herewith and marked as 'Annexure- F'.

## 25. 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- G'.

## 26. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended March 31, 2023 is available on the website of the Company at [www.digjam.co.in](http://www.digjam.co.in).

## 27. SECRETARIAL STANDARDS

In terms of Section 118(10) of the Act, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

## 28. 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 2022-23 along with the requisite certificate issued by Secretarial Auditors of your Company regarding compliance of the conditions of Corporate Governance.

## 29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a policy on related party transactions which is also available on Company's website at <https://digjam.co.in/files/policy/Policy%20on%20Related%20Party%20Transactions.pdf>. All Related Party Transaction that were entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

None of the material transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2023 and hence does not form part of this report. 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. 34 of the Financial Statements.

## 30. 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- H' and is available on the website of the Company at <http://digjam.co.in/files/Whistle%20Blower%20Policy%20v2.pdf>.

## 31. 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.

## 32. 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:

- There was no change in the nature of business of the Company during the financial year ended March 31, 2023.
- Receipt of any remuneration or commission from any of its subsidiary companies by the Whole-time Directors of the Company.
- During the financial year under review no disclosure

or reporting is required with respect to issue of equity shares with differential rights as to dividend, voting or otherwise, issue of Sweat equity shares and Buyback of shares.

- d. The financial statements of the Company were not revised.
- e. There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
- f. There are no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year upto the date of this Annual Report. Further, there are no other significant development during the year which can be considered as Material except those reported at point number 9 of this report.
- g. No proceedings are filed by the Company or pending against the Company under the Insolvency and Bankruptcy Code, 2016 till the date of this report.
- h. There was no instance of one-time settlement with any Bank or Financial Institution.

### 33. INDUSTRIAL RELATIONS:

Industrial relations have been cordial at the manufacturing unit of the Company.

### 34. ACKNOWLEDGEMENTS

The Directors express their appreciation for the sincere cooperation and assistance of Central and State Government authorities, bankers, customers, suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude, the encouragement and support extended by our valued Members.

**For and on behalf of the Board of Directors**

**Hardik Patel**

Chairman

DIN: 00590663

Place: Mumbai

Date: May 29, 2023

## DIRECTORS' REPORT

### 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 Nomination & Remuneration 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 Nomination & Remuneration Committee:

The Nomination & Remuneration 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.

## DIRECTORS' REPORT

### Annexure-B

#### Statement of Disclosure of Managerial Remuneration Under Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2022-23 and percentage increase in remuneration of each Directors, Chief Financial Officer and Company Secretary during the financial year 2022-23 are as under.

Name of Director/KMP	Designation	Remuneration of Directors/KMP for FY 2022-23 ( in Lakh)	Ratio of remuneration of each Director to the Median remuneration of employees	Percentage increase in Remuneration
Sri Hardik Patel (DIN: 00590663)	Whole Time Director and Chairman	Nil	N.A.	N.A.
Sri Ajay Agarwal (DIN: 00649182)	Non-Executive, Non-Independent Director	Nil	N.A.	N.A.
Sri D. G. Rajan (DIN: 00303060)	Non-Executive, Independent Director	2.25	1.22	N.A.
Ms. Sudha Bhushan (DIN: 01749008)	Non-Executive, Independent Director	2.45	1.33	N.A.
Sri P. Swaminathan (DIN: 00901560)	Non-Executive, Independent Director	2.05	1.11	N.A.
Sri Vinayak Hoskote Rao (DIN: 10073636)	Executive Director	1.42	0.77	N.A.
<b>Key Managerial Personnel</b>				
Sri Ajay Agarwal	Chief Financial Officer	Nil	N.A.	N.A.
Sri Satish Shah	Chief Financial Officer	8.92	4.85	N.A.
Sri Punit A. Bajaj	Company Secretary	8.68	4.72	N.A.

- a) Non-Executive Independent Directors were paid remuneration in the form of sitting fees only for attending the Board and Committee meetings and therefore the percentage increase in their remuneration is Not Applicable.
- b) Sri Hardik B. Patel (DIN: 00590663) has been appointed / redesignated, as Whole-time Director, designated as Whole Time Director cum Chairman of the Company for a period of 3 (Three) years from February 6, 2023 to February 5, 2026, not liable to retire by rotation, by the Board of Directors at their Meeting held on February 6, 2023. He do not receive any remuneration, sitting fees or commission from the Company during the financial year 2022-23 and therefore the percentage increase in their remuneration is Not Applicable.
- c) Sri Ajay Agarwal (DIN: 00649182) has been redesignated from Whole Time Director to Non-Executive Director of the Company w.e.f. May 26, 2022, is liable to retire by rotation and he do not receive any remuneration, sitting fees or commission from the Company, during the financial year 2022-23.
- d) Sri Vinayak Hoskote Rao was appointed as Executive Director w.e.f. March 16, 2023.
- e) Sri Satish Shah was appointed as Chief Financial Officer w.e.f. August 6, 2022 and has ceased to be Chief Financial Officer w.e.f. February 15, 2023, therefore the percentage increase in their remuneration is Not Applicable.
- i) The percentage increase in the median remuneration of employees in the financial year: **(4.41)%**
- ii) The number of permanent employees on the rolls of Company: **378 (as on March 31, 2023)**
- iii) 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 (28.54)% and (0.00%) for Managerial Personnel.*
- iv) 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.

**For and on behalf of the Board**  
**Hardik Patel**  
 Chairman  
 DIN: 00590663  
 Place: Mumbai  
 Date: May 29, 2023

**DIRECTORS' REPORT****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.

**DIRECTORS' REPORT****Annexure-D****Form - MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED****MARCH 31, 2023**

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

To,  
The Members,  
**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 my opinion thereon.

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, 2023, 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made 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:
  - a) Textiles Committee Act, 1963;
  - b) Textiles (Development and Regulation) Order, 2001;
  - c) Textile (Consumer Protection) Regulations, 1988;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) 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.

## DIRECTORS' REPORT

(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015");

I hereby report that during the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that during the year under review: -

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

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

- i. Public / Rights /debentures / sweat equity etc.;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Redemption / Buy-back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- v. Merger / amalgamation / reconstruction etc.;
- vi. Foreign Technical Collaborations.

Note : There were certain forms / returns which the company was unable to file with ROC, within required due date as given in Companies Act 2013, falling due upto 31<sup>st</sup> March 2023, because of the reason of technical glitches or non-working of MCA21 website. As mentioned by the company, the follow-up for this pending forms / returns is being taken duly and once the technical glitches are removed, the required forms/return will be filed with ROC website.

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

**CS Viral Sanghavi**  
Proprietor  
M No. FCS 10331 CP 9035  
Unique Reg Code : I2010GJ729600  
PR : 2531/2022

Singed on 29<sup>th</sup> May, 2023 at Jamnagar  
UDIN: F010331E000415318

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.

## DIRECTORS' 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, 2023 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.

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

**CS Viral Sanghavi**  
Proprietor  
M No. FCS 10331 CP 9035  
Unique Reg Code : I2010GJ729600  
PR : 2531/2022

Singed on 29<sup>th</sup> May, 2023 at Jamnagar  
UDIN: F010331E000415318

## DIRECTORS' REPORT

## Annexure-E

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

Having regard to the Company's size and scope, small steps have been always taken at unit level for social and inclusive development in the local area; however, given the relatively small size and geographical spread, it has not been practical to undertake directly any significant project outside these. The Company thus adopted a policy to support external bodies including relevant bodies, NGOs or Government Relief Funds selected by the Committee / Board of Directors ('the Board'), including through financial contribution to them.

The Committee / Board will focus on activities in areas, excluding those undertaken in pursuance of normal business of the Company, selected from those identified and prescribed under the Companies Act, 2013 (Annexure) with greater participation in the areas of health and social welfare, efforts towards reducing child mortality, promotion of education & social responsible behavior, and employment enhancing vocational skills.

The Company will endeavor to spend, in every financial year, an amount considered appropriate by the Board, *inter-alia* keeping in view the benchmark of at least 2% average net profits of the Company made during the three immediately preceding Financial Years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 ("the Act") in the sector as mentioned in schedule VII of the Act. Surplus, if any, arising out of CSR projects shall be ploughed back and will not form part of the business profit of the Company.

**ANNEXURE - AREAS PRESCRIBED UNDER THE COMPANIES ACT, 2013:**

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) rural development projects.
- k) slum area development.

## DIRECTORS' REPORT

### Annexure-F

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

**1. Brief outline on CSR Policy of the Company:**

The CSR Policy of the Company inter alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder.

**2. Composition of Corporate Social Responsibility & Governance (“CSR&G”) Committee:**

as per the General Circular No. 14 /2021 date 25th August, 2021 Where the amount required to be spent by a company on CSR does not exceed Fifty Lakhs rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the company. Therefore, company did not comprise CSR Committee

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.digjam.co.in](http://www.digjam.co.in)**

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable.**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in Rupee Foradian)
Not Applicable			

**6. Average net profit of the Company as per section 135(5): Not Applicable as the average net profit of the Company during previous three financial years was negative.**

- i. Two percent of average net profit of the company as per section 135(5): Not Applicable
- ii. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil
- iii. Amount required to be set off for the financial year, if any: Nil
- iv. Total CSR obligation for the financial year (7a+7b-7c): Nil
  - a. CSR amount spent or unspent for the financial year: Nil

- b. Details of CSR amount spent against ongoing projects for the financial year: Nil
- c. Details of CSR amount spent against other than ongoing projects for the financial year: Nil
- d. Amount spent in Administrative Overheads: Nil
- e. Amount spent on Impact Assessment, if applicable: Nil
- f. Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
- g. Excess amount for set off, if any: Nil
- a. Details of Unspent CSR amount for the preceding three financial years: Nil
- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

**7. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable**

(Asset-wise details).

- a. Date of creation or acquisition of the capital asset(s): Not Applicable
- b. Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company’s average net profit of last three consecutive years is negative and hence the Company is not required to spend any amount on CSR activities.**

**For and on behalf of the Board of Directors**  
**Hardik Patel**  
 Chairman  
 DIN: 00590663  
 Mumbai  
 May 29, 2023

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Not Applicable					

## DIRECTORS' REPORT

## Annexure-G

**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.
  - f. Increased range and variety of fabrics with finishes like bio-polishing, 100% wool washable fabrics and nano finished fabrics.
  - g. Improvement in quality and marketability of existing products.
  - h. Energy and water conservation.
- i. Better and easier availability of materials leading to less dependence on imported items and saving of foreign exchange outgo.
  - j. 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**

(Lac Rs.)

	Year ended March 31, 2023	Year ended March 31, 2022
Total foreign exchange earned	41.03	-
Total foreign exchange used	12.24	12.59

**For and on behalf of the Board**

**Hardik Patel**

Chairman

DIN: 00590663

Mumbai

May 29, 2023

## DIRECTORS' REPORT

### Annexure-H

#### 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.

**DIRECTORS' REPORT**

- 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

## DIRECTORS' REPORT

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 &amp; ANALYSIS REPORT

We submit herewith our Managements' Discussion & Analysis Report for the year ended March 31, 2023. 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.

**ECONOMIC OVERVIEW****GLOBAL ECONOMIC OVERVIEW**

The global economy is gradually recovering from the impact of pandemic and at the same time facing new challenges emerging from Russia's invasion of Ukraine. Tightening of

monetary policy by most Central Banks is expected to have a positive impact. Despite monetary tightening, inflation is persistent in many key economies and it is anticipated that global inflation will fall from 8.7% last year to 7% this year and settle at around 5% in the year 2024.

**INDIAN ECONOMIC OVERVIEW**

The Indian Economy continues to show resilience amid Global Uncertainties. Despite significant challenges in the global environment, India was one of the fastest growing economies in the world. India's overall growth remains robust and is estimated to be 6.9% for the financial year 2022-23. Growth was driven by strong investment activity augmented by the government's capex push and buoyant private consumption.

Structural reforms like the National Infrastructure Pipeline and National Monetization Plan by the Government is expected to further boost infrastructure development. It is paving the path for further development and continues to encourage projects across sectors, including reforms for improving labour laws. V-shaped economic recovery is due to mega vaccination drive, robust recovery in the services sector and growth in consumption and investment. This is being demonstrated in high frequency indicators such as power demand, rail freight, GST collection etc. Almost all emerging economies

are reeling under external shocks, but India's underlying economic fundamentals are strong and despite the short-term headwinds, the impact on the long-term outlook is expected to be marginal.

Inflation remained high, averaging around 6.7% in FY 2022-23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices.

Dwelling on the outlook for FY2023-24, the Economic Survey 2022-23 issued by Ministry of Finance projects that, India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. It further affirms that aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially.

Explaining the economic outlook factoring global rudiments, the slow down in global growth and economic output coupled with increased uncertainty is likely to dampen global trade growth. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavourable

developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure. Also, entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterised by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation is expected to remain manageable for India.

**TEXTILES****Global Textile Industry**

The global textile market grew from about \$573 billion in 2022 to about US\$ 610 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. The Russia- Ukraine war has led to an increase in commodity prices and supply chain disruptions, causing inflation across goods and services impacting economies across the globe. The textile market is however expected to grow to about US\$ 755 billion in 2027 at a CAGR of 5.5%.

The COVID-19 pandemic and the Russia – Ukraine war had challenged the textile industry drastically which is now on a recovery stage. Increasing demand for apparel from

the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the next few years.

The textile industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India. China is the world's leading producer and

exporter of both raw textiles and garments. India is among the top five textile manufacturing country and is responsible for more than 6% of the total textile production, globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production.

**Indian Textile Industry**

India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry has around 45 million of workers employed in the textiles sector, including 3.5 million handloom workers. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Total textile exports are expected to reach US\$ 65 billion by FY26.

The Textile and Apparel market is poised to grow, led by boost in demand and the government support in form of attractive schemes such as Production Linked Incentive (PLI), Mega Investment Textile Parks (MITRA) will further drive the way for the US\$ 250 billion target. Another step taken by the Ministry of Textiles towards positioning India as a global leader in technical textiles manufacturing is the invitation of Research proposals

for Funding for Design, Development and Manufacturing of Machinery, Tools, Equipment, and Testing Instruments under NTTM.

