

DIGJAM LIMITED

Aerodrome Road,
Jamnagar – 361 006, India.
e-mail: digjamcosec@gmail.com

DIGJAM

July 30, 2020

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

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

Code No. 539979

Symbol "DIGJAMLTDD"

Dear Sir,

Re: Publication of Audited Financial Results for the financial year ended March 31, 2020 under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

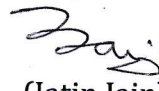
Further to our letter dated July 27, 2020, we enclose a copy of the Audited Financial Results for the financial year ended March 31, 2020, which were placed before the meeting of the Monitoring Committee and taken on record in the aforesaid meeting held on date alongwith Auditors' Report for information of all concerned. The Meeting commenced at 02.30 p.m. and concluded at 03.30 p.m.

Further, pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby declare that the enclosed Auditors' Report is with disclaimer of opinion with respect to the Audited Financial Results for the Quarter and Financial Year ended March 31, 2020. The Statement on Impact of Audit Qualifications (for Audit Report with disclaimer Opinion) is also enclosed herewith. Kindly take the same on your record.

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

Thanking you,

Yours faithfully,
For DIGJAM Limited


(Jatin Jain)
Company Secretary

Encl: As above

Note: As per Resolution Plan approved by the Hon'ble NCLT, Ahmedabad vide its Order dated May 27, 2020, during the Interim Period i.e. 180 days from the approval of the Resolution Plan, all the decisions which could otherwise have been taken by the Company's Board shall be taken by the Monitoring Committee.



Independent Auditor's Report

To The Board of Directors / Monitoring Committee of
Digjam Limited

1. We were engaged to audit the accompanying financial statements of Digjam Limited ("the Company"), for the year ended 31st March, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

In accordance with the Code, the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by M/s Oman Inc. (HUF), operational creditor against Digjam Limited ("the Company") and appointed Mr. Parag Sheth to act as Interim Resolution Professional (IRP) with the directions to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules. Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the Board of Directors have been suspended and these responsibilities are now vested with Resolution Professional (RP).

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

2. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI) and to issue an auditor's report. However, because of the significance of matter described in paragraph 3 below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the Statement.



☎ 9319104191
✉ sarveshkumarbajpai@gmail.com
🌐 www.skbaipalandco.com

📍 **Agra (HO)** : S-12, Block No. E-13/8, 2nd Floor, Ramen Tower Sanjay Place, Agra-202 002 (U.P.), Ph: 9319104191
📍 **Delhi** : A-75/1 (Basement), Lajpat Nagar-1, New Delhi-110024 Ph: 011-40587502 / 41323636
📍 **Noida** : C-719, Noida One Building, B-Block, Plot No. B-8, Sector 62, Noida 201309, Ph: 851-000-3612, 0120-2975092

OFFICES

AGRA

NOIDA

NEW DELHI

FIROZABAD

LUCKNOW



3. We refer to the following:

- a. As per Note 3A, 3B and 38 to the financial statements, the carrying value of the Company's Property, Plant and Equipment and Intangible Assets are Rs. 16,817 lacs and Rs. 2.95 lacs respectively. In accordance with Ind AS-36 "Impairment of Assets", an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired, if such indication exists, the entity shall estimate the recoverable amount of the asset. In view of the uncertainty of resumption of the Company's operations, the management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of Corporate Insolvency Resolution Process ("CIRP") at the year end, we have been informed that the Management has not performed an assessment to determine any impairment to the carrying value of these assets. Consequently, we are unable to conclude if any impairment needs to be recognized to the carrying value of these assets and its consequential effects on the financial statements.
- b. As referred in Note 5 and Note 36 to the financial statements, the company's inventories as at 31st March, 2020 are carried at Rs.2216.43 lacs, being the lower of cost and net realizable value based on management/Resolution Professional's estimates. Amid Covid-19 it was impracticable for us to attend the management's physical inventory count that was carried out at the year end, also even after performing alternative audit procedures we have not been able to obtain sufficient and appropriate audit evidence to test the methods and assumptions used by the management in determining the net realizable values and therefore we are unable to conclude if the value of inventories is fairly stated in the financial statements.
- c. We draw attention to Note 34 and Note 40 to the financial statements, which indicate that the company's production has been suspended since October 2018. The company has incurred a net loss of Rs. 1,744.68 lacs during the year ended 31st March, 2020 and, as of that date, the company's current liabilities exceeded its current assets by Rs. 12,185.11 lacs. The Note further refers to the current status of the Corporate Insolvency Resolution Process which is initiated on 26th April, 2019 and the resolution plan was approved by NCLT subsequent to the year end on 27th May, 2020, pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

