



Sri S. K. Birla
Chairman Emeritus

Board of Directors

Sri Sidharth Birla
Chairman

Sri Bharat Anand

Ms. Meenakshi Birla

Sri G. Momen

Sri A. C. Mukherji

Sri S. Ragothaman

Sri C. L. Rath

Sri Kishor Shah (wef 08.05.2017)

Sri C. Bhaskar

Managing Director & Chief Executive Officer

Company Secretary

Sri Jatin Jain

Senior Executives

Sri Arvind Kumar Upadhyay
President & Chief Operating Officer

Sri P. K. Das
Executive Vice President (Exports)

Sri G. K. Sureka
Executive Vice President (Legal)

Sri Satish Shah
Vice President & Chief Financial Officer

Sri Ajay Agarwal
Vice President (Materials & Administration)

Sri R. K. Mathur
Vice President (Sales & Marketing)

Registered Office & Mills

Aerodrome Road,
Jamnagar 361 006, Gujarat

Tel.: +91-288-2712972/3

Fax: +91-288-2712991

e-mail: cosec@digjam.co.in

website: www.digjam.co.in

Corporate Identity Number

L17123GJ2015PLC083569

Registrars & Share Transfer Agents

MCS Share Transfer Agent Ltd.

12/1/5, Manoharpukur Road,

Kolkata 700 026

Auditors

M/s Deloitte Haskins & Sells LLP

19th Floor, Shapath - V,

S. G. Highway,

Ahmedabad 380 015

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Second Annual General Meeting of the Members of the Company will be held on Friday, September 22, 2017 at 10.00 a.m. at the Registered Office of the Company at Aerodrome Road, Jamnagar 361 006 (Gujarat), to transact the following business:

1. To consider and adopt the Directors' Report and the audited Financial Statements of the Company for the financial year ended March 31, 2017 and the Auditors Report thereon.

2. Sri C.L. Rathi retires by rotation from the office of Director of the Company and though eligible, is not seeking re-election and as such, to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution: -

"RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the vacancy caused at this meeting due to retirement by rotation of the Director Sri C.L. Rathi be not filled up."

3. To ratify the appointment of Auditors of the Company made at the First Annual General Meeting of the Company for a term of five years and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED that the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366WW-100018), Ahmedabad as the Statutory Auditors of the Company at the First Annual General Meeting of the Company be and is hereby ratified and confirmed for the term from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with M/s Deloitte Haskins & Sells LLP."

Special Business

To consider and if thought fit, to pass with or without modification, the following Resolutions:

4. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Sri Kishor Shah** (DIN: 00170502), who was appointed as an Additional Director of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the Annual General Meeting to be held in 2022."

5. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the relevant Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 1,00,000/- (Rupees One Lac only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad (Firm Registration

No. 28) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending on March 31, 2018."

6. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules prescribed thereunder, a member who requests for delivery of any document through a particular mode, may be charged a fee of Rs. 100/- (Rupees One Hundred Only) per such document, over and above reimbursement of actual expenses incurred by the Company, provided such request alongwith the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to give effect to the above resolution."

The Register of Members of the Company will remain closed from September 15, 2017 to September 22, 2017 (both days inclusive).

New Delhi
May 8, 2017

BY ORDER OF THE BOARD

Jatin Jain
Company Secretary
Registered Office: Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569
e-mail: cosec@digjam.co.in
Tel.: +91-288-2712972/3
Fax: +91-288-2712991
website: www.digjam.co.in

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
2. The instrument appointing a proxy has to be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. For any further information regarding the above Accounts, advance intimation be given and the Members should ensure that it reaches the Company's Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat) at least 10 days before the date of the ensuing meeting.
4. The practice of distributing discount coupons has been discontinued in view of uncertainty regarding applicability of GST thereon.
5. Under the Companies Act, 2013 ('the Act') and the Rules thereunder, the Company is permitted to serve on the Members documents including Annual Report and notices through, inter alia, the electronic mode. The Company may send to the Members the Annual Report and other documents/communications either physically to their registered address or by e-mail at the e-mail addresses registered with the Company/received through the respective Depository.

6. Pursuant to the Scheme of Amalgamation of erstwhile Digjam Limited with the Company which became effective on March 17, 2016, the Company had allotted Equity Shares to the Shareholders of erstwhile Digjam Limited on April 29, 2016 in the ratio of 1:1 to the shareholders of erstwhile Digjam Limited holding shares on the Record Date, March 31, 2016. The Share Certificates had been despatched to the shareholders holding shares in physical form as well as credited the shares to the demat accounts of the shareholders holding shares in demat form.
7. **Pursuant to the Green Initiative of the Ministry of Corporate Affairs, request to register e-mail addresses, changes therein and in the registered addresses including PIN CODE: Members holding shares in physical form are requested to register/update their e-mail addresses/registered addresses with the Company's Registrars and Share Transfer Agents, M/s MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road, Kolkata 700 026. Members holding shares in dematerialised form are requested to register their e-mail addresses, changes therein and in their registered addresses with the concerned Depository through their Depository Participant. In absence of e-mail address, the documents will be sent in physical mode.**
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) 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 Company's Registrars and Share Transfer Agents.
9. Members may note that the Notice of the 2nd Annual General Meeting and the Annual Report for the year 2016-17 will also be available on the Company's website www.digjam.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days upto and including the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. **Voting through electronic means**
 - I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 2nd Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

The facility for voting either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 2nd AGM and the Members attending the same shall be able to exercise their voting rights accordingly at the AGM provided they have not already cast their vote through remote e-voting. Such Members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.