India exports multiple woollen products including tops, worsted yarn, ready-made garments, woollen yarn, wool tops, fabric, shoddy yarn, shoddy fabrics, blankets, knitwear, hand-made carpets, and machine-made carpets, etc. In 2021-22 (until January 2022), the export of woollen items was US\$ 1.57 billion (₹ 12,877.52 crore). In the year 2020-21, the total export value of wool and woollen products were US\$ 935 million (₹ 69.31 billion). The same for the year 2019-20 was US\$ 1.3 billion (₹ 91.72 billion). The floor coverings and carpets made of wool are the largest exported woollen product from India. During 2020-21, the share of these products in total woollen exports was 42%, valued at US\$ 395 million.

From April 2021-September 2021, exports of wool and wool blended products stood at US\$ 908.02 million (₹ 7,481.65 crore), a 49.34% increase as compared to the same period the previous year.

The woollen yarn and articles of apparel & clothing accessories, both knitted and non-knitted, are among India's largest exported woollen products. During 2021-22, the export of wool yarn, fabrics, made-ups, etc., from India were valued at US\$ 98.65 million. The apparel and clothing accessories of wool (knitted and non-knitted) exports during the same year was US\$ 296 million with a share of 32% in the total exports.

#### 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 seven 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 company recorded a revenue of ₹ 3,410.59 lakh as compared to the last year's revenue of ₹ 3603.69 lakh. The net loss after tax (after exceptional item and other comprehensive income) of the Company for the year under review is ₹ (1,188.27) lakh as compared to the last year's net profit of ₹ 149.44 lakh for the previous year. The net loss for the current year includes an exceptional item of ₹ 389.94 lakh on account of asset held for sale, more particularly described in Note No. 27. of the Financial Statements.

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 to 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 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 the 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.

The Company is in process to sale / dispose of surplus land ad measuring 65,584.50 Sq. Mtrs. as identified by the Board of Directors at their meeting held on August 29, 2022 for consideration not less than Rs. 60 Crore. Subsequently, the Board has also obtained Shareholder consent to sale / dispose of above said land by passing Special Resolution at 7th Annual General meeting held on September 24, 2022. Further, the management has entered into Memorandum of understanding with buyer to sale the aforesaid surplus land and against this sale of land the Company has received almost 50% of amount against the sale consideration of Rs. 60.21 Crore. The advance received from the buyer is shown in the notes to financial statement.

In addition to above, the Management is also looking forward to further monetise existing non-core assets so as to invest into the working capital requirements of the Company.

#### KEY RATIOS

Particulars	FY 22-23	FY 21-22	% Variance
Current Ratio (times)	0.48	0.69	-31%
Debt Equity Ratio (times)	2.61	2.10	24%
Debt Service Coverage Ratio (times)	(0.08)	0.19	-142%
Return on Equity Ratio (%)	(0.36)	0.03	-1296%
Inventory Turnover Ratio (times)	1.88	2.37	-21%
Trade Receivables Turnover Ratio (times)	3.44	5.30	-35%
Trade payables Turnover Ratio (times)	2.52	3.66	-31%
Net Capital Turnover Ratio (times)	(1.03)	(2.34)	-56%
Net Profit Ratio (%)	(0.37)	0.04	-1055%
Return on Capital Employed Ratio (%)	(0.08)	0.03	-413%

#### 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.

#### RISKS AND CONCERNS

The broader trends in the economy are expected to have a direct impact on your Company's growth prospects as well. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, the anticipated increase in interest rates by Central Banks in the coming year are also expected to lower growth and exert pressure on economies particularly those in emerging markets.

In these circumstances, the ability to successfully navigate cost pressures would have a significant bearing on the overall performance of your Company. Diminishing purchasing power and demand due to the economic circumstances could result in fundamental shifts in consumer behaviours and adversely impact the market for textiles and apparel. Migration to value-for-money options could also lead to reduced growth and profitability for your Company.

#### OTHER MATTERS

Pursuant to its order dated May 27, 2020 NCLT Order, the Adjudicating Authority approved the resolution plan submitted by Finquest Financial Solutions Private Limited ("Promoter Company"). The Promoter Company has implemented the Plan by payment of last tranche to Financial Creditors as per their claim filed during Corporate Insolvency Resolution Process 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.

#### For and on behalf of the Board of Directors

**Hardik Patel**  
Chairman  
DIN: 00590663  
Mumbai  
May 29, 2023

**Vinayak Hoskote Rao**  
Executive Director  
DIN: 10073636  
Jamnagar  
May 29, 2023

## CORPORATE GOVERNANCE REPORT

The Company believes that good Corporate Governance is an important component in enhancing stakeholders' value and it emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function. The Company place strong emphasis on Corporate Governance and believes in adopting and adhering to the best practices and is committed to do things in the right way. Digjam firmly believes that Corporate Governance is critical to success of its business and its governance practices are reflected in its strategy, plan, culture, policies and relationship with stakeholders.

The Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general. The Company has in place, processes and systems whereby the Company complies with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and has comprehensively adopted practices mandated in the Listing Regulations.

### BOARD OF DIRECTORS

The Company recognizes the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board plays a crucial role in overseeing how the management serves the short and longterm interests of the stakeholders. Accordingly, to oversee the same, competent, experienced and eminent personalities from diverse spheres, possessing varied skills, qualifications, expertise and experience have been selected as members of the Board.

#### a. COMPOSITION OF BOARD OF DIRECTORS

The Board of your Company has an optimum combination of Executive and Non-Executive Directors in compliance with the requirements of SEBI Listing Regulations, and the Companies Act, 2013 as amended from time to time. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with the statutory as well as business requirements. As on March 31, 2023, the Board consists of six (6) Directors comprising three (3) Independent Directors including a woman director, two (2) Whole Time Directors and one (1) Non -Executive Directors. The Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other companies resulting in imbibing the best practices followed in the industry. Except Sri D. G. Rajan none of the Independent Directors are more than 75 years of age. The day-to-day management of affairs of the Company is managed by the Senior Management which includes Whole-Time Director and functional heads, who function under overall supervision and guidance of Board. Board plays the primary role as the trustees to safeguard and enhance stakeholders' value through their effective decisions and supervision. The profile of the Directors can be accessed on the Company's website at [www.digjam.co.in](http://www.digjam.co.in).

The Board's composition is in accordance with the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'Act') and Regulation 17 of Listing Regulations.

#### b. Profile of Directors

A brief profile of each of the Directors as on March 31, 2023 is as below:

##### i. Sri Hardik Patel, Chairman of the Board (Whole Time Director)

Sri Hardik Patel (DIN: 00590663), aged 41 years, is Whole Time Director-Chairman of the Company and related to Promoter. Sri Hardik B. Patel has a Master's Degree 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.

##### ii. Sri Ajay Agarwal, (Non-Executive, Non-Independent Director)

Sri Ajay Agarwal (DIN: 00649182), aged 58 years, is Non-Executive, Non-Independent Director of the Company. Sri Ajay Agarwal 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 is on the Board of Krihaan Texchem Private Limited, Diggers Properties Private Limited and Leggiuno India Private Limited.

##### iii. Sri Duraiswamy Gunaseela Rajan, (Non-Executive, Independent Director)

Sri D. G. Rajan (DIN: 00303060), aged 82 years, Non-Executive, is Independent Director of the Company. Sri D. G. Rajan is 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.

**iv. Ms. Sudha Bhushan, (Non-Executive, Independent Director)**

Ms. Sudha Bhushan (DIN: 01749008), aged 43 years, is Non-Executive, Independent Director of the Company. Ms. Sudha Bhushan is a qualified Chartered Accountant, Company Secretary, an Insolvency Resolution Professional and a Registered Valuer. She is Co-Founder of Taxpert Professionals, a multifaceted consulting company and also advisor to Bank of Baroda, NRI and International operations. She is on the board of Aurionpro Solutions 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.

**v. Sri Panchapakesan Swaminathan, (Non-Executive, Independent Director)**

Sri P. Swaminathan (DIN: 00901560), is aged 57 years, is Non-Executive, Independent Director of the Company. Sri P. Swaminathan is 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.

**vi. Sri Vinayak Hoskote Rao, (Whole Time Director designated as Executive Director)**

Sri Vinayak Hoskote Rao (DIN: 10073636), aged 70 years, is Whole Time Director of the Company designated as Executive Director by the Board. Vinayak Hoskote Rao has a Textile Engineering Degree from SKSJTI, Bangalore and a Post Graduate Diploma in Industrial Management, Bhawan's Institute Mumbai.

A dynamic professional with 50 years of rich experience in Strategic Planning, Management, Quality Assurance in the Spinning, Weaving and Processing. Sri Rao had worked in several Esteemed Textile Houses both in India & abroad, starting from Binny's Bangalore, Thackersey Group Mumbai, Century Textiles Mumbai, Blue Nile Spg.

& Weaving, Sudan as Preparatory Head, Modi Textiles Modi Nagar as Weaving Preparatory In charge, Morarjee Mills Mumbai as DGM-Weaving, Morarjee Brembana (50:50 Italian JV) Nagpur as Head-Operations, Bombay Dyeing as General Manager, Raymond UCO Denim (50:50 Belgium JV) as G.M.(Works), C.E.O. for Albini Group, Italy started 2 Textile Projects in Egypt, NSL Textiles Guntur as Unit Head, Donear-Surat as President, UCO Raymond Denim, Romania as Director General & presently Sr. Expert-Projects & Associate at Gherzi Consulting Engineers Pvt. Ltd.

During his tenure, he was involved in several TQM activities like Kaizen, 5"S", Trained Facilitator for Juran Quality Improvement Projects & Quality Circle, Management Grid Program conducted by ION EXCHANGE. Management Representative for ISO at Morarjee, Mumbai & Morarjee Brembana, Nagpur. He was also Vice Chairman of Textile Association, Vidarbha Unit.

Sri Vinayak Hoskote Rao is not on the Board of any Company except DIGJAM Limited.

**c. Board Procedure**

The Board meets at regular intervals to discuss and decide on Company / Business Policy and Strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings.

However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The detailed agenda as approved with the relevant attachments are circulated amongst the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Where it is not practicable to circulate any document in advance or if the agenda is of confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up in compliance with the requirements of the Secretarial Standard on Meeting of the Board of Directors. Senior Management Personnel are invited to the Board/Committee Meeting(s) to provide additional inputs for the items being discussed by the Board/Committees thereof as and when necessary.

Further, presentations are made on business operations as well as on various matters which the Board wants to be appraised of.

The Company Secretary is responsible for convening of the Board and Committee Meetings and preparation of respective Agenda and recording of minutes of the meetings. 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.

The draft Minutes of the proceedings of the Meetings of the Board/Committee(s) are circulated to all the Members of the Board/Committee for their perusal within the stipulated

time prescribed by Secretarial Standard on Meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the Minutes in consultation with the Chairman/Chairperson. The signed Minutes are circulated to all the Members of the Board or the Committee within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors.

**d. Information Provided to The Board**

The Board of Directors of the Company has complete access to any information within the Company. At the Meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as all other relevant details that require deliberation by the Members of the Board.

**e. Post-Meeting Follow-Up**

The important decisions taken at the Board/Committee Meetings are communicated to the departments concerned promptly.

**f. Meeting of the Board of Directors**

The Board met 6 (six) times during the Financial Year 2022-23 on May 25, 2022, August 06, 2022, August 29, 2022, November 11, 2022, February 6, 2023 and March 16, 2023. The Board Meetings were held in compliance with the various provisions of the Act/ Listing Regulations and the interval between two meetings was well within the maximum period mentioned under Section 173 of the Act and the Listing Regulations. Board Meetings are generally held at the registered office of the Company either through video conference or through physical presence. The necessary quorum was present for all the meetings.

The details of attendance of each Director at the Board Meetings held during the year and the last Annual General Meeting (“AGM”) along with the number of Companies and Committees where he/she is a Director, Member, Chairman/ Chairperson and the relationship between the Directors inter-se, as on March 31, 2023, are given below:

Name of Director	Category	No. of Board meetings held during the year	No. of Board meetings attended	Whether attended last AGM	No. of Directorship in other listed and unlisted public Companies	No. of (Chairmanship)* / Membership of committee position(s) held in other public companies	Shares held as on March 31, 2023
Sri Hardik Patel	Whole Time Director and Chairman	6	6	Yes	2	-	-
Sri Ajay Agarwal	Non-executive, non-Independent		6	Yes	1	-	-
Sri D. G. Rajan	Non- Executive, Independent		6	Yes	6	6(5)	-
Ms. Sudha Bhushan	Non- Executive, Independent		6	Yes	3	1	-
Sri P. Swaminathan	Non- Executive, Independent		6	Yes	1	-	-
Sri Vinayak Hoskote Rao Whole Time Director	Executive		1	No	1	-	-

\* Figures in ( ) indicate the number of Board Committees of which a Director is a Chairman.

- i. Number of Directorships in other Listed companies pertains to company is whose securities are listed on the stock exchanges.
- ii. The Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders’ Relationship Committee of public limited companies (excluding Digjam Limited).

- iii. Directorships in other Public companies and Committee Memberships details are based on the disclosures received from the Directors, as on March 31, 2023.
- iv. Directorship in other companies excludes Private Limited Companies, Foreign Companies and Section 8 of the Act.
- v. The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and the Listing Regulations.
- vi. All the Independent Directors fulfil the criteria of being independent as mentioned under Regulation 16(1)

(b) of Listing Regulations read with Section 149(6) of the Act. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Act. The terms and conditions of appointment of Independent Directors including their roles, responsibilities and duties are available on the

Company's website at [www.digjam.co.in](http://www.digjam.co.in).

vii. There is no relationship between directors inter-se.

The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective directorships:

Sr. No.	Name of the Director of the Company	Name of the listed companies in which the Director of the Company is a Director	Category of Directorship in the listed companies
1.	Sri Hardik Patel	Rubfila International Limited	Non-Executive - Non Independent Director-Chairperson related to Promoter
2.	Sri Ajay Agarwal	-	-
3.	Sri D. G. Rajan	Balaji Telefilms Limited	Non-Executive and Independent Director
		IFGL Refractories Limited	Non-Executive and Independent Director
		Rubfila International Limited	Non-Executive and Independent Director
4.	Ms. Sudha Bhushan	Choice International Limited	Non-Executive and Independent Director
		Aurionpro Solutions Limited	Non-Executive and Independent Director
		West Coast Paper Mills Limited	Non-Executive and Independent Director
5.	Sri P. Swaminathan	-	-
6.	Sri Vinayak Hoskote Rao	-	-

#### g. Separate Meeting of Independent Directors

As stipulated by Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held during the year, without the attendance of Non-Independent Directors and Members of the Management, to review the performance of the Chairman, Non-Independent Directors, various Committees of the Board and the Board as a whole. The Independent Directors also reviews the quality, content and timeliness of the flow of information from the Management to the Board and its Committees which is necessary to perform reasonably and discharge their duties.

