

# DIGJAM LIMITED

(under CIRP)

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

**DIGJAM**

April 9, 2020

BSE Ltd.  
Corporate Relationship Department,  
1<sup>st</sup> 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 "DIGJAMLTDT"**

Dear Sir,

Re: Publication of Unaudited Financial Results  
for the Quarter Ended June 30, 2019

Further to our letter dated April 1, 2020, we enclose for information of all concerned a copy of the Unaudited Financial Results for the Quarter Ended June 30, 2019, which were placed before the Resolution Professional and taken on record at the meeting of Resolution Professional and KMP held on date which commenced at 11.00 a.m. and concluded at 01.20 p.m.

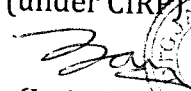
Further, the aforesaid results were subject to Limited Review by our Auditors, M/s S.K. Bajpai & Co. and their Limited Review Report, which was placed before the Resolution Professional is also enclosed herewith.

Furthermore, pursuant to the exemption for Regulation 47 of the SEBI (LODR) Regulations, 2015 as given in SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020, the extract of statement of Unaudited Financial Results for the Quarter Ended June 30, 2019 will not be published in the newspapers.

The same is being also uploaded on the Company's website: [www.digjam.co.in](http://www.digjam.co.in)

Thanking you,

Yours faithfully,  
For DIGJAM Limited  
(under CIRP)

  
(Jatin Jain)  
Company Secretary

Encl: As above

# DIGJAM LIMITED

(under CIRP)

CIN: L17123GJ2015PLC083569

Registered Office:

Aerodrome Road, Jamnagar 361 006 (Gujarat)

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

**DIGJAM**

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

(₹ In lacs)

| Sl. | Particulars                                                                      | For Quarter ended |                |               | For Year ended |
|-----|----------------------------------------------------------------------------------|-------------------|----------------|---------------|----------------|
|     |                                                                                  | June 30, 2019     | March 31, 2019 | June 30, 2018 | March 31, 2019 |
|     |                                                                                  | Unaudited         | See Note 9     | Unaudited     | Audited        |
| 1   | Income                                                                           |                   |                |               |                |
|     | Revenue from operations                                                          | 65                | 274            | 370           | 921            |
|     | Other income                                                                     | 5                 | 52             | 9             | 109            |
|     | Total income                                                                     | 70                | 326            | 379           | 1,030          |
| 2   | Expenses                                                                         |                   |                |               |                |
|     | a) Cost of materials consumed                                                    | (3)               | 10             | 4             | 17             |
|     | b) Purchases of stock-in-trade                                                   | 2                 | 35             | 76            | 127            |
|     | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 57                | 722            | 186           | 1,086          |
|     | d) Employee benefits expense                                                     | 312               | 358            | 520           | 1,756          |
|     | e) Finance costs                                                                 | 101               | 380            | 354           | 1,531          |
|     | f) Depreciation and amortisation expense                                         | 63                | 66             | 66            | 264            |
|     | g) Other expenses                                                                | 59                | 219            | 185           | 685            |
|     | Total expenses                                                                   | 591               | 1,790          | 1,391         | 5,466          |
| 3   | (Loss) before tax for the period/year (1-2)                                      | (521)             | (1,464)        | (1,012)       | (4,436)        |
| 4   | Tax expense                                                                      | -                 | -              | -             | -              |
| 5   | (Loss) for the period/year (3-4)                                                 | (521)             | (1,464)        | (1,012)       | (4,436)        |
| 6   | Other comprehensive income (net of tax)                                          |                   |                |               |                |
|     | Items that will not be classified to profit or loss                              |                   |                |               |                |
|     | (i) Re-measurement of defined benefit plan                                       | 10                | 58             | 15            | 103            |
|     | (ii) Income tax related to items no (i) above                                    | -                 | -              | -             | -              |
|     | Other comprehensive Income/(loss)                                                | 10                | 58             | 15            | 103            |
| 7   | Total comprehensive (loss) for the period/year (5+6)                             | (511)             | (1,406)        | (997)         | (4,333)        |
| 8   | Paid-up equity share capital (Face value: ₹10 / share)                           | 8,764             | 8,764          | 8,764         | 8,764          |
| 9   | Other equity excluding revaluation reserve                                       | -                 | -              | -             | (5,867)        |
| 10  | Earnings per share (of ₹10 each) (not annualised) (₹):- Basic & Diluted          | (0.59)            | (1.67)         | (1.15)        | (5.06)         |

### Notes:

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

The CoC in their meeting held on February 11, 2020 had approved the Resolution Plan (in principle) as proposed by the Resolution Professional and the same is now pending before Hon'ble NCLT, Ahmedabad for their approval.

In terms of Section 14(4) and 31(3) of the Code, until the resolution plan is approved by the Hon'ble NCLT, the moratorium shall continue to be in effect and accordingly, the RP shall, continue to manage operations of the Company as a going concern basis during the CIRP.

These unaudited financial results for the quarter ended June 30, 2019 have been prepared by the management of the Company and certified by Sri Sunil Agarwal, Resolution Professional and Sri Satish Shah, Chief Financial Officer ("CFO") of the Company in accordance with Regulation 33(2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

These unaudited financial results were placed before the RP, the CFO and the Company Secretary in their meeting held on April 9, 2020 for their consideration. Accordingly, the unaudited financial results were considered and recommended in the meeting. In view thereof, the RP, in reliance of such examination by and the clarifications and explanations provided by the CFO, has approved the same.