However the resolution plan is yet to be implemented till the date of audit report. This indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern

☎ 9319104191
✉ sarveshkumarbajpai@gmail.com
🌐 www.skabajpaiandco.com

📍 **Agra (HO)** : B-12, Block No. E-13/6, 2nd Floor, Ramen Tower
Sanjay Place, Agra-282 002 (U.P.), Ph: 9319104191
📍 **Delhi** : A-75/1 (Basement), Lajpat Nagar-1, New Delhi-110024
Ph: 011-40587502 / 41323636
📍 **Noida** : C-719, Noida One Building, B-Block, Plot No. B-8, Sector-52,
Noida 201309, Ph: 851-000-3612, 0120-2975092

OFFICES

AGRA

NOIDA

NEW DELHI

FIROZABAD

LUDHIANA





and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

- d. We draw attention to Note 6 and Note 39 to the financial statements. As stated in the Note, the company has trade receivable amounting to Rs. 181.14 lacs as at 31st March, 2020. In view of suspension of operations since a long period, uncertainty of resumption of future operations and absence of most of the confirmation as at the year end, we have not been able to obtain sufficient and appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs. 181.14 lacs and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the financial statements.
- e. We draw attention to Note 37 to the financial statements, the Company has not provided for the Interest on borrowings, inter corporate deposits and interest payable to MSME after 26th April, 2019 in the view of Moratorium as per Section 14 of the Code. The same is not in compliance with Ind AS -23 "Borrowing Costs". Had the provision for interest been recognized, finance cost and total expenses, would have been higher, consequently, Loss and total comprehensive Loss would have been higher. It would further affect the other financial liability and other equity. We are unable to conclude the amount of consequential effects, if any, on the financial statements.
4. Because of significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the financial statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016; and
- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2020.



☎ 9319104191
@ sarveshkumarbajpai@gmail.com
🌐 www.skbaipalandco.com

📍 **Agra (HQ)** : S-12, Block No. E-13/6, 2nd Floor, Ram Sanjay Place, Agra-262 002 (U.P.), Ph: 9319104191
📍 **Delhi** : A-75/1 (Basement), Lajpat Nagar-1, New Delhi-110024
Ph: 011-40587502 / 41323636
📍 **Noida** : C-719, Noida One Building, B-Block, Plot No. B-8, Sector 62, Noida 201309, Ph: 851-000-3612, 0120-2975092

OFFICES

AGRA

| NOIDA

| NEW DELHI

| FIROZABAD

| LUCKNOW



5. The Statement includes the results for the quarter ended 31st March, 2020 being the balancing figure between figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year.

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



Sarvesh Kumar Bajpai

Partner

Membership No.073277

UDIN: 20073277AAAAAP5891

Place: Agra
Date: July 30, 2020

☎ 9319104191
✉ sarveshkumarbajpai@gmail.com
🌐 www.skbaipalandco.com

- 📍 Agra (HO) : S-12, Block No. E-13/6, 2nd Floor, Raman Tower Sanjay Place, Agra-282 002 (U.P.), Ph: 9319104191
- 📍 Delhi : A-75/1 (Basement), Lajpat Nagar-1, New Delhi-110024 Ph: 011-40587502 / 41323636
- 📍 Noida : C-719, Noida One Building, B-Block, Plot No. B-8, Sector 62, Noida 201309, Ph: 851-000-3612, 0120-2975092

OFFICES

AGRA

| NOIDA

| NEW DELHI

| FIROZABAD

| LUCKNOW

DIGJAM LIMITED

(CIN: L17123GJ2015PLC083569)

Registered Office:

Aerodrome Road, Jamnagar 361 006 (Gujarat)

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

DIGJAM**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. in lacs)