#### h. Familiarisation Programme for Independent Directors

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: <https://digjam.co.in/files/policy/Familiarization%20Programme%20for%20Independent%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.

#### i. Confirmation of Independent Directors

In the opinion of the Board, Independent Directors of the Company, fulfil the conditions specified in the Listing

Regulations and are independent of the Management.

#### j. Evaluation Of Board's Performance

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors (including Independent Director). Further, the Committees of the Board had carried out self-evaluation of its performance and the outcome was submitted to the Chairman of the Nomination and Remuneration Committee for his review.

The Nomination and Remuneration Committee have defined the evaluation criteria for the Board, its Committees and Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter-se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

The performance evaluation of the Independent Directors were carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Directors were satisfied with the evaluation results, which reflected the overall functioning of the Board and its Committees. The details of the Policy on evaluation of Board's performance is available on the Company's website at [www.digjam.co.in](http://www.digjam.co.in).

#### k. Succession Planning

The Company has a mechanism in place for ensuring orderly succession for appointments to the Board and Senior Management.

**1. Core Skills, Expertise, Competencies and Attributes of The Directors**

The Directors of the Company bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board’s decision-making process. The Board of the Company comprises of qualified members who

possess the required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The Board of Directors have based on the recommendations of the Nomination & Remuneration Committee, identified the following core skills, expertise and competencies for effective functioning of the Board which are currently available with all the Directors of the Company.

Sr. No.	Broad Parameters	Name of Directors (√) the appropriate column					
		Sri Hardik B. Patel	Sri Ajay Agarwal	Sri D. G. Rajan	Sri Sudha Bhushan	Sri P. Swaminathan	Sri Vinayak Hoskote Rao
1.	Experience of laws, rules, regulation policies applicable to the organization/ industry/ sector and level/ status of compliances thereof by the organization	√	√	√	√	√	√
2.	Experience of the best corporate governance practices, relevant governance codes,	√	√	√	√	√	√
3.	Experience of business ethics, ethical policies, codes and practices of the organization	√	√	√	√	√	√
4.	Understanding of the structures and systems which enable the organization to effectively identify, asses and manage risks and crisis	√	√	√	√	√	√
5.	Experience in overseeing large and complex Supply Chain	√	√	√	√	√	√
6.	Leadership experience of running large enterprise	√	√	√	√	√	√
7.	Finance and Accounting experience	√	√	√	√	√	√

**m. Code of Conduct**

The Company has adopted a Code of Conduct for the Directors and Senior Management of the Company. The same is available on the Company’s website and can be accessed through the link: <https://digiam.co.in/files/Code%20of%20Conduct%20for%20Directors%20%26%20Senior%20Executives.pdf> The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code for the Financial Year. The declaration by the Manager to that effect forms part of this Report.

**n. Appointment of Independent Directors**

During the year under Review, no independent director has been appointed during the year . Further, none of the Independent Directors have tendered their resignation during the financial year 2022-23.

**o. Change in Chairman of the Company**

After the demise of Sri Bharat Patel, Non-executive Director and Chairman of the Company breathed his last on May 29, 2021 at Mumbai. Their 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.

**p. Change in Executive and Non-Executive Directors**

Sri Ajay Kumar Agarwal (DIN: 03508224) has been appointed

/ redesignated, as Whole-time Director, designated as ‘Executive Director’ of the Company for a period of 3 (Three) years from April 1, 2022 to March 31, 2025, liable to retire by rotation, by the Board of Directors at their Meeting held on February 14, 2022. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on June 30, 2022. Further, he has ceased as Executive Director of the Company w.e.f January 31, 2023.

During the year under review, The Board of Directors at their meeting held on May 25, 2022 approved the re-designation of Sri Ajay Agarwal (DIN: 00649182) from Whole Time Director to Non-Executive Director of the Company w.e.f. May 26, 2022, is liable to retire by rotation.

Sri Hardik B. Patel has been appointed / redesignated, as Whole-time Director, designated as Whole Time Director cum Chairman of the Company for a period of 3 (Three) years from February 6, 2023 to February 5, 2026, not liable to retire by rotation, by the Board of Directors at their Meeting held on February 6, 2023. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on May 5, 2023.

Sri Parashiva Murthy B S has been appointed, as Additional Director of the Company by the Board of Directors at their meeting held on February 6, 2023. However, due to personal reasons Sri Parashiva Murthy B S resigned from the Board w.e.f March 16, 2023.

Sri Vinayak Hoskote Rao has been appointed, as Whole-time Director, designated as 'Executive Director' of the Company for a period of 3 (Three) years from March 16, 2023 to March 15, 2026, liable to retire by rotation, by the Board of Directors at their Meeting held on March 16, 2023. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on May 5, 2023.

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.

## 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 Vinayak Hoskote Rao (DIN: 00649182) who was appointed by the Board with effect from March 16, 2023 as the Whole Time Director designated as Executive Director of the Company holds a Textile Engineering Degree from SKSJTI, Bangalore and a Post Graduate Diploma in Industrial Management, Bhawan's Institute Mumbai and has about 50 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.

## COMMITTEES OF THE BOARD

Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities. The Board has constituted a set of Committees with specific terms of reference/scope, to focus effectively on the issues and ensure expedient resolution of diverse matters. These Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the Meetings of all Committees are placed before the Board for discussions/ noting. The Board Committees can request special invitees to join the meeting, as appropriate

As at March 31, 2023, the Company has the following Committees:

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

### Audit Committee

The Audit Committee as on March 31, 2023 comprises of Ms. Sudha Bhushan (Chairperson of Committee), Sri D. G. Rajan, Sri Hardik Patel and Sri P. Swaminathan. As on 31st March, 2023, the composition of the Audit Committee conforms to the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the members of the Committee are financially literate and experienced and bring in the specialized knowledge and proficiency in the fields of accounting, audit, finance, taxation, compliance, strategy and management.

The Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee. Minutes of all the meetings of the Audit Committee are circulated to all the members of the Board and are also placed in the next scheduled meeting of the Board, for discussion and review thereof.

During the financial year 2022-23, the Audit Committee met five (5) times on May 25, 2022, August 6, 2022, August 29, 2022, November 11, 2022 and February 6, 2023 during the year and the gap between none of the meetings exceeded 120 days. The meetings were scheduled in advance. Ms. Sudha Bhushan, Sri D. G. Rajan, Sri Hardik Patel and Sri P. Swaminathan attended all meetings held during the year ended March 31, 2023. Chairperson of the Audit Committee attended the Seventh Annual General Meeting held on September 24, 2022.

All the recommendations made by the Audit Committee during the year under review were duly accepted by the Board.

### Terms of Reference

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The terms of reference of Audit Committee, as approved by the Board, include the following:

- ✓ to oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ✓ to recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- ✓ to approve payment to statutory auditors for any other services rendered by the statutory auditors;
- ✓ to review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o changes, if any, in accounting policies and practices and reasons for the same;
  - o major accounting entries involving estimates based on the exercise of judgment by management;
  - o significant adjustments made in the financial statements arising out of audit findings;
  - o compliance with listing and other legal requirements relating to financial statements;
  - o disclosure of any related party transactions;
  - o modified opinion(s) in the draft audit report;
- ✓ to review with the management, the quarterly financial statements before submission to the board for approval;
- ✓ to examine the financial statement and auditor's report thereon;
- ✓ to monitor the end use of funds raised through public offers and related matters;
- ✓ to review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- ✓ to review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ✓ to approve or subsequently modify the transactions with related parties;
- ✓ to scrutinize inter-corporate loans and investments;
- ✓ to undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- ✓ to evaluate internal financial controls and risk management systems;
- ✓ to review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ✓ to review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ✓ to discuss with internal auditors any significant findings and follow up there on;
- ✓ to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ✓ to discuss with statutory auditors and internal auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ✓ to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ✓ to review the functioning of the whistle blower mechanism;
- ✓ to approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- ✓ to carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
- ✓ to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders;
- ✓ to review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments;

In addition to the above the Audit Committee mandatorily review's the following:

- Management Discussion and analysis of financial conditions and results of operations
- Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors
- Internal audit reports relating to internal control weaknesses
- Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the audit committee
- Statement of deviations as and when becomes applicable
  - a. Quarterly statement of deviation(s), submitted to stock exchanges(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee as on March 31, 2023, comprises of Sri D. G. Rajan (as Chairman of the Committee) (Independent Director), Sri Hardik B. Patel (Member)(Whole Time Director)(ceased w.e.f. March 16, 2023) and Ms. Sudha Bhushan (Member) (Independent Director) and Sri Ajay Agarwal (Member) (Non-Executive Director) (from March 16, 2023). As on March 31, 2023, the composition of the Nomination and Remuneration Committee conforms to the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Company Secretary and Compliance Officer, acts as Secretary to the Committee.

The Nomination and Remuneration Committee inter-alia oversees the Company's nomination process including succession planning for the senior management and the Board and recommend a policy for their remuneration.

The Nomination and Remuneration Committee met 4(four) times during the year on May 25, 2022, August 8, 2022, February 6, 2023 and March 16, 2022 during the year. Sri D. G. Rajan, Sri Hardik B. Patel Ms. Sudha Bhushan attended all meetings held during the year ended March 31, 2023. The meetings were scheduled in advance.

#### Terms of Reference

The terms of reference of the Nomination & Remuneration Committee are in line with the guidelines set out in the Act and Listing Regulations and inter-alia includes the following:

- ✓ to formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees

The Nomination and Remuneration Committee, while formulating the said policy, should ensure that:

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii. remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance;
  - iv. objectives appropriate to the working of the Company and its goals;
- ✓ to formulate criteria for evaluation of performance of independent directors and the board of directors;
  - ✓ to devise a policy on diversity of board of directors;
  - ✓ to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its board report;
  - ✓ to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - ✓ to recommend to the Board, all remuneration in whatever form, payable to senior management;
  - ✓ to carry out any other function as may be required/mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/ or any other applicable laws;
  - ✓ to perform such other functions as may be necessary or appropriate for the performance of its duties

#### Performance Evaluation

The Nomination and Remuneration Committee has laid down the process, format, attributes and criteria for performance evaluation of the Board of the Company, its committees and the individual Board Members including Independent Directors and the Chairman of the Company. Accordingly, evaluation was carried out during the financial year 2022-23.

An indicative list of factors on which evaluation was carried out includes:

- i. Professional qualification, expertise & experience
- ii. Level of integrity & confidentiality

- iii. Availability for meetings and preparedness
- iv. Understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and providing critical oversight on the same
- v. Monitoring the compliances with corporate governance regulations and guidelines
- vi. Openness to ideas and ability to challenge the practices and throwing up new ideas
- vii. Knowledge of the Company's key activities, financial condition and key developments
- viii. Contribution to strategic planning process and value addition to the Company
- ix. Amount of time spent on discussions on strategic and general issues
- x. Review of the actual result of the Company vis-à-vis the plan/policies devised earlier and suggests corrective measures
- xi. Frequency of the meetings and effective and proactive measures taken to perform functions
- xii. Adherence to ethical standards & code of conduct
- xiii. Bringing independent judgment during board deliberations on strategy, performance, risk management

#### Nomination and Remuneration Policy

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc. The Non-Executive, Non- Independent Directors are not paid any amount as sitting fees for attending Board and Committee meetings.

As required by Section 178(3) of the Act and Regulation 19 of the Listing Regulations the Company has adopted Nomination and Remuneration Policy. The Policy is available on the Company's website and can be accessed through the link: <https://digjam.co.in/files/policy/Policy%20on%20Remuneration%20to%20Exec%20Directors%20%26%20Sr%20Management.pdf> and is also annexed and marked as Annexure-A to the Directors' Report.

#### Remuneration to Directors

##### a. Remuneration of Executive Directors

The appointment and remuneration of Executive Directors are governed by the Articles of Association of the Company and the resolutions passed by the shareholders of the Company. The revision in remuneration, if any is recommended by the Nomination and Remuneration Committee to the Board for its consideration by taking into account their individual performance and as well performance of the Company in a given year.

The Company as on March 31, 2023, have Sri Ajay Kumar Agarwal (DIN: 03508224) (ceased w.e.f. January 31, 2023) as Executive Director and he draws Rs. 4 Lakh per month all including remuneration from the Company and Sri Vinayak Hoskote Rao (DIN: 10073636) (from March 16, 2023) as

Executive Director and he is draws Rs. 2,75,000/- per month all including remuneration from the Company. Further, as on March 31, 2023, the Company has no stock option plans and hence such instrument does not form part of the remuneration package payable to any Directors. The Company did not advance any loans to any of the Directors during the year under review.

##### b. Remuneration paid to Non-Executive Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees. Each of the Non-Executive Independent Directors are paid sitting fees for attending both board and committee meetings. The Board at its meeting held on August 13, 2021 revised the amount of sitting fees as paid to the Non-Executive Independent Directors of the Company, of Rs.25,000 for every Board Meeting, Rs. 15,000 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.

The Non-Executive, Non- Independent Directors are not paid any amount as sitting fees for attending Board and Committee meetings.

The Non-Executive Directors are not entitled to any stock options and no commission is paid to any of the Non-Executive Director.

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fee and out-of pocket expenses, if any, to them for attending the Board and Committee meetings.

Details of remuneration paid to Non-Executive Independent Directors during the year 2022-23 are given below:

(₹ in Lakh)

Name	Sitting Fee
Sri D. G. Rajan	2.25
Ms. Sudha Bhushan	2.45
Sri Panchapakesan Swaminathan	2.05

##### Stakeholders Relationship Committee

The Stakeholders' Relationship Committee as on March 31, 2023 comprises of Ms. Sudha Bhushan (Chairperson), Sri Ajay Kumar Agarwal (ceased to member w.e.f. January 31, 2023) Sri Hardik B. Patel (Member from February 6, 2023) and Sri Ajay Agarwal. As on March 31, 2023, the composition of the Stakeholders' Relationship Committee conforms to the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Mr. Punit A. Bajaj, Company Secretary, is designated as the Compliance Officer. The Company has a designated e-mail id: [investors@digjam.co.in](mailto:investors@digjam.co.in) for the purpose of registering complaints by shareholders/ investors/ security holders electronically. This e-mail id is displayed on the Company's website at [www.digjam.co.in](http://www.digjam.co.in).