- II. **The e-voting period commences on Tuesday, September 19, 2017 (9.00 a.m.) and ends on Thursday, September 21, 2017 (5.00 p.m.), both days inclusive. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 15, 2017, may cast their vote electronically.**

The e-voting module shall be disabled by CDSL for voting thereafter.

- a. The shareholder should log on to the e-voting website www.evotingindia.com
- b. Click on "Shareholders/Members".
- c. Now, Enter your User ID:
 - i. For CDSL: 16 digits beneficiary ID;
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f. However, if you are a first time user, please follow the steps given below.

For Members holding shares in Demat / Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the Sequence Number (SQ) consisting of total 10 characters printed on the address label (for e.g. RA00073142). In case you have received this communication through email, the Sequence Number (SQ) is furnished therein next to your DP ID/Client ID/ Folio no.</p> <p>Any person having become a shareholder after the dispatch of AGM notice would invariably have their updated PAN with the Company/Depository in which case the Sequence Number is not required.</p>
Dividend Bank Details OR Date of Birth (DOB)#	<p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.</p> <p># If both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank Details field as mentioned in instruction (c) above.</p>

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant Company for which you choose to vote i.e. DIGJAM LIMITED.
- k. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
- p. If a Demat account holder has forgotten the changed login password then enter the User ID and image verification Code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Stores respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. You can also contact the helpdesk on the toll free number: 1800-200-5533.

- III. The voting rights of shareholders shall be in proportion to the paid-up value of their holding of equity shares/preference shares with voting rights of the Company as on the cut-off date of September 15, 2017.
- IV. The Practising Company Secretary, Sri Viral Sanghavi, Prop. Viral Sanghavi & Associates, (Membership No. 24951 & CP No. 9035) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, 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 counter sign the same and thereafter, the Chairman or the person so authorised shall declare the Results of the voting forthwith.

This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to NSE and BSE immediately.

11. **EXPLANATORY STATEMENT** pursuant to Section 102 of the Companies Act, 2013 ('the Act')/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013:

Item No. 3: Pursuant to Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, the Company had at its 1st Annual General Meeting appointed M/s Deloitte Haskins & Sells LLP (Registration No. 117366W/W-100018), Ahmedabad as its Statutory Auditors for five years commencing from the aforesaid Annual General Meeting. The said Section also provides for ratification of such appointment by Members at every Annual General Meeting. Accordingly, a Resolution is being proposed and is recommended for your approval.

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

Item No. 4: Sri Kishor Shah aged 60 years, is a Commerce Graduate as well as Associate Member of the Institute of Chartered

Accountants of India, the Institute of Company Secretaries of India and Chartered Institute of Management Accountants (UK). He has vast experience in the fields of finance and capital markets and had held senior positions in various leading companies including Bata India Limited, Shaw Wallace & Co. Limited, Assambrook Limited. Sri Kishor Shah is a Director on the Boards of SMIFS Capital Services Limited and Bengal Aerotropolis Projects Limited. He is also presently the Managing Director of SMIFS Capital Markets Limited, a SEBI registered category I Merchant Banker.

Sri Kishor Shah does not hold any Equity Share in the Company.

Sri Shah was appointed as an (Independent) Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from May 8, 2017. As provided therein and under Section 161 of the Act, Sri Shah holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. In terms of Section 149 and any other applicable provisions of the Act, Sri Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office until the conclusion of the Annual General Meeting to be held in 2022. A notice under Section 160 of the Act has been received from a member proposing Sri Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Shah fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Considering his vast knowledge and experience and that his association would be of immense benefit to the Company, it is desirable to avail services of Sri Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Shah as an Independent Director, for the approval by the Members of the Company.

Copy of the letter for appointment of Sri Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Except for Sri Kishor Shah, being the appointee and his 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. 5: The Board of Directors on the recommendation of the Audit Committee 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 2017-18 at a remuneration of Rs. 1,00,000/- (Rupees One Lac only) besides applicable service tax 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. 5 which is accordingly commended for approval by the Board of Directors.

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

Item No. 6: As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his/her office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the approval of the Members of the Company is solicited for the Resolution set out in Item no. 6.

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

Inspection of Documents