Sl.	Particulars	For Quarter ended			For Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		See Note 5	Unaudited	See Note 5	Audited	Audited
1	Income					
	Revenue from operations	3	4	274	81	921
	Other Income	2	-	52	8	109
	Total Income	5	4	326	89	1030
2	Expenses					
	a) Cost of materials consumed	-	-	10	(3)	17
	b) Purchases of stock-in-trade	-	-	35	2	127
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	3	722	64	1086
	d) Employee benefits expense	253	294	358	1142	1756
	e) Finance costs	12	-	380	113	1531
	f) Depreciation and amortisation expense	64	64	66	255	264
	g) Other expenses	107	64	219	274	685
	Total expenses	436	425	1,790	1847	5466
3	(Loss) before tax for the period/year (1-2)	(431)	(421)	(1,464)	(1758)	(4436)
4	Tax expense	-	-	-	-	-
5	(Loss) for the period/year (3-4)	(431)	(421)	(1,464)	(1758)	(4436)
6	Other comprehensive Income (net of tax)					
	Items that will not be classified to profit or loss					
	(i) Re-measurement of defined benefit plan	(16)	10	58	14	103
	(ii) Income tax related to items no (i) above	-	-	-	-	-
	Other comprehensive Income/(loss)	(16)	10	58	14	103
7	Total comprehensive (loss) for the period/year (5+6)	(447)	(411)	(1,406)	(1744)	(4,333)
8	Paid-up equity share capital (Face value: Rs. 10 / share)	8,764	8,764	8,764	8,764	8,764
9	Other equity excluding revaluation reserve				(7609)	(5867)
10	Earnings per share (of Rs. 10 each) (not annualised) (Rs.): Basic & Diluted	(0.51)	(0.48)	(1.67)	(2.01)	(2.30)



3

Statement of Audited Assets and Liabilities:

(Rs. in lacs)

	Particulars	As at March 31, 2020 Audited	As at March 31, 2019 Audited
A	ASSETS		
1	Non-Current Assets		
	Property, Plant and Equipment	16,817	17,079
	Other Intangible Assets	3	5
	Financial Assets		
	I. Other financial assets	19	1
	Total Non-Current Assets	16,839	17,085
2	Current Assets		
	Inventories	2,216	2,338
	Financial Assets		
	I. Trade Receivables	181	327
	II. Cash and cash equivalents	20	251
	III. Balances with banks other than (ii) above	30	-
	IV. Other financial assets	13	12
	Current Tax Assets (Net)	23	23
	Other Current Assets	75	60
	Total Current Assets	2,558	3,011
	Total - Assets	19,397	20,096
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	8,764	8,764
	Other Equity	(7,612)	(5,867)
	Total Equity	1,152	2,897
2	Non-current Liabilities		
	Financial Liabilities - Borrowings	2,921	2,919
	Other non-current liabilities	86	90
	Provisions	495	445
	Total Non-current Liabilities	3,502	3,454
3	Current Liabilities		
	Financial Liabilities		
	I. Borrowings	6,079	5,831
	II. Trade Payables		
	- due to Micro and Small enterprises	48	48
	- due to other than Micro and Small enterprises	3,917	3,297
	III. Other financial liabilities	4,250	4,102
	Provisions	73	106
	Other Current Liabilities	376	361
	Total Current Liabilities	14,744	13,745
	Total Equity and Liabilities	19,397	20,096



Statement of Cash Flows:

(Rs. in laes)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Flows from Operating Activities		
Loss before tax	(1,744.68)	(4,333.59)
Adjustments for:		
Depreciation and Amortisation Expense	254.65	263.55
Finance Costs	112.79	1,530.80
Interest Income	(1.78)	(29.13)
Provisions/Liabilities no longer required written back	(5.21)	(46.31)
(Gain)/Loss on sale of Property, Plant & Equipment (Net)	2.37	13.75
Provision for Doubtful Trade Receivables and Bad Debt written off	-	45.02
Net Unrealised Foreign Exchange Loss/(Gain)	-	(0.05)
Operating Loss before Working Capital Changes	(1,378.86)	(2,555.96)
Changes in Working Capital:		
(Increase)/Decrease in Inventories	121.80	1,238.95
(Increase)/Decrease in Trade Receivables, Financial Assets and	112.15	312.77
Increase/(Decrease) in Trade Payables, Financial Liabilities, Other Liabilities and Provisions	653.54	67.99
Cash Generated from Operations	(495.37)	(935.26)
Income Taxes paid	(0.07)	(0.45)
Net Cash Generated by Operating Activities [A]	(495.44)	(936.71)
B. Cash flows from Investing Activities		
Capital Expenditure on Property, Plant and Equipment and Intangible Assets	-	(0.19)
Proceeds from sale of Property, Plant and Equipment	7.00	1.66
Proceeds from Earnest Money	130.00	1,540.00
Interest Received	1.78	29.13
Bank Balances not considered as Cash and Cash Equivalents - Matured/ (Invested)	(30.00)	134.11
Net Cash Flow used in Investing Activities [B]	108.78	1,704.71
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	-	963.06
Repayment of Long Term Borrowings	-	(516.00)
Proceeds from Short Term Borrowings	1,181.68	1,466.74
Repayment of Short Term Borrowings	(931.76)	(1,188.07)
Finance Cost	(94.73)	(1,255.48)
Net Cash Flow from Financing Activities [C]	155.19	(529.75)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]	(231.47)	238.25
Cash and Cash Equivalents at the beginning of the year (Note 7)	251.19	12.91
Effect of Exchange differences on restatement of Foreign Currency Cash and Cash Equivalents	-	0.03
Cash and Cash Equivalents at the end of the year (Note 7)	19.72	251.19

3



Notes:

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

The CoC considered the resolution plans submitted before it. After due deliberations, the CoC approved the Resolution Plan submitted by Finquest Financial Solutions Private Limited in their meeting held on February 11, 2020. The RP filed an application under Section 30(6) of the Code before the Hon'ble NCLT for its consideration and approval of the Resolution Plan. The Hon'ble NCLT, vide its order dated May 27, 2020 (uploaded on the NCLT website on May 30, 2020), approved the Resolution Plan ("Resolution Plan Approved Order").

The Resolution Plan, as approved by the Hon'ble NCLT, is binding on the Company and its employees, members, creditors and other stake holders involved therein, as per the provisions of the Code. A Monitoring Committee has been constituted vide the Resolution Plan Approval Order and Sri Sunil Kumar Agarwal (erstwhile RP of the Company) acting as the Monitoring Agent as per the provisions of the Order. The Monitoring Committee so constituted shall, inter alia, supervise the implementation of the Plan.

2. According to the Resolution Plan approved by the Hon'ble NCLT, Ahmedabad vide its Order dated May 27, 2020, all the decisions which could otherwise have been taken by the Company's Board shall be taken by the Monitoring Committee during the Interim Period i.e. 180 days from the approval of the Resolution Plan. Hence, these Financial Statements for the year ended March 31, 2020 have been signed by Sri Sunil Kumar Agarwal, on behalf of the Monitoring Committee.

3. As the Resolution Plan has been approved by the Hon'ble NCLT on May 27, 2020 only, the Company may carry out, if required, a comprehensive assessment of impairment to the carrying value of the Property, Plant and Equipment and Intangible Assets.

Company's inventories as at March 31, 2020 are valued at lower of cost or net realizable value based on management estimates. However, considering that the production had been suspended since October, 2018 due to extremely tight liquidity and working capital position and subsequently, as Corporate Insolvency Resolution Process ("CIRP") had commenced for the Company wef April 26, 2019, over all operations and sales have been restricted. Further, there could have been degradation of stocks. These factors could affect net realizable value in subsequent periods.

The Company's production has been suspended since October, 2018, the Company has incurred a net loss of Rs. 1,744.68 lacs during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 12,185.11 lacs. This could indicate existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern. However, following Corporate Insolvency Resolution Process initiated during the year under review and the approval of the Resolution Plan subsequent to the year-end, the Statements have been prepared on a going concern assumption.

Regarding the trade receivables of Rs. 181.14 lacs as at March 31, 2020, the recoveries have been slow following disrupted supplies since October, 2018 and initiation of CIRP during the year. The same are expected to pick up after successful implementation of the approved Resolution Plan.