The Committee met four (4) time on May 25, 2022, August 06, 2022, November 11, 2022 and February 6, 2023 during the year. The meetings were scheduled in advance. Ms. Sudha Bhushan, Sri Hardik B. Patel and Sri Ajay Agarwal attended all meetings held during the year ended March 31, 2023.

## Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee are wide enough to cover the role specified for the said Committee under Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee, inter alia, is primarily responsible for considering and resolving grievances of security holders of the Company. The additional terms of reference of the Committee are as follows:

- ✓ Oversee and review all matters connected with transfer of Company's securities.
- ✓ Approve issue of duplicate shares / debentures certificates.
- ✓ Oversee the performance of the Company's Registrars and Transfer Agents.
- ✓ Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- ✓ Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of investors' / shareholders' / security holders' grievances related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, approve issue of duplicate shares / debentures certificates, general meetings and so on.
- ✓ Review measures taken for effective exercise of voting rights by shareholders.
- ✓ Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company.
- ✓ Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the security shareholders of the Company.
- ✓ Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

## DISCLOSURES

### a. Related Party Transactions:

- \* All transactions entered into with Related Parties as defined under section 2(76) of the Act and regulation 2(1)(zb) read with regulation 23 of the Listing Regulations during the Financial Year ended on March 31, 2023 were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the Financial Year ended on March 31, 2023 which were in conflict of interest of the Company. Suitable disclosures, as required by the Ind AS 24, have been made in the notes to the Financial Statements.
- \* Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to

have had personal interest, that might have had a potential conflict with the interest of the Company at large will be reviewed by the Audit Committee and the Board.

- \* In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have adopted a policy to determine Related party Transactions. The policy is placed on the website of the Company at link <http://digjam.co.in/files/policy/Policy%20on%20Related%20Party%20Transactions.pdf>.

### b. Prohibition of Insider Trading

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a 'Code to Regulate, Monitor and Report Trading in Securities of the Company by Directors, Promoters, Designated Persons and Specified Connected Persons of the Company and Material Subsidiaries of the Company' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' to ensure prohibition of Insider Trading in the Organisation. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information.

Under this Code, Designated Persons are prohibited from dealing in the shares of the Company during the closure of Trading Window. They are required to obtain compliance approval when trading in securities beyond a specified limit. They are prohibited from executing a contra trade for a period of six months. They are also required to make relevant periodic disclosures as defined in the Code.

Mr. Punit A. Bajaj, Company Secretary has been designated as the Compliance Officer for monitoring compliances with this Code.

### c. Details of Whistle Blower Policy

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> and the same is also annexed to the Directors report.

**d. Management:**

**a. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report is given in a separate section and forms part of this Annual Report.

**b. Disclosure of material financial and commercial transactions:**

As per the disclosures received from Senior Management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year ended on March 31, 2023.

**e. Disclosure regarding re-appointment of Directors:**

The particulars about the brief resume and other information of the Director seeking re-appointment as required to be disclosed under this section as per regulation 36(3) of the Listing Regulations are provided as an annexure to the notice convening the 8th AGM.

**f. Compliance by the Company:**

The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of SEBI. Further, during last 3 (three) years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

Further, During the year under review, the company has not paid any penalty to Stock exchanges.

**g. CEO/CFO Certification:**

The Executive Director and the 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, copy of which is attached to this Report. The Executive Director and 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.

**h. Unclaimed shares lying in the Suspense Account.**

In terms of Regulation 39 of the Listing Regulations, Members of the Company are requested to note the following details in respect of equity shares lying in suspense account:

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares Outstanding*
I	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Financial Year i.e. April 1, 2022.	12,416	11,034

II	Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	02	17
III	Number of shareholders to whom shares were transferred from suspense account during the year.	02	17
IV	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the Financial Year March 31, 2023.	12,414	11,017

\*The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**i. Credit Rating:**

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 ₹ 54.00 Crores. The 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. The Company has not obtained any credit rating during the Financial Year ended on March 31, 2023 for any debt instruments or fixed deposit programme.

**j. Utilization of funds raised through preferential allotment:**

The Company had allotted 180 lakh equity shares at ₹ 10/- per share (face value of ₹ 10 per share) aggregating to ₹1800 Lakh and 27 Lakh – 7% Non-convertible Cumulative Redeemable Preference Shares of ₹ 100 (Rupees One Hundred only) each aggregating to ₹ 2700 Lakh for cash to Finquest Financial Solutions Private Limited on March 19, 2021 in accordance with a Resolution Plan approved by the National Company Law Tribunal, Ahmedabad Bench, pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016. The said funds raised by the Company, have been utilised in the manner as provided in Resolution Plan.

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in the Listing Regulations.

**k. Certificate from a Practicing Company Secretary:**

The Company has obtained a certificate from CS Viral B Sanghavi, Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of

India / Ministry of Corporate Affairs or any such Statutory Authority. The said certificate is enclosed to this Corporate Governance Report.

**l. Fees paid to the Statutory Auditors:**

During Financial Year 2022-23, total fees of ₹ 10.00 Lakh was paid to M/s. Nayan Parikh & Co., the Statutory Auditors of the Company, for all the services rendered to the Company (excluding out of pocket expenses for more details please refer Note 26 to the Financial Statements in the Annual Report).

**m. Recommendation of the Committees:**

Recommendations of the Committees are submitted to the Board for approval and the Board has, after due deliberations, accepted all the recommendations.

**n. 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. There were no complaints of sexual harassment of women at workplace received by the Company during Financial Year 2022-23.

**o. Details of Shareholders' Complaints**

The number of complaints received and resolved to the satisfaction of investors during the Financial Year and their break-up is as under:

Complaints pending as on 1st April, 2022	--
Complaints received during the Financial Year	5
Complaints resolved during the Financial Year	5
Complaints pending as on 31st March, 2023	--

The Company has about 39,000 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. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2023.

p. In preparing the annual financial statements of the Company, the treatment as prescribed in the Accounting Standards has been followed.

q. The Board has approved the policy to determine materiality of an event or information and the same is available on the website of the Company at the link <https://digjam.co.in/files/Policy%20for%20determination%20of%20material%20events.pdf>. The details of the KMP authorized to determine materiality of an event or information and who is authorized to inform an event or information to the stock exchanges is also uploaded on the website of the Company at [https://digjam.co.in/files/Intimation to SEs revised Materiality of an Event.pdf](https://digjam.co.in/files/Intimation%20to%20SEs%20revised%20Materiality%20of%20an%20Event.pdf).

**MEANS OF COMMUNICATION**

The Company has 38,940 (Thirty-Eight Thousand Nine Hundred Forty) members as on March 31, 2023. The main channel of

communication to the members is through Annual Report, which includes, inter alia, the Board's Report, Management Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statements.

Annual General Meeting is a platform for face-to-face communication with the members. The Chairman, the Whole Time Director and other KMP respond to the specific queries of the members.

The Company recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all stakeholders.

a. **Financial Results and Newspaper Publications:** The quarterly and annual financial results are filed with stock exchanges and displayed on stock exchanges websites. The results are also made available on Company's website at [www.digjam.co.in](http://www.digjam.co.in). The results are published usually in Financial Express, all editions (including Ahmedabad, in Gujarati).

b. **Annual Report:** Annual Report containing audited financial statements together with Board's Report, Auditors' Report and other reports/information are circulated to members entitled thereto and is also made available on the Company Website at [www.digjam.co.in](http://www.digjam.co.in).

c. **Website:** In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives comprehensive information about the Company, information on various announcements made by the Company, annual report, financial results, policies of the company, shareholding pattern, corporate governance report, etc. and other corporate communications made to the stock exchanges are also available on the website of the Company at [www.digjam.co.in](http://www.digjam.co.in).

d. The Company has also designated the e-mail ID [investors@digjam.co.in](mailto:investors@digjam.co.in) exclusively for investor servicing.

**GENERAL BODY MEETINGS/POSTAL BALLOT:**

a. The particulars of last three Annual General Meetings of the Company are given below:

AGM	Day, Date & Time	Nature of Special Resolutions Passed	Venue
5 <sup>th</sup> AGM	Saturday, September 26, 2020 at 5:00 p.m.	--	Held through Video Conferencing/ Other Audio-Visual Means and deemed address for all the meetings was at Company's Registered Office at Aerodrome Road, Jamnagar - 361006, Gujarat
6 <sup>th</sup> AGM	Monday, September 20, 2021 at 11:00 a.m.	--	
7 <sup>th</sup> AGM	Saturday, September 22, 2023 at 11:00 a.m.	Special Resolution was passed for Sale / disposal of Surplus land of the Company.	

**b. Details of Extraordinary General Meeting (“EGM”)**

No Extraordinary General Meeting of the Members was held during FY 2022 -23.

**c. Postal Ballot during the FY 2022 -23**

During the year, follow Ordinary / Special Resolution was passed through Postal Ballot.

Sr. No.	Subject matter of the resolution passed	Date of the Notice	Date of dispatch to Shareholders	Period of voting as stated in the Postal Ballot Notice
1.	To approve Material Related Party Transaction(s) with Krihaan Texchem Private Limited entered into during FY 2021-22 – Special Resolution	May 28, 2022	May 28, 2022	From 09:00 AM on Wednesday, June 1, 2022 up to 05:00 PM on Thursday, June 30, 2022
2.	Appointment / Redesignation of Sri Hardik B. Patel (DIN: 00590663), as a Chairman and Whole Time Director of the Company. – Ordinary Resolution	March 16, 2023	April 3, 2023	From Thursday, April 6, 2023 at 9.00 a.m. (IST) upto Friday, May 5, 2023 at 5.00 p.m. (IST)
3.	Appointment of Sri Vinayak Hoskote Rao (DIN: 10073636), as Director of the Company – Special Resolution	March 16, 2023	April 3, 2023	From Thursday, April 6, 2023 at 9.00 a.m. (IST) upto Friday, May 5, 2023 at 5.00 p.m. (IST)
4.	Appointment of Sri Vinayak Hoskote Rao (DIN: 10073636), as a Whole-Time Director on the Board of Directors of the Company designated as the Executive Director – Special Resolution	March 16, 2023	April 3, 2023	From Thursday, April 6, 2023 at 9.00 a.m. (IST) upto Friday, May 5, 2023 at 5.00 p.m. (IST)

**Special Resolutions proposed to be conducted through Postal Ballot: -**

No Resolutions are proposed to be conducted through Postal Ballot as on the date of this report.

**GENERAL SHAREHOLDER INFORMATION**

- a. CIN of the Company: L17123GJ2015PLC083569
- b. Details of Annual General Meeting: Friday, September 22, 2023, 11.00 A.M (IST) through Video Conferencing/Other Audio-Visual Means facility.
- c. Financial year: The financial year of the Company is from 1st April to 31st March.
- d. Dividend: The Board has not recommended any Dividend for 2022-23.
- e. Cut-off Date: Friday, September 15, 2023 (For determining eligibility of shareholders who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the AGM either through remote e-Voting or voting at the AGM)
- f. Date of Book Closure: From Saturday, September 16, 2023 to Friday, September 22, 2023 (Both Days Inclusive).
- g. Tentative calendar of the Board Meetings for consideration of quarterly results for the Financial Year 2023-24:
  - i. For the quarter ended June 30, 2023: On or before August 14, 2023
  - ii. For the quarter and half year ended 30th September, 2023: On or before November 14, 2023
  - iii. For the quarter ended December 31, 2023: On or before February 14, 2024

- iv. For the quarter and year ended March 31, 2024: On or before May 30, 2024

**h. Listing on Stock Exchanges and Stock Codes**

The Company’s Equity Shares are listed and traded on the following Stock Exchanges:

Name	Address	Stock Code/Trading Symbol
BSE Limited (“BSE”)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	539979
National Stock Exchange of India Limited (“NSE”)	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	DIGJAMLMTD

The Company has paid listing fees for the Financial Year 2022-23 to the Stock Exchanges. The ISIN of Company’s Equity Shares (Face Value of ₹ 10/- each) is INE731U01028.

**i. Re-Commencement of Trading of Equity Shares on Stock Exchanges**

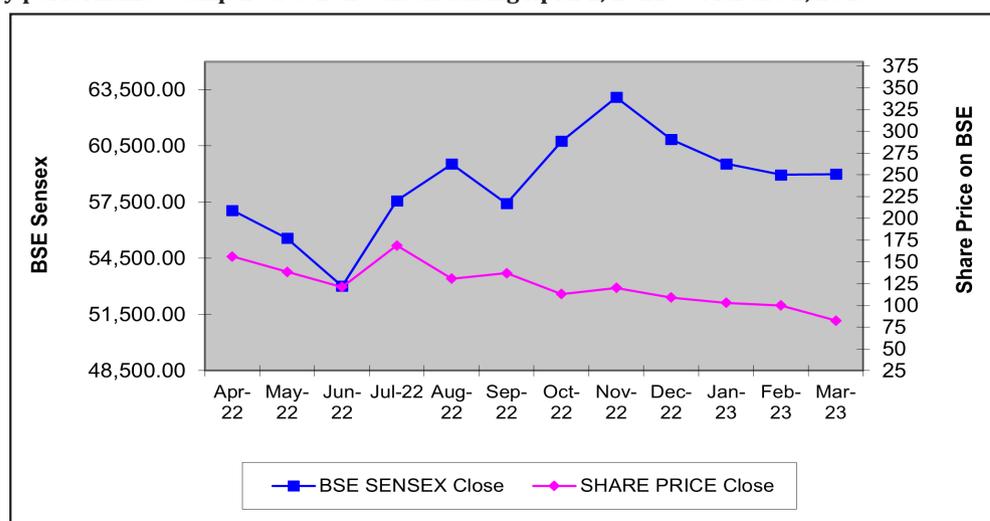
The trading in the equity shares of the Company was suspended on both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited from March 4, 2020 due to restructuring of capital of the Company pursuant to the implementation of Resolution Plan duly approved by the Hon’ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 27, 2020 under Section 31 of Insolvency and Bankruptcy Code, 2016.

After Reduction of Share Capital as per the Approved resolution Plan, the Trading of Equity shares of the Company Re-commenced from Month of October, 2021 on both the Stock Exchanges.