The RP has approved these unaudited financial results only to the limited extent of discharging the powers of the Board of Directors of the Company (suspended during the CIRP) which has been conferred upon him in terms of provisions of Section 17 of the Code.



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2. a. On finalization of a Resolution Plan under the CIRP through Hon'ble NCLT, the Company may carry out, if required, a comprehensive assessment of impairment to the carrying value of the Property, Plant and Equipment and Intangible Assets.
- b. Company's inventories as at June 30, 2019 are valued at lower of cost and 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") has commenced for the Company wef April 26, 2019, over all operations and sales have been restricted. Further, there could have been some degradation of stocks. These factors could affect net realizable value in subsequent periods.
3. Revenue from operations for Quarter Ended June 30, 2019 includes Rs. 0.24 lacs of Duty Drawback pertaining to previous year.
4. Other comprehensive income (net of tax) items that will not be classified to profit or loss, re-measurement of defined benefit plan of Rs. 10 lacs for the quarter ended June 30, 2019 is considered on the assumptions of the management.
5. In view of the moratorium wef April 26, 2019, Interest provision on Borrowings is made upto April 26, 2019 only.
6. In view of the recent amendment in Rule 4 of the Companies (Meetings of Board and Its Powers) Rules, 2014 vide notification dated March 19, 2020 and due to lock down till April 14, 2020 in whole nation as declared by the Central Government due to pandemic COVID-19, this meeting was held through video conference.
7. The Company operates in single business segment "Textiles" (as per IND AS 108 - "Segment Reporting").
8. The Previous periods' figures have been regrouped and rearranged wherever necessary.
9. Figures for the quarter ended March 31, 2019 are the balancing figure between audited figures for the full financial year ended March 31, 2019 and limited review figures up to the third quarter of the financial year.

|                                                                                   |                                                                                   |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| For DIGJAM LIMITED<br>(under CIRP)                                                | For DIGJAM LIMITED<br>(under CIRP)                                                |
|  |  |
| (Sumit Kumar Agarwal)<br>Resolution Professional                                  | (Satish Shah)<br>Chief Financial Officer                                          |
| Place: Ahmedabad<br>Dated: April 9, 2020                                          | Place: Jamnagar<br>Dated: April 9, 2020                                           |





**Limited Review Report on Financial Results of Digjam Limited for the three months ended on June 30, 2019 pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.**

**To,  
Resolution Professional  
Digjam Limited (under CIRP)**

1. We have reviewed the accompanying statement of Unaudited Financial Results of Digjam Limited (under CIRP) ("the company") for the quarter ended June 30, 2019 ("the statement"), being submitted by the company pursuant to the requirements of regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI circular no. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

As the 'Corporate Insolvency Resolution Process' ("CIRP") has been initiated in respect of the company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ("IBC" / 'the code') by the National Company Law Tribunal ("NCLT"), Ahmedabad bench, vide its order dated April 26, 2019, the powers of Board of Directors stand suspended as per section 17 of the code and such powers are being exercised by the Resolution Professional appointed by the National Company Law Tribunal under the provision of the code.

2. This statement, which is the responsibility of the company's management and have been endorsed by Chief Financial Officer and thereafter provided to the Insolvency Resolution Professional for his signing on April 9, 2020; has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under section 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. Attention is drawn to Note 9 of the statements that, the facts and figures for the quarter ended March 31, 2019 as reported in the statements are the balancing figures between audited figures in the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year.



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4. We conducted our review of the statement in accordance with the Standards on Review Engagement (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements is free from material misstatements. A review is limited primarily to inquiries of the company personnel and the analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. The written representation and trial balance with regard to these financial results provided to us during the course of our review, have been signed by the Chief Financial Officer of the company. However, the Resolution Professional, has not signed this written representation and trial balance.
6. a) As on 30.06.2019, the carrying value of the Company's Property, Plant and Equipment and Intangible Assets are Rs. 17,007 Lacs and Rs. 5 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 resumptions of the Company's operations, the management is required to make an assessment of impairment to carrying value of its assets. Pending decision by the Hon'ble NCLT as given in Note 1 of the Statement, we draw attention to Note 2(a) of the statements, that the management has not performed an assessment to determine any impairment to the carrying value of these assets and the same will be carried out after finalization of resolution plan under CIRP by Hon'ble NCLT.
- b) We Draw attention to Note 1 of the accompanying statements, stating therein that the resolution plan which was voted upon on February 11, 2020 and duly approved by Committee of Creditors. The resolution plan is still pending to be approved by the NCLT. And also the company has incurred a net loss of Rs. 521 lacs during the quarter ended on June 30, 2019 and, as of that date, company's Current Liabilities exceeds its Current Assets by Rs. 11,141 lacs. These events or conditions, along with other matters in the above referred note indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. However, the statements have been prepared on a going concern basis for the reasons stated in the said note.



7. Based on our review conducted as stated above, except for the matters specified in paragraph 6 above, nothing has come to our attention that cause us to believe that the accompanying statements, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI circular no. CIR/CFD/CMD1/44/2019 dated March 29, 2019, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. The comparative financial results of the company prepared in accordance with the Ind AS, included in the Statement for the quarter ended June 30, 2018 was reviewed by the predecessor auditor. The report of the predecessor auditor dated August 8, 2018 expressed an unmodified conclusion on unaudited Financial Statements for the quarter ended June 30, 2018.

Date: 09.04.2020

Place: Agra

For SK Bajpai & Co.  
Chartered Accountants  
(FRN: 004330C)



CA S K Bajpai  
Partner  
(Membership No: 073277)

UDIN: 20073277AARARE1671

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