In view of the commencement of Moratorium wef April 26, 2019 as per Section 14 of the Insolvency and Bankruptcy Code, 2016, the provisions of interest on borrowings, inter corporate deposits and interest payable on MSME are made upto April 26, 2019 only.

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

4. The Company operates in single business segment "Textiles" (as per IND AS 108 - "Segment Reporting").



DIGJAM LIMITED

Aerodrome Road,
Jamnagar – 361 006, India.
e-mail: digjamcosec@gmail.com

DIGJAM**Extracts of Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020**

Sl. No.	Particulars	(Rs. In lacs except per share data)			
		Quarter ended	Year ended		Quarter Ended
		31.03.2020	31.03.2020	31.03.2019	31.03.2019
1.	Total Income from Operations	See Note 2			See Note 2
2.	Net (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	0.03	89	1,030	326
3.	Net (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(431)	(1,758)	(4,436)	(1,464)
4.	Net (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(431)	(1,758)	(4,436)	(1,464)
5.	Total Comprehensive (Loss) for the period [Comprising (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	(447)	(1,744)	(4,333)	(1,406)
6.	Equity Share Capital	8,764	8,764	8,764	8,764
7.	Earnings per Share (of Rs. 10 each) (for continuing and discontinued operations): - Basic & Diluted	(0.51)	(2.01)	(5.60)	(1.67)

Note:

- According to the Resolution Plan approved by the Hon'ble NCLT, Ahmedabad vide its Order dated May 27, 2020, all the decisions which could otherwise have been taken by the Company's Board shall be taken by the Monitoring Committee during the Interim Period i.e. 180 days from the approval of the Resolution Plan. Hence, these Financial Statements for the year ended March 31, 2020 have been signed by Sri Sunil Kumar Agarwal, on behalf of the Monitoring Committee.
- Figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figure between audited figures for the full financial year ended March 31, 2020 and March 31, 2019 and the limited reviewed figures up to the third quarter of the respective financial year.
- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Full format of the Quarterly / Annual Financial Results are available on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com respectively and on the Company's website at www.digjam.co.in

Date: July 30, 2020
Place: Ahmedabad

For DIGJAM LIMITED

(Sunil Kumar Agarwal)
On behalf of the Monitoring
Committee

ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lacs)
	1.	Turnover / Total Income	88.84	88.84
	2.	Total Expenditure	1,847.39	Not quantifiable
	3.	Net Profit / (Loss)	(1,758.55)	Not quantifiable
	4.	Earnings Per Share	(2.01)	Not quantifiable
	5.	Total Assets	19,397.00	Not quantifiable
	6.	Total Liabilities	18,245.14	Not quantifiable
	7.	Net Worth	1,151.86	Not quantifiable
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.a Audit Qualification (each audit qualification separately):				
	a.	Details of Audit Qualification: As per Note 3A, 3B and 38 of the financial statements, the carrying value of the Company's Property, Plant and Equipment and Intangible Assets are Rs. 16,817 lacs and Rs. 2.95 lacs respectively. In accordance with Ind AS-36 "Impairment of Assets", an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired, if such indication exists, the entity shall estimate the recoverable amount of the asset. In view of the uncertainty of resumption of the Company's operations, the management is required to make an assessment of impairment to the carrying value of its assets. Pending resolution of Corporate Insolvency Resolution Process ("CIRP") at the year end, we have been informed that the Management has not performed an assessment to determine any impairment to the carrying value of these assets. Consequently, we are unable to conclude if any impairment needs to be recognized to the carrying value of these assets and its consequential effects on the financial statements.		
	b.	Type of audit Qualification: Disclaimer of opinion		
	c.	Frequency of qualification: Second time		
	d.	For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the Auditor		
	e.	For Audit Qualification(s) where impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of qualification: NA		
	(ii)	If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company was under IBC and CIRP has been initiated during the year under review.		