## j. Stock price and BSE Sensex data / NSE data:

Monthly High and Low Market Price Data of Equity Shares [April 2022 to March 2023]				
	B S E		N S E	
	High ₹	Low ₹	High ₹	Low ₹
<b>Year 2022</b>				
April	205.00	151.60	204.50	152.25
May	163.95	130.65	158.85	128.15
June	145.00	104.75	144.95	105.15
July	168.70	113.75	168.65	115.05
August	160.30	130.65	160.25	130.60
September	157.55	112.10	157.70	112.05
October	130.25	111.75	130.80	109.15
November	148.05	107.50	147.35	111.50
December	124.00	107.50	120.40	106.85
<b>Year 2023</b>				
January	132.45	96.55	130.55	98.10
February	109.40	87.00	111.00	87.60
March	104.50	80.10	105.10	81.70
<b>During the Year</b>	<b>145.76</b>	<b>111.16</b>	<b>145.00</b>	<b>111.51</b>

## k. Equity performance compared to BSE Sensex during April 1, 2022 to March 31, 2023



## l. 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, 2023:

Distribution of Equity Shareholding				
Shareholding range (Nos.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	39,195	98.95	9,90,664	4.95
501 - 1000	256	0.65	1,85,417	0.93
1,001 - 2,000	90	0.23	1,26,401	0.63
2,001 - 5,000	48	0.12	144,686	0.72
5,001 - 10,000	9	0.02	57,213	0.29
10,001 and above	12	0.03	1,84,95,619	92.48
<b>Total</b>	<b>39,610</b>	<b>100.00</b>	<b>2,00,00,000</b>	<b>100.00</b>

This statement is on the basis of the Shareholding pattern as on March 31, 2023 submitted to the Stock Exchanges.

m. **Categories of members as at March 31, 2023:**

Pattern of Equity Shareholding as on March 31, 2023					
	Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
<b>Promoter Holding</b>					
1.	Promoters				
	Indian Promoters	1	0.00	1,80,00,000	90.00
	Foreign Promoters	--	--	--	--
2.	Person acting in concert	--	--		--
	<b>Sub Total</b>	<b>1</b>	<b>0.00</b>	<b>1,80,00,000</b>	<b>90.00</b>
<b>Non-Promoters Holding</b>					
1.	<b>Institution</b>				
	Mutual Funds	2	0.01	23	0.00
	Banks, FIIs, Insurance Companies	13	0.03	2,81,714	1.41
	FIIs	--	--	--	--
	<b>Sub Total</b>	<b>15</b>	<b>0.04</b>	<b>2,81,737</b>	<b>1.41</b>
2.	<b>Non-Institutions</b>				
	Indian Bodies Corporate	239	0.62	1,17,679	0.59
	Individuals holding nominal capital up to ` 1.00 Lakh	37,137	95.37	13,98,817	6.99
	Individuals holding nominal capital more than ` 1.00 Lakh	1	0.00	78,700	0.39
	Non-residents-Individuals	554	1.42	14,803	0.07
	Other (Clearing Members, NRIs, HUF, Trust, Overseas Corporate Bodies, Foreign Corporate Bodies and EPFA)	993	2.55	1,08,264	0.54
	<b>Sub Total</b>	<b>38,924</b>	<b>99.96</b>	<b>17,18,263</b>	<b>8.59</b>
	<b>Total</b>	<b>38,940</b>	<b>100.00</b>	<b>2,00,00,000</b>	<b>100.00</b>

This statement is on the basis of the Shareholding pattern as on March 31, 2023 submitted to the Stock Exchanges.

Aggregate of non-promoter shareholding: 10.00 %

Please note that pursuant to allotment of Equity Shares to newly defined Promoters as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench under section 31 of Insolvency and Bankruptcy Code, 2016 for revival of the Company, the shareholding of Promoters constitutes to more than 75% of total shareholding of the Company.

However, pursuant to Regulation 30 of SEBI Listing Regulations read with SEBI Notification SEBI/LAD-NRO/GN/2021/02- dated January 08, 2021, we hereby undertake to make necessary arrangements after completion of the Lock-in period on the shares allotted to newly defined Promoters as per the approved Resolution Plan and shall take all required steps to comply with the minimum public shareholding requirements as per Rule 19 (2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, Regulation 31 of SEBI (ICDR) Regulations, 2018 and Regulations 38 of SEBI Listing Regulations (as amended from time to time).

n. **Top Equity equity members of the Company as at March 31, 2023:**

Sr. No.	Name of Shareholders	Number of Equity Shares held	Percentage of Holding
1.	Finquest Financial Solutions Private Limited	1,80,00,000	90.00%
2.	ICICI Bank LTD	2,44,251	1.22%
3.	Soniya Lunawat	78,700	0.39%
4.	Gujarat State Financial Services Ltd	41,079	0.21%
5.	Life Insurance Corporation of India	29,531	0.15%
	<b>Total</b>	<b>1,83,76,332</b>	<b>91.97%</b>

o. **Registrar and Share Transfer Agent:**

MCS Share Transfer Agent Limited is the RTA of the Company.

For lodgment of any documents or any grievances / complaints, members may contact the Company's RTA at the

following address:

MCS Share Transfer Agent Limited  
(Unit: Digjam Limited)  
383, Lake Gardens, 1st Floor,  
Kolkata 700 045  
Tel: (033) 4072 4051 – 52 – 53  
Email: mcssta@rediffmail.com

**p. Share transfer system:**

A Share Transfer Committee has been constituted to approve the transfers, transmission, issue of duplicate shares, etc. The Company's RTA has adequate infrastructure to process the above matters.

As per the requirements of regulation 40(9) of the Listing Regulations, a Company Secretary in practice has certified due compliance of share transfer formalities on yearly basis.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at [www.digjam.co.in](http://www.digjam.co.in) and on the website of the Company's RTA and can be accessed through the link: <https://www.mcsregistrars.com/downloads.php>. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

**q. Reconciliation of Share Capital Audit:**

A practicing Company Secretary carried out audit in respect of each of the quarters in the Financial Year ended on March 31, 2023, to reconcile the total admitted capital with the Depositories and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical mode and the total number of dematerialized shares held with depositories.

**r. Dematerialization of shares and liquidity:**

The Company's equity shares are required to be compulsorily traded on the Stock Exchanges in dematerialized mode. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2023, 1,99,80,254 Equity Shares representing 99.9% of the total Equity Shares were held in dematerialized form and 19,746 Equity Shares representing 0.10% were held in physical form. ISIN number

for dematerialization of the equity shares of the Company is INE731U01028.

**s. Location of the company's manufacturing plants:**

The details of the locations of the manufacturing plants of the Company are mentioned on the inside cover page of the Annual Report.

**t. Address for correspondence:**

Members' correspondence should be addressed to the RTA at the address mentioned above.

Members may also contact the Company Secretary, at the Registered Office of the Company for any assistance.

Mr. Punit A. Bajaj, Company Secretary and Compliance Officer

Telephone: 0288-2712972;

E-mail: [investors@digjam.co.in](mailto:investors@digjam.co.in); [cosec@digjam.co.in](mailto:cosec@digjam.co.in)

Members holding shares in the electronic mode should address all their correspondence to their respective depository participants.

**u. Outstanding GDRs / ADRs / Warrants, its conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

**v. Commodity price risk or foreign exchange risk and hedging activities:**

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.

**w. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:**

The compliance status of corporate governance requirements as prescribed under regulation 17 to 27 and 46(2)(b) to (i) of the Listing Regulations is provided in below table:

Regulation	Details of regulation	Complied (Yes/ No/ N.A)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' / Investors' Relationship Committee	Yes

21	Risk Management Committee	N.A.
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the listed company	N.A.
24A	Secretarial Audit Report and Secretarial Compliance Report	Yes
25	Obligations of Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other corporate governance requirements	Yes
46(2)(b) to (i)	Website	Yes

#### NON-MANDATORY (DISCRETIONARY) REQUIREMENTS UNDER REGULATION 27 OF THE LISTING REGULATIONS

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- **Modified opinion(s) in audit report**

The Company is in the regime of unmodified opinions on financial statements.

- **Separate posts of Chairperson and the Managing Director / Whole Time Director or the Chief Executive Officer**

Chairman of the Board, Sri Hardik B. Patel, is a Whole Time Director. The Company has appointed Sri Vinayak Hoskote Rao as Executive Director and Key Managerial Person in terms of Section 196 and 203 of the Act. Sri Hardik B. Patel and Sri Vinayak Hoskote Rao are not related to each other as per the definition of the term “relative” under the Act.

- **Reporting of Internal Auditor**

In accordance with the provisions of Section 138 of the Act, the Company has appointed Internal Auditors who report to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee and the Committee reviews the same and suggests necessary actions, if any.

#### MATERIAL SUBSIDIARY

The details of the Policy on determining material subsidiary of the Company is available on the Company’s website and can be accessed through the link: <http://digjam.co.in/files/Policy%20for%20Material%20Subsidiaries.pdf>.

#### AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from its Secretarial Auditors confirming compliance with the provisions relating to Corporate Governance laid down in Listing Regulations. This Certificate is annexed to the Corporate Governance Report for the Financial Year 2022-23.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is given in a separate section and forms part of this Annual Report.

#### MANDATORY/NON-MANDATORY DISCLOSURE

- The Board of Directors confirm that during the year they have accepted all mandatory recommendations received from its committees.
- 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.
- During Financial Year 2022-23, the Company have not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.
- The Company publishes its criteria of making payment of sitting fee/remuneration to its Non-Executive Directors in this Annual Report.
- A new appointee on the Board discloses his shareholding including as a beneficial owner in the Company prior to his appointment. These details are also disclosed in the notice to the general meeting called for the appointment of Directors.
- The quarterly / half yearly results are not sent to the members. However, the same are published in the newspapers and are also posted on the Company’s website.
- The Company’s financial statements for the Financial Year ended on March 31, 2023 do not contain any audit qualification.
- The internal auditors report to the Audit Committee and they make quarterly presentations on their reports.
- The auditors’ report on financial statements of the Company are with unmodified opinion.

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 of Directors

**Hardik Patel**  
Chairman  
DIN: 00590663

Mumbai  
May 29, 2023

**Vinayak Hoskote Rao**  
Executive Director  
DIN: 10073636

Jamnagar  
May 29, 2023

**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, Vinayak Hoskote Rao, Executive 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, 2023.

**For DIGJAM Limited**

**Vinayak Hoskote Rao**  
Executive Director  
DIN: 10073636  
Jamnagar  
May 29, 2023

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**COMPLIANCE CERTIFICATE**

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, 2023, 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.

Your faithfully  
**For DIGJAM Limited**

**Vinayak Hoskote Rao**  
Executive Director  
DIN: 10073636  
Jamnagar  
May 29 2023

**Pankaj Gharat**  
Chief Financial Officer  
Mumbai  
May 29 2023

## CORPORATE GOVERNANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

To  
The Members of  
**DIGJAM Limited**  
Aerodrome Road,  
Jamnagar 361 006

I have examined the compliance of conditions of Corporate Governance by DIGJAM Limited (“the company”) for the year ended March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as referred to in Regulation 15(2) of the SEBI Listing Regulations for the Financial Year ended March 31, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance 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 Sanghavi**  
Proprietor  
M No. FCS 10331 CP 9035  
Unique Reg Code : I2010GJ729600  
PR : 2531/2022  
Singed on 29<sup>th</sup> May, 2023 at Jamnagar  
UDIN: F010331E000415186

**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**  
Aerodrome Road,  
Jamnagar 361 006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Digjam Limited having CIN: L17123GJ2015PLC083569 and having registered office at Aerodrome Road, Jamnagar – 361 006, Gujarat (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 and 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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	DIN Status	Date of Appointment
1.	HARDIK BHARAT PATEL	00590663	Approved	13/07/2020
2.	AJAY AGARWAL	00649182	Approved	26/05/2022
3.	DURAISWAMY GUNASEELA RAJAN	00303060	Approved	13/07/2020
4.	SUDHA BHUSHAN	01749008	Approved	13/07/2020
5.	PANCHAPAKESAN SWAMINATHAN	00901560	Approved	24/06/2021
6.	VINAYAK HOSKOTE RAO	10073636	Approved	16/03/2023

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 Sanghavi**  
Proprietor

M No. FCS 10331 CP 9035

Unique Reg Code : I2010GJ729600

PR : 2531/2022

Singed on 29<sup>th</sup> May, 2023 at Jamnagar

UDIN: F010331E000415274

## Independent Auditor's Report

To the Members of Digjam Limited

Report on Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Digjam Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the 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 Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information

comprises the information included in Annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 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 also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures performed by us that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above, contain any material mis-statement;
- (v) The Company has neither declared nor paid any dividend during the year; and
- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

Place: Mumbai  
Dated this 29th day of May 2023

**For Nayan Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 107023W  
**K.Y. Narayana**  
Partner  
Membership No. 060639  
UDIN: 23060639BGRYVB4665

**Annexure A to the Independent Auditor's Report**

**Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date, to the members of the Company on the financial statements for the year ended March 31, 2023:**

- In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that
- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment of the Company were physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment.
- (c) Based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings disclosed in the financial statements included in (property, plant and equipment, capital work in progress), are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from bankers.
- (a) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (b) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) The Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under paragraph 3(iii) of the Order are not applicable to the Company;
- (iv) The Company has not granted any loans, made investments or providing guarantees and securities and therefore, the provisions of the paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted deposits from the public and therefore, the provisions of section 73 to section 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no other order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vi) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, duty of Customs, duty of Excise, value added tax, cess and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears as at March 31, 2023 which were due for more than six months from the date they became payable.
- (b) There were no amounts payable in respect of provident fund, employee's state insurance, income tax, goods & service tax, duty of customs, duty of excise, value added tax, Cess and other material statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There are no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) The Company has not raised any funds on short-term basis. Accordingly, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.;
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In respect of transactions with the related parties, the Company has complied provisions of sections 177 and section 188 of the Companies Act wherever applicable. Necessary disclosures relating to related party transactions have been made in the financial statements as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to get registered under 45-IA of the Reserved Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 661.80 lakhs during the financial year covered by our audit and Rs. 582.50 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) The Holding Company has undertaken to provide financial support that may be required in Company's obligation towards third parties. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, there exist no material uncertainty as on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) The company is not required to spend the amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring to transfer to a fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section(6) of Section 135 of the said Act. Accordingly, reporting under clause (xx)(a) and (xx) (b) of the Order is not applicable to the Company.

**For Nayan Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 107023W  
**K.Y. Narayana**  
Partner  
Membership No. 060639

Place: Mumbai  
Dated this 29th day of May 2023

UDIN: 23060639BGRYVB4665

**Annexure B to the Independent Auditor's Report**

Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on financial statements for the year ended March 31, 2023

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").

**Opinion**

We have audited the internal financial controls with reference to financial statements of "Digjam Limited" as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls 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 ('Guidance Note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over financial reporting**

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

**Inherent Limitations of Internal Financial Controls over financial reporting**

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

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No. 107023W

**K.Y. Narayana**

Partner

Membership No. 060639

UDIN: 23060639BGRYVB4665

Place: Mumbai

Dated this 29th day of May 2023

**BALANCE SHEET AS AT MARCH 31, 2023**

(Amount in Rupees Lakhs unless otherwise stated)

	<b>Notes</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	5,948.58	11,751.47
Capital Work- in- progress	3C	-	2.20
Intangible Assets	3B	1.59	0.32
Financial Assets			
Other Financial Assets	4	20.34	7.91
<b>Total Non-Current Assets</b>		<b>5,970.51</b>	<b>11,761.90</b>
<b>Current Assets</b>			
Inventories	5	1,866.15	1,666.63
Financial Assets			
Trade Receivables	6	937.89	992.50
Cash and Cash Equivalents	7	15.47	33.53
Current Tax Assets	8	49.92	22.25
Other Current Assets	9	76.70	137.96
<b>Total Current Assets</b>		<b>2,946.14</b>	<b>2,852.88</b>
<b>Non Current Asset held for Sale ( Refer Note 38 )</b>		<b>5,388.68</b>	<b>-</b>
<b>Total Assets</b>		<b>14,305.34</b>	<b>14,614.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	2,000.00	2,000.00
Other Equity	11	806.89	1,995.16
<b>Total Equity</b>		<b>2,806.89</b>	<b>3,995.16</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	4,832.18	6,003.21
Provisions	14	35.53	36.41
Other Non Current Liabilities	15	452.57	422.63
<b>Total Non-Current Liabilities</b>		<b>5,320.28</b>	<b>6,462.25</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	2,500.00	2,390.37
Trade Payables	16		
- dues to micro and small enterprises		14.43	24.33
- dues to creditors other than micro and small enterprises		374.12	742.77
Other Financial Liabilities	13	643.19	686.60
Provisions	14	9.04	6.46
Other Current Liabilities	17	2,637.39	306.84
<b>Total Current Liabilities</b>		<b>6,178.18</b>	<b>4,157.37</b>
<b>Total Liabilities</b>		<b>11,498.46</b>	<b>10,619.62</b>
<b>Total Equity and Liabilities</b>		<b>14,305.34</b>	<b>14,614.78</b>
<b>Summary of Significant Accounting Policies</b>		-	-

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No : 107023W

**For and on behalf of the Board****K. Y. Narayana**

Partner

Membership No : 060639

Mumbai

May 29, 2023

**Punit Bajaj**

Company Secretary

Meb. No. : A - 58392

Mumbai

May 29, 2023

**Pankaj Gharat**

Chief Financial Officer

Mumbai

May 29, 2023

**Vinayak Hoskote Rao**

Executive Director

DIN: 10073636

Jamnagar

May 29, 2023

**Hardik B. Patel**

Chairman

DIN: 00590663

Mumbai

May 29, 2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	18	3,321.14	3,121.70
Other Income	19	89.45	481.99
<b>Total</b>		<b>3,410.59</b>	<b>3,603.69</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	870.20	759.92
Purchase of Stock-in-Trade	21	586.00	894.18
Changes in Inventories (of Finished Goods, Work-in-Progress and Stock-in-Trade)	22	(210.68)	(859.16)
Employees Benefits Expense	23	1,362.31	1,214.29
Finance Costs	24	411.45	197.79
Depreciation and Amortisation Expense	25	102.18	224.84
Other Expenses	26	1,119.99	1,054.13
<b>Total</b>		<b>4,241.44</b>	<b>3,485.99</b>
<b>Profit / (Loss) before Exceptional Items and Tax</b>		<b>(830.85)</b>	<b>117.70</b>
Exceptional Items	38	389.94	-
<b>Profit / (Loss) before Tax</b>		<b>(1,220.79)</b>	<b>117.70</b>
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax	27	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>(1,220.79)</b>	<b>117.70</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or (loss)			
Remeasurement of the defined benefit plans		32.52	31.74
Income tax relating to items that will not be reclassified to profit or (loss)		-	-
Total other Comprehensive Income		32.52	31.74
<b>Total Comprehensive Income for the year</b>		<b>(1,188.27)</b>	<b>149.43</b>
<b>Earnings per Equity shares (Face Value of ₹ 10/- each)</b>	28		
- Basic (in ₹)		(6.10)	0.59
- Diluted (in ₹)		(6.10)	0.59
<b>Summary of Significant Accounting Policies</b>	2		

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No : 107023W

**For and on behalf of the Board****K. Y. Narayana**

Partner

Membership No : 060639

Mumbai

May 29, 2023

**Punit Bajaj**

Company Secretary

Meb. No. : A - 58392

Mumbai

May 29, 2023

**Pankaj Gharat**

Chief Financial Officer

Mumbai

May 29, 2023

**Vinayak Hoskote Rao**

Executive Director

DIN: 10073636

Jamnagar

May 29, 2023

**Hardik B. Patel**

Chairman

DIN: 00590663

Mumbai

May 29, 2023

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Rupees Lakhs unless otherwise stated)

### A. Equity Share Capital

Particulars	Note No.	Equity Share Capital
<b>Balance as at March 31, 2021</b>	10	2,000.00
Change in Equity Share capital during the year		-
<b>Balance as at March 31, 2022</b>	10	2,000.00
Change in Equity Share capital during the year		-
<b>Balance as at March 31, 2023</b>	10	<b>2,000.00</b>

### B. Other Equity

Particulars	Retained Earnings	Total Other Equity
<b>Balance as at March 31, 2021</b>	<b>1,845.73</b>	<b>1,845.73</b>
Profit / (Loss) for the year net of Income Tax	117.70	117.70
Total Comprehensive Income for the year	31.74	31.74
<b>Balance as at March 31, 2022</b>	<b>1,995.17</b>	<b>1,995.17</b>
Profit / (Loss) for the year net of Income Tax	(1,220.79)	(1,220.79)
Total Comprehensive Income for the year	32.52	32.52
<b>Balance as at March 31, 2023</b>	<b>806.89</b>	<b>806.89</b>

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No : 107023W

**For and on behalf of the Board**

**K. Y. Narayana**

Partner

Membership No : 060639

Mumbai

May 29, 2023

**Punit Bajaj**

Company Secretary

Meb. No. : A - 58392

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DIN: 10073636

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Chairman

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Mumbai

May 29, 2023

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit / (Loss) before Tax</b>	<b>(1,220.79)</b>	<b>117.70</b>
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	102.18	224.84
Provisions for Gratuity	27.74	32.43
Provisions for Bonus	30.14	31.52
Provisions for Leave encashment	1.71	(0.32)
Finance Costs	411.45	194.41
Interest Income	(0.65)	-
Assets Held for Sales Written off	389.94	-
Provisions/Liabilities no longer required written back	(15.25)	(58.53)
(Profit)/Loss on sale of Property, Plant & Equipment (Net)	(61.04)	(422.81)
Assets Discarded	5.26	-
Provision for Doubtful Trade Receivables and Bad Debts written off	17.28	11.38
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(312.03)</b>	<b>130.61</b>
<b>Changes in Working Capital :</b>		
Increase in Inventories	(199.52)	(753.83)
Decrease/(Increase) in Trade Receivables	<b>37.32</b>	<b>(844.56)</b>
(Increase)/Decrease in Other Financial Assets	(12.43)	25.42
Decrease in Other Current Assets	61.90	8.57
Increase in non-current Provisions	-	20.91
Decrease in Other non-current Liabilities	-	(5.00)
(Decrease)/Increase in Other Financial Liabilities	(43.41)	110.99
Increase in Current Provisions	-	2.31
Increase in Other Current Liabilities	2,335.13	110.51
(Decrease)/Increase in Trade Payables	(378.54)	633.47
<b>Cash Generated from Operations</b>	<b>1,488.43</b>	<b>(560.59)</b>
Income Taxes Paid ( Net of Refund )	(27.67)	(3.27)
<b>Net Cash Generated by Operating Activities [A]</b>	<b>1,460.76</b>	<b>(563.86)</b>
<b>B. Cash flows from Investing Activities</b>		
Capital Expenditure on Property, Plant and Equipment and Intangible Assets	(89.21)	(38.33)
Proceeds from Sale of Property, Plant and Equipment	68.00	467.62
<b>Net Cash Flow used in Investing Activities [B]</b>	<b>(21.20)</b>	<b>429.28</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in Rupees Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>C. Cash flow from Financing Activities</b>		
Finance Cost	(383.46)	(18.65)
Proceeds from Long Term Borrowings	2,442.53	2,568.00
Repayment of Long Term Borrowings	(3,516.68)	(2,397.50)
<b>Net Cash Flow from Financing Activities [C]</b>	<b>(1,457.61)</b>	<b>151.85</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>(18.05)</b>	<b>17.28</b>
Cash and Cash Equivalents at the beginning of the year	33.52	16.25
<b>Cash and Cash Equivalents at the end of the year</b>	<b>15.47</b>	<b>33.52</b>

**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.

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No : 107023W

**For and on behalf of the Board****K. Y. Narayana**

Partner

Membership No : 060639

Mumbai

May 29, 2023

**Punit Bajaj**

Company Secretary

Meb. No. : A - 58392

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May 29, 2023

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Chief Financial Officer

Mumbai

May 29, 2023

**Vinayak Hoskote Rao**

Executive Director

DIN: 10073636

Jamnagar

May 29, 2023

**Hardik B. Patel**

Chairman

DIN: 00590663

Mumbai

May 29, 2023

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

## 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”).

The Hon’ble NCLT, vide its order dated May 27, 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.

## 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.

## c) Rounding of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, except where otherwise indicated

## d) 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.

#### Key assumptions

##### 1) Evaluation of recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### 2) Assets and obligations relating to employee benefits

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### 3) Useful lives of Property, plant and equipment

The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### 4) Impairment of Property, plant and equipment

For Property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or Cash Generating Unit (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

##### 5) Valuation of inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

##### e) Inventories

Inventories include stock-in-transit 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.

##### f) 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.

##### g) Revenue Recognition

###### 1) Revenue from contracts with customers

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach :

- i. Identify the contract with a customer;"
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contract; and
- v. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time.

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- iii. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

#### **Trade Receivables**

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### **2) Dividend Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably

#### **3) Interest Income**

Interest income from financial assets is recognised using the effective interest rate method

#### **4) 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.

#### **h) 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.

#### **Useful lives of Tangible Assets**

##### **Assets**

Land  
Building  
Plant and Equipment  
Furniture and Fixtures  
Vehicles  
Office Equipments

#### **i) 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**

##### **Assets**

Software

#### **j) 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.

#### 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.

#### 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, Employee State Insurance Scheme, Gratuity Fund and compensated absences.

#### 1) 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.

#### 2) Post Employment Obligations

##### (i) 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.

##### (ii) 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.

#### 3) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the

related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur

#### 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

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible

temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and ta laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities.

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

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses, if any.

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

Contingent liabilities are disclosed in the case of :

- A) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- B) A present obligation arising from the past events, when no reliable estimate is possible;
- C) A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

## q) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### Initial Recognition and Measurement – Financial Assets and Financial Liabilities

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 (other than financial assets and financial liabilities at to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss. Since, trade receivables do not contain significant financing component they are measured at transaction price.

### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- the entity’s business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

#### Amortised Cost:

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

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

#### FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

#### FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Expected Credit Losses are measured through a loss allowance at an amount equal to:

- 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
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### Classification and Subsequent measurement: Financial Liabilities

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of Financial Assets and Financial Liabilities:**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **Offsetting Financial Instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **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.

#### **s) Non-current assets held for sale**

Non-current assets are classified as 'held for sale' when all of the following criteria are met :

- a. decision has been made to sell;
- b. the assets are available for immediate sale in its present condition;
- c. the assets are being actively marketed; and
- d. sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised. Any decrease in fair value of asset (less cost of sale) is recognised through profit and loss as impairment loss. Any subsequent increase in fair value of asset to the extent of previously recognised impairment loss is recognised as gain and any gain exceeding this impairment loss is recognised on the date of de-recognition.