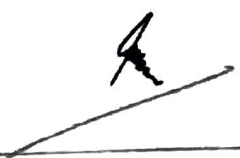
	(III) Auditors comment on (I) and (II) above: Refer section II.a (a) above
II.b	Audit Qualification (each audit qualification separately):
a.	Details of Audit Qualification: As referred in Note 5 and Note 36 to the financial statements, the company's inventories as at 31st March, 2020 are carried at Rs.2216.43 lacs, being the lower of cost and net realizable value based on management/Resolution Professional's estimates. Amid Covid-19 it was impracticable for us to attend the management's physical inventory count that was carried out at the year end, also even after performing alternative audit procedures we have not been able to obtain sufficient and appropriate audit evidence to test the methods and assumptions used by the management in determining the net realizable values and therefore we are unable to conclude if the value of inventories is fairly stated in the financial statements.
b.	Type of audit Qualification: Disclaimer of opinion
c.	Frequency of qualification: Second time
d.	For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the Auditor
e.	For Audit Qualification(s) where impact is not quantified by the auditor:
	(i) Management's estimation on the impact of qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company was under IBC and CIRP has been initiated during the year
	(III) Auditors comment on (I) and (II) above: Refer section II.b (a) above
II.c	Audit Qualification (each audit qualification separately):
a.	Details of Audit Qualification: We draw attention to Note 34 and Note 40 to the financial statements, which indicate that the company's production has been suspended since October 2018. The company has incurred a net loss of Rs. 1,744.68 lacs during the year ended 31st March, 2020 and, as of that date, the company's current liabilities exceeded its current assets by Rs. 12,185.11 lacs. The Note further refers to the current status of the Corporate Insolvency Resolution Process which is initiated on 26th April, 2019 and the resolution plan was approved by NCLT subsequent to the year end on 27th May, 2020, pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis. However the resolution plan is yet to be implemented till the date of audit report. This indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.
b.	Type of audit Qualification: Disclaimer of opinion
c.	Frequency of qualification: Second time
d.	For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the Auditor
e.	For Audit Qualification(s) where impact is not quantified by the auditor:



	(i) Management's estimation on the impact of qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company was under IBC and CIRP has been initiated during the year under review.
	(iii) Auditors comment on (i) and (ii) above: Refer section II.c (a) above
II.d	Audit Qualification (each audit qualification separately):
a.	Details of Audit Qualification: We draw attention to Note 6 to the financial statements. As stated in the Note, the company has trade receivable amounting to Rs. 181.14 lacs as at 31st March, 2020. In view of suspension of operations since a long period, uncertainty of resumption of future operations and absence of confirmation as at the year end, we have not been able to obtain sufficient and appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs. 181.14 lacs and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the financial statements.
b.	Type of audit Qualification: Disclaimer of opinion
c.	Frequency of qualification: Second time
d.	For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the Auditor
e.	For Audit Qualification(s) where impact is not quantified by the auditor:
	(i) Management's estimation on the impact of qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company was under IBC and CIRP has been initiated during the year under review.
	(iii) Auditors comment on (i) and (ii) above: Refer section II.d (a) above
II.e	Audit Qualification (each audit qualification separately):
a.	Details of Audit Qualification: We draw attention to Note 37 to the financial statements, the Company has not provided for the Interest on borrowings, inter corporate deposits and interest payable to MSME after 26th April, 2019 in the view of Moratorium as per Section 14 of the Code. The same is not in compliance with Ind AS - 23 "Borrowing Costs". Had the provision for interest been recognized, finance cost and total expenses, would have been higher, consequently, Loss and total comprehensive Loss would have been higher. It would further affect the other financial liability and other equity. We are unable to conclude the amount of consequential effects, if any, on the financial statements.
b.	Type of audit Qualification: Disclaimer of opinion
c.	Frequency of qualification: First time
d.	For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the Auditor
e.	For Audit Qualification(s) where impact is not quantified by the auditor:

3



	(I) Management's estimation on the impact of qualification: NA
	(II) If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company was under IBC and CIRP has been initiated during the year under review.
	(iii) Auditors comment on (I) and (II) above: Refer section II.e (a) above
III.	Signatories:
	Sunil Kumar Agarwal On behalf of the Monitoring Committee Place: Ahmedabad Dated: July 30, 2020 
	Jatin Jain Company Secretary Place: Jamnagar Dated: July 30, 2020 
	Sarvesh Kumar Bajpai Partner S.K. Bajpai & Company Statutory Auditors Place: Agra Dated: July 30, 2020  