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 3 Property Plant & Equipment

	Gross value			Accumulated Depreciation and Amortisation			Net value			
	As at March 31, 2022	Additions	Sale / Adjustment	As at March 31, 2023	Up to March 31, 2022	For the Period	Adjustment / Deductions	Up to March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>3A TANGIBLE ASSETS</b>										
Land	10,374.91	-	5,056.38	5,318.53	-	-	-	-	5,318.53	10,374.91
Building	1,329.97	28.23	892.42	465.78	251.22	32.57	170.18	113.61	352.17	1,078.75
Plant & Machinery	1,278.11	30.79	46.72	1,262.18	995.84	62.15	38.75	1,019.25	242.94	282.27
Furniture & Fixtures	7.22	-	1.83	5.39	6.82	0.02	1.46	5.38	0.01	0.40
Equipment & Fittings	24.03	30.42	15.63	38.82	9.85	7.20	12.29	4.75	34.07	14.18
Vehicles	10.90	-	-	10.90	9.94	0.09	-	10.03	0.87	0.96
<b>Total</b>	<b>13,025.14</b>	<b>89.44</b>	<b>6,012.99</b>	<b>7,101.60</b>	<b>1,273.67</b>	<b>102.03</b>	<b>222.69</b>	<b>1,153.01</b>	<b>5,948.58</b>	<b>11,751.47</b>
<b>3B Intangible Assets</b>										
Microsoft Dynamix Software	15.07	1.42	-	16.49	14.75	0.15	-	14.90	1.59	0.32
<b>3C Capital Work In Progress</b>										
	-	-	-	-	-	-	-	-	-	2.20
<b>Grand Total</b>	<b>13,040.21</b>	<b>90.86</b>	<b>6,012.99</b>	<b>7,118.09</b>	<b>1,288.42</b>	<b>102.18</b>	<b>222.69</b>	<b>1,167.91</b>	<b>5,950.17</b>	<b>11,753.99</b>
Previous Year	13,258.67	46.67	265.13	13,040.21	1,283.91	224.84	220.33	1,288.42	11,753.99	11,985.30

### Property Plant & Equipment

	Gross value			Accumulated Depreciation and Amortisation			Net value			
	As at March 31, 2021	Additions	Sale / Adjustment	As at March 31, 2022	Up to March 31, 2021	For the Period	Adjustment / Deductions	Up to March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>3A TANGIBLE ASSETS</b>										
Land	10,374.91	-	-	10,374.91	-	-	-	-	10,374.91	10,374.91
Building	1,314.30	15.67	-	1,329.97	209.33	41.89	-	251.22	1,078.75	1,104.97
Plant & Machinery	1,515.49	26.01	263.39	1,278.11	1,040.01	175.32	219.49	995.84	282.27	475.48
Furniture & Fixtures	7.22	-	-	7.22	6.72	0.10	-	6.82	0.40	0.49
Equipment & Fittings	19.04	4.99	-	24.03	6.60	3.25	-	9.85	14.18	12.45
Vehicles	12.64	-	1.74	10.90	9.35	1.43	0.84	9.94	0.96	3.29
<b>Total</b>	<b>13,243.60</b>	<b>46.67</b>	<b>265.13</b>	<b>13,025.14</b>	<b>1,272.01</b>	<b>221.99</b>	<b>220.33</b>	<b>1,273.67</b>	<b>11,751.47</b>	<b>11,971.59</b>
<b>3B Intangible Assets</b>										
Microsoft Dynamix Software	15.07	-	-	15.07	11.90	2.85	-	14.75	0.32	3.17
<b>3C Capital Work In Progress</b>										
	-	-	-	-	-	-	-	-	2.20	10.54
<b>Grand Total</b>	<b>13,258.67</b>	<b>46.67</b>	<b>265.13</b>	<b>13,040.21</b>	<b>1,283.91</b>	<b>224.84</b>	<b>220.33</b>	<b>1,288.42</b>	<b>11,753.99</b>	<b>11,985.30</b>
Previous Year	17,861.85	15.85	4,619.03	13,258.67	1,041.91	242.47	0.47	1,283.91	11,985.30	16,819.94

**Notes forming part of Financial Statement  
(Amount in Rupees Lakhs unless otherwise stated)**

**4. OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current Unsecured, considered good</b>		
Security Deposits	20.34	7.91
<b>Total</b>	<b>20.34</b>	<b>7.91</b>
<b>Current Unsecured, considered good</b>	-	-

**5. INVENTORIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Inventories (lower of cost and net realisable value)</b>		
Raw Materials	91.00	92.53
Work in progress	491.09	351.17
Finished Goods	1,051.48	880.72
Stock-In Trade	211.39	311.40
Stores, Spares and Packing Materials	21.19	30.82
<b>Total</b>	<b>1,866.15</b>	<b>1,666.63</b>

**6. TRADE RECEIVABLES**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered goods	937.89	992.50
Unsecured credit impaired	427.91	395.29
	1,365.80	1,387.79
Less : Allowance for doubtful debts	(427.91)	(395.29)
<b>Total</b>	<b>937.89</b>	<b>992.50</b>

**Note:**

- a) 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.
- b) Refer Note 31 (b) for information about credit risk and market risk of Trade Receivables

**c) Break-up of Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables	937.89	992.50
Receivables from related parties	-	-
<b>Total</b>	<b>937.89</b>	<b>992.50</b>

**e) Movement in allowance for doubtful trade receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	395.29	395.29
Add: Provision during the year	32.62	-
<b>Closing Balance</b>	<b>427.91</b>	<b>395.29</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### TRADE RECEIVABLES AGING AS ON MARCH 31, 2023

Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	592.21	279.54	61.46	4.67	0.00	0.00	937.89
(ii) Disputed Trade Receivables - credit impaired	-	13.98	3.07	0.23	-	410.63	427.91
<b>Total</b>	<b>592.21</b>	<b>293.52</b>	<b>64.54</b>	<b>4.90</b>	<b>0.00</b>	<b>410.63</b>	<b>1,365.80</b>

### TRADE RECEIVABLES AGING AS ON MARCH 31, 2022

Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	747.65	217.59	3.85	1.28	5.15	16.98	992.50
(ii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	395.29	395.29
<b>Total</b>	<b>747.65</b>	<b>217.59</b>	<b>3.85</b>	<b>1.28</b>	<b>5.15</b>	<b>412.28</b>	<b>1,387.79</b>

### 7. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.18	0.87
Balances with Banks in Current Account	15.29	32.66
<b>Total</b>	<b>15.47</b>	<b>33.53</b>

### 8. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax Refund Receivable	49.92	22.25

### 9. OTHER ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Prepaid Expenses	4.16	11.86
Balances with Govt. Authorities	15.87	23.27
Advance to Suppliers	53.33	99.95
Others	3.35	2.88
<b>Total</b>	<b>76.70</b>	<b>137.96</b>

### 10. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
10,00,50,000 (March 31, 2022 : 10,00,50,000) Equity Shares - Rs 10 each	10,005.00	10,005.00
27,00,000 (March 31, 2022 : 27,00,000) Cumulative, Non-Convertible, Redeemable 7 % Preference Shares - Rs 100 each	2,700.00	2,700.00
<b>Total</b>	<b>12,705.00</b>	<b>12,705.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
2,00,00,000 (as at March 31, 2021: 2,00,00,000) Equity Shares of ₹10 each	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

**10.1** 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.

### 10.2 Reconciliation of number of Shares Equity Shares

	As at March 31, 2023	As at March 31, 2022
Number of shares at the beginning of the year	200	200
Add : Shares issued and allotted during the year	-	-
Balance at the end of year	<b>200</b>	<b>200</b>

### 10.3 Change in its Share Capital Structure as per resolution plan

a) During the Year, there is no change in Share Capital of the Company

### 10.4 Shareholders holding more than 5% shares in the Company

Name of the Shareholders	As at March 31, 2023	As at March 31, 2022
Finquest Financial Solutions Private Limited		
No. of Shares	180	180
% of Shares held	90.00%	90.00%

### 10.5 Statement of Promoter Holding in the Company

#### Shareholding of Promoter As at March 31, 2023

Sr. No.	Class of Equity Share	Promoter's Name	No. of shares at the beginning of the year *	change during the year	shares at the end of the year	% of total shares	% change during the year
1	Fully paid-up equity shares of Rs. 10 each	Finquest Financial Solutions Private Limited	180	-	180	90	-

#### Shareholding of Promoter As at March 31, 2022

Sr. No.	Class of Equity Share	Promoter's Name	No. of shares at the beginning of the year *	change during the year	shares at the end of the year	% of total shares	% change during the year
1	Fully paid-up equity shares of Rs. 10 each	Finquest Financial Solutions Private Limited	180	-	180	90	-

### 11. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained Earnings</b>		
Balance at the beginning of the year	1,995.16	1,845.72
Add: Profit / (Loss) for the year	(1,188.27)	149.43
Balance at the end of year	806.88	1,995.16
<b>Total</b>	<b>806.88</b>	<b>1,995.16</b>

### 12. BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
Term Loans form Banks	-	2,390.38
Unsecured Loan	4,625.97	3,297.00
Less: Short Term Borrowings	(2,500.00)	(2,390.38)
	2,125.97	3,297.00
Liability of Non-Convertible Redeemable Preference Share	2,706.21	2,706.21
<b>Total</b>	<b>4,832.18</b>	<b>6,003.21</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### Current

#### Secured - at amortised cost

Current maturities of Short Term borrowings	2,500.00	2,390.38
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Unsecured - at amortised cost

#### Unsecured Loan from Banks

Deposits	-	-
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<b>Total</b>	<b>2,500.00</b>	<b>2,390.38</b>
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### Note

The Company has issued and allotted 7% Cumulative Non-Convertible Redeemable 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.

### 13. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current	-	-
Current		
Dues to employees	113.37	132.48
Dues to others	529.82	554.13
<b>Total</b>	<b>643.19</b>	<b>686.61</b>

### 14. PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Provision for Compensated absences	35.53	36.41
<b>Total</b>	<b>35.53</b>	<b>36.41</b>
<b>Current</b>		
Provision for Compensated absences	9.04	6.46
<b>Total</b>	<b>9.04</b>	<b>6.46</b>

### 15. OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Non-Current</b>		
Gratuity (Funded)	452.57	422.63
<b>Total</b>	<b>452.57</b>	<b>422.63</b>

### 16. TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Acceptances		
Total outstanding dues of Micro and Small Enterprises	14.43	24.33
Total outstanding dues of creditors other than Micro and Small Enterprises	374.12	742.77
<b>Total</b>	<b>388.56</b>	<b>767.10</b>

**Notes forming part of Financial Statement  
(Amount in Rupees Lakhs unless otherwise stated)**

**Trade Payables Aging as on March 31, 2023**

Particulars	Not Due	Outstanding for following periods from due date				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	3.63	10.80	-	-	-	14.43
(ii) Others	102.51	265.94	1.44	-	4.23	374.13
<b>Total</b>	<b>106.15</b>	<b>276.74</b>	<b>1.44</b>	<b>-</b>	<b>4.23</b>	<b>388.56</b>

**Trade Payables Aging as on March 31, 2022**

Particulars	Not Due	Outstanding for following periods from due date				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	24.33	-	-	-	24.33
(ii) Others	123.54	613.49	1.65	-	4.09	742.77
<b>Total</b>	<b>123.54</b>	<b>637.81</b>	<b>1.65</b>	<b>-</b>	<b>4.09</b>	<b>767.10</b>

**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, 2023

**Particulars**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
1. The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due	14.43	24.33
- Interest due	0.01	0.90
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.	-	-
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 31 for information about credit risk and market risk of Trade Payables.

**17. OTHER LIABILITIES**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current</b>		
Statutory remittances	43.30	33.20
Advance received from Customers	85.54	209.09
Gratuity (Funded)	62.35	64.55
Other Current Liability (Refer Note 38)	2,446.20	-
<b>Total</b>	<b>2,637.39</b>	<b>306.84</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 18. REVENUE FROM OPERATIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Sale of Products	3,159.72	2,860.94
Sale of Services	161.42	197.06
Other Operating Income	0.00	63.70
<b>Total</b>	<b>3,321.14</b>	<b>3,121.70</b>

### 19. OTHER INCOME

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Income	0.65	0.54
Excess Provision Written Back	15.37	58.53
Profit on sale of PPE (Net)	61.04	422.81
Miscellaneous Income	12.39	0.11
<b>Total</b>	<b>89.45</b>	<b>481.99</b>

### 20. COST OF MATERIALS CONSUMED

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories at the beginning of the year	92.53	169.23
Less : Purchase shown as Goods in Transit	-	70.86
Add : Purchase during the year	868.67	754.08
	<b>961.20</b>	<b>852.45</b>
Less : Sales / Transfer	-	-
	<b>961.20</b>	<b>852.45</b>
Less : Inventories at the end of the year	91.00	92.53
<b>Total</b>	<b>870.20</b>	<b>759.92</b>

### 21. PURCHASE OF STOCK-IN-TRADE

Particulars	As at March 31, 2023	As at March 31, 2022
Cloth	586.00	894.18
<b>Total</b>	<b>586.00</b>	<b>894.18</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories at the end of the year		
Finished Goods	1,051.48	880.72
Work-in-progress	491.09	351.17
Stock-in Trade	211.39	311.40
	<b>1,753.96</b>	<b>1,543.28</b>
Inventories at the beginning of the year		-
Finished Goods	880.72	592.17
Work-in-progress	351.17	91.94
Stock-in Trade	311.40	-
	<b>1,543.28</b>	<b>684.11</b>
<b>Net (Increase)/Decrease</b>	<b>(210.68)</b>	<b>(859.18)</b>

**Notes forming part of Financial Statement  
(Amount in Rupees Lakhs unless otherwise stated)**

**23. EMPLOYEE BENEFITS EXPENSE**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Salaries, Wages, Bonus, etc.	1,099.49	953.76
Contribution to Provident & Other Funds	154.07	160.33
Employees Welfare Expenses	108.75	100.21
<b>Total</b>	<b>1,362.31</b>	<b>1,214.30</b>

**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.

**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	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Obligation at the beginning of the year	819.91	879.26
Current Service Cost	31.61	34.74
Interest Cost	56.08	55.66
Actuarial (gain)/loss - due to change in financial assumptions	(19.67)	(19.67)
Actuarial (gain)/loss - due to experience adjustments	(16.50)	(15.59)
Benefits paid	(79.52)	(114.49)
<b>Present value of benefit obligation at the end of the year</b>	<b>791.90</b>	<b>819.91</b>

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

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year, at fair value	332.73	419.50
Interest Income	22.76	26.55
Return on plan assets excluding interest income	(3.65)	(3.52)
Contribution from the employer	4.67	4.68
Benefits paid	(79.52)	(114.49)
<b>Fair value of plan assets at the end of the year</b>	<b>276.98</b>	<b>332.73</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

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

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year	(791.90)	(819.90)
Fair value of plan assets at the end of the year	276.98	332.72
<b>Net Liability arising from defined benefit obligation</b>	<b>(514.92)</b>	<b>(487.18)</b>

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

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Current service cost	31.61	34.74
Net interest expense	33.32	29.10
<b>Components of defined benefit costs recognised in the Statement of Profit &amp; Loss</b>	<b>64.93</b>	<b>63.84</b>
Remeasurement on the net defined benefit liability		
Actuarial (gains)/losses on obligation for the period	(36.17)	(35.26)
Return on plan assets, excluding interest income	3.65	3.52
Components of defined benefit costs recognised in Other Comprehensive Income	(32.52)	(31.74)
<b>Total</b>	<b>32.41</b>	<b>32.11</b>

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, 2023 as follows:**

Particulars	Gratuity
As at March 31,	
2024	145.62
2025	73.43
2026	129.75
2027	74.41
2028	92.98
Thereafter	377.10

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 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	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Delta Effect of +1% Change in Rate of Discounting	(33.25)	(38.36)
Delta Effect of -1% Change in Rate of Discounting	36.57	42.30
Delta Effect of +1% Change in Rate of Salary Increase	36.71	42.23
Delta Effect of -1% Change in Rate of Salary Increase	(33.97)	(39.00)
Delta Effect of +1% Change in Rate of Employee Turnover	2.45	1.71
Delta Effect of -1% Change in Rate of Employee Turnover	(2.66)	(1.86)

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 follows :

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.39%	6.84%
Expected Return on Plan Assets	7.39%	6.84%
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee Turnover	3.00%	3.00%
Mortality Tables	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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	As at March 31, 2023	As at March 31, 2022
Interest expenses	411.45	197.27
Other borrowing costs	-	0.52
<b>Total</b>	<b>411.45</b>	<b>197.79</b>

### 25. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on Property, Plant and Equipment	102.03	221.99
Amortization on Intangible Assets	0.15	2.85
<b>Total</b>	<b>102.18</b>	<b>224.84</b>

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 26. OTHER EXPENSES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Manufacturing Expenses</b>		
Consumption of Stores & Spares, Dye & Chemical and Packing Materials	176.87	229.14
Power and Fuel	336.18	250.13
Processing Expenses	38.73	149.83
Repairs Expenses :		
Repairs to Buildings	9.79	4.32
Repairs to Machinery	45.04	34.31
<b>Other than Manufacturing Expenses</b>		
Rent	0.10	0.45
Repairs Others	9.64	30.31
Insurance expenses	16.12	21.72
Rates and Taxes	23.38	55.78
Travelling Expenses	25.96	5.28
Freight and Other Selling Expenses	49.67	47.11
Advertisement and Sales Promotion	14.01	5.91
Brokerage, Rebate, Discount and Commission	126.95	85.28
Director's Sitting Fees	6.75	4.10
Director's Travelling Expenses	2.31	2.04
Legal and Professional	34.56	29.75
Payment to Auditors *	10.39	10.02
Net Loss on Foreign Currency transactions and translations	0.57	0.16
Assets Discarded (Net)	5.26	-
Fees & Subscription	15.98	26.16
Conveyance Expenses	14.40	12.11
Provision for doubtful debts and advances	68.49	-
Other Expenses	88.85	50.23
<b>Total</b>	<b>1,119.99</b>	<b>1,054.13</b>

#### \* PAYMENTS TO AUDITORS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>To Statutory Auditors</b>		
For Statutory Audit	10.00	9.38
For Other Services	-	-
For reimbursement of expenses	0.39	0.64
<b>Total</b>	<b>10.39</b>	<b>10.02</b>

### 27. Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liabilities :</b>		
In relation to Property, Plant and equipment	148.01	347.42
<b>Deferred Tax Assets :</b>		
In relation to Carried Forward Business Losses	148.01	347.42
<b>Total</b>	<b>-</b>	<b>-</b>

Unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax assets has not been recognised in view of uncertainty that future taxable income will be available against the same.

**Notes forming part of Financial Statement**  
**(Amount in Rupees Lakhs unless otherwise stated)**

Particulars	Accounting year					
	2017-18	2018-19	2019-20	2020-21	2021-22	Beyond 5 years
Tax losses:						
Unabsorbed depreciation	44.76	34.98	28.48	-	-	12,533.45
Business losses	2,775.23	4,033.92	1,496.33	-	-	3,149.21
Other Deductible temporary difference	-	-	-	-	-	-
<b>Total</b>	<b>2,819.99</b>	<b>4,068.90</b>	<b>1,524.81</b>	<b>-</b>	<b>-</b>	<b>15,682.66</b>

Note: a. The Company has substantial unused tax losses and unused tax credits. The deferred tax assets relating to such deductible temporary differences, carry forward unused tax losses and carry forward unused tax credits is significantly higher than deferred tax liabilities on conservative approach, the Company has recognised deferred assets on unabsorbed depreciation and business losses to the extent of this deferred liabilities.

**28. EARNING PER SHARE**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Profit/(Loss) after tax	(1,220.79)	117.70
Profit/(Loss) pertaining to equity shareholders	(1,220.79)	117.70
Weighted Average Number of Shares (WANS)	200.00	200.00
Nominal value per share	10.00	10.00
<b>Basic and diluted EPS</b>	<b>(6.10)</b>	<b>0.59</b>

**29. Capital work in progress (CWIP)**

Capital work in progress as at March 31, 2023 is Nil.

**Aging schedule as at March 31, 2022:**

Particulars	Outstanding for following periods from				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	2.20	-	-	-	2.20
<b>Total</b>	<b>2.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.20</b>

**30. Financial Instruments**

**a. 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 12 off set by cash and bank balances) and total equity of the Company.

**Gearing Ratio**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Debt (note i)	7,357.38	8,393.58
Less: Cash and Bank Balances & Deposit Accounts	15.47	33.53
<b>Net Debt</b>	<b>7,341.91</b>	<b>8,360.05</b>
Total Equity	2,806.89	3,995.16
Net Debt to Equity Ratio	261.57	209.25

I. Debt is defined as long-term borrowings, short-term borrowings and Interest payable on borrowings as described in note 12.

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### b. Category-wise classification of financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
<b>Measured at amortised cost</b>		
a. Trade Receivables	937.89	992.50
b. Cash and Cash Equivalents	15.47	33.53
c. Other Balances with Banks	-	-
d. Financial Assets	20.34	7.91
<b>Total</b>	<b>973.70</b>	<b>1,033.93</b>
<b>Financial Liabilities</b>		
<b>Measured at amortised cost</b>		
a. Borrowings	7,332.18	8,393.58
b. Trade Payables	388.56	767.10
c. Other Financial Liabilities	643.19	686.60
<b>Total</b>	<b>8,363.93</b>	<b>9,847.28</b>

### c. Financial Risk Management Objectives

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, 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.

##### 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).

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 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:

	Carrying amount	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>As at March 31, 2023</b>					
Borrowings	7,332.18	2,500.00	4,832.18		7,332.18
Trade Payables	388.56	388.56	-	-	388.56
Financial Liabilities	643.19	643.19	-	-	643.19
<b>Total</b>	<b>8,363.93</b>	<b>3,531.75</b>	<b>4,832.18</b>	<b>-</b>	<b>8,363.93</b>
<b>As at March 31, 2022</b>					
Borrowings	8,393.58	2,390.38	1,648.50	4,354.71	8,393.59
Trade Payables	767.10	767.10	-	-	767.10
Financial Liabilities	686.60	686.60	-	-	686.60
<b>Total</b>	<b>9,847.28</b>	<b>3,844.07</b>	<b>1,648.50</b>	<b>4,354.71</b>	<b>9,847.28</b>

### 31. Contingent Liabilities and Commitments

	As at March 31, 2023	As at March 31, 2022
	Nil	Nil

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 Financial Statements are reflective of information required by Ind AS 108.

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 33. 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

- a) Krihaan Texchem Private Limited

##### 3. Key Managerial Personnel/Directors

- a) Non-Executive Independent Directors:

- (i) Sri Duraiswamy Gunaseela Rajan  
(ii) Ms. Sudha Bhushan  
(iii) Sri Panchapakesan Swaminathan

- b) Non-Executive Non-Independent Directors:

- (i) Sri Hardik Bharat Patel (upto February 5, 2023)  
(ii) Sri Ajay Agarwal (from May 26, 2022)  
(iii) Sri Parashiva Murthy B S (from February 6, 2023 to March 16, 2023)

- c) Whole Time Director:

- (i) Sri Ajay Agarwal, Whole Time Director (upto May 25, 2022)  
(ii) Sri Ajay Kumar Agarwal, Executive Director (from April 1, 2022 to January 31, 2023)  
(iii) Sri Hardik Bharat Patel, Whole Time Director Director (from February 6, 2023)  
(iv) Sri Vinayak Hoskote Rao, Executive Director Director (from March 16, 2023)

- d) Key Management Personnel:

- (i) Sri Ajay Agarwal, CFO (upto May 31, 2022)  
(ii) Sri Satish Shah, CFO (from August 6, 2022 to February 15, 2023)  
(iii) Sri Punit A. Bajaj, Company Secretary

##### 4. Post-employment benefit funds

- a) Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund

#### B. Transaction with Related Parties:

Related Party	Nature of transaction	As at	As at
		March 31, 2023	March 31, 2022
Finquest Financial Solutions Private Limited	Inter-Corporate Borrowing	4,625.97	2,568.00
	Interest on Borrowing	383.45	181.26
	Non-convertible Redeemable Preference Shares	-	-
	Maximum outstanding balance (credit) during the year	4,625.97	3,478.26
Krihaan Texchem Pvt. Ltd.	Purchase of Raw Material		
	Income of Processing Charges for Job Charges and sale of yarn	4.36	206.66
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	88.09	59.89
		-	-

**Notes forming part of Financial Statement  
(Amount in Rupees Lakhs unless otherwise stated)**

Sri D. G. Rajan	Sitting Fees	5.00	5.00
Sri P Swaminathan	Sitting Fees	-	-
Ms. Sudha Bhushan	Sitting Fees	2.45	1.75
Sri Hardik B. Patel	Travelling Expenses	-	0.08
Sri Ajay Kumar Agarwal	Travelling Expenses	2.13	1.87
Sri Ajay Agarwal	Travelling Expenses	0.06	0.09
Sri Parashiva Murthy B S	Travelling Expenses	0.05	-
Sri Vinayak Hoskote Rao	Travelling Expenses	0.07	-
Sri Ajay Kumar Agarwal	Remuneration	40.00	-
Sri Vinayak Hoskote Rao	Remuneration	1.42	-
Sri Satish Shah	Remuneration	8.92	-
Sri Punit A. Bajaj	Remuneration	8.68	6.00

- 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:**

<u>Related Party</u>	<u>Nature of transaction</u>	<u>As at March 31, 2023</u>	<u>As at March 31, 2022</u>
Finquest Financial Solutions Private Limited	Outstanding balance of Loan taken	4,625.97	3,297.00
	Non-convertible Redeemable Preference Shares		2,706.21
Finquest Financial Solutions Private Limited	Interest Payable		181.26
Krihaan Texchem Pvt. Ltd.	Outstanding balance (credit)		-
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	Contributions outstanding		487.18
Sri Ajay Kumar Agarwal	Payable		0.09

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

34. Additional regulatory information detailed in clause 6L of General Instructions given in part I of division II of the Schedule III of the Companies Act, 2013 are furnished to the extent applicable to the Company.

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

- (vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vii) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- (viii) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

### 35. Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance
Current Ratio (times)	Current Assets	Current Liabilities	0.48	0.69	-31%
Debt Equity Ratio (times)	Total Debt	Equity	2.61	2.10	24%
Debt Service Coverage Ratio (times)	Net Profit After Tax + Depreciation and Amortisation + interest + loss on sale of PPE+ Assets discarded	Interest +Principle repayment of long term loans*	(0.08)	0.19	-142%
Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	(0.36)	0.03	-1296%
Inventory Turnover Ratio (times)	Sales of product and services	Average inventory	1.88	2.37	-21%
Trade Receivables Turnover Ratio (times)	Sales of product and services	Average Receivable	3.44	5.30	-35%
Trade payables Turnover Ratio (times)	Purchases	Average Trade Payables	2.52	3.66	-31%
Net Capital Turnover Ratio (times)	Net Sales	Working Capital	(1.03)	(2.34)	-56%
Net Profit Ratio (%)	Net Profit after tax	Sales of product and services	(0.37)	0.04	-1055%
Return on Capital Employed Ratio (%)	Earning before interest and tax	Capital Employed	(0.08)	0.03	-413%
Return on Investment (%)			NA	NA	

- i) Current Ratio :- Increase in current ratio is majorly on account of increase in current liabilities due to advance received in lieu of asset held for sale.
- ii) Debt Service Coverage ratio (DSCR) has reduced on account of reduced Profitability
- iii) Return on Equity has been reduced due to increased EBITDA losses during the current financial year
- iv) Trade Recievable turnover ratio has reduced on account of working capital requirement due to ramping up of operations post takeover under NCLT
- iv) Trade Payable turnover ratio has reduced on account of working capital requirement due to ramping operations post takeover under NCLT
- v) Net Capital turnover ratio increased mainly on account of increase in current liabilities due to advance received in lieu of sale.
- vi) Net Profit Ratio has decreased due to reduced profitability.
- vii) Return on capital employed has reduced on account of reduced profitability

## Notes forming part of Financial Statement (Amount in Rupees Lakhs unless otherwise stated)

### 36. Recent Accounting Pronouncements

Standard issued but not effective :

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified companies ( Indian Accounting Standards) Amendments Rules 2023. This notification has resulted into amendments in the following existing accounting standards, which are applicable to the company from April 1, 2023.

- a) IND AS 1 - Presentation of Financials Statements.
- b) IND AS 8 - Accounting Policies, changes in accounting Estimates and error
- c) IND AS 12 - Income Taxes

Application of above standards are not expected to have any significant impact of the company Financials Statements

### 37. During the year, the Company has identified certain portion of Land and Building as surplus for disposal. Accordingly, the Company has reclassified the surplus Land and Building as "Non-current Asset Held for Sale" as per Ind AS 105 amounting to Rs. 5,388.68 Lakhs. The aforesaid amount comprises of Land amounting to Rs. 5,056.38 lakhs. and Building amounting to Rs. 332.30 Lakhs.

As on date the Company has received an advance amount of Rs. 2,421 Lakhs towards Asset Held for Sale which is classified as Other current liabilities (Refer Note 17 ).

### 38 During the year, the Company has discarded Property, Plant and Equipment in the nature of Building amounting to Rs. 390 Lacs classified under the head Exceptional item.

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

**For Nayan Parikh & Co.**

Chartered Accountants

Firm Registration No : 107023W

**For and on behalf of the Board**

**K. Y. Narayana**

Partner

Membership No : 060639

Mumbai

May 29, 2023

**Punit Bajaj**

Company Secretary

Meb. No. : A - 58392

Mumbai

May 29, 2023

**Pankaj Gharat**

Chief Financial Officer

Mumbai

May 29, 2023

**Vinayak Hoskote Rao**

Executive Director

DIN: 10073636

Jamnagar

May 29, 2023

**Hardik B. Patel**

Chairman

DIN: 00590663

Mumbai

May 29, 2023





# DIGJAM

## **DIGJAM LIMITED**

Registered Office & Mills Address

Aerodrome Road,

Jamnagar - 361 006, Gujarat

Tel No.: + 91 288 2712972 /73

E- Mail: [cosec@digjam.co.in](mailto:cosec@digjam.co.in)

Website: [www.digjam.co.in](http://www.digjam.co.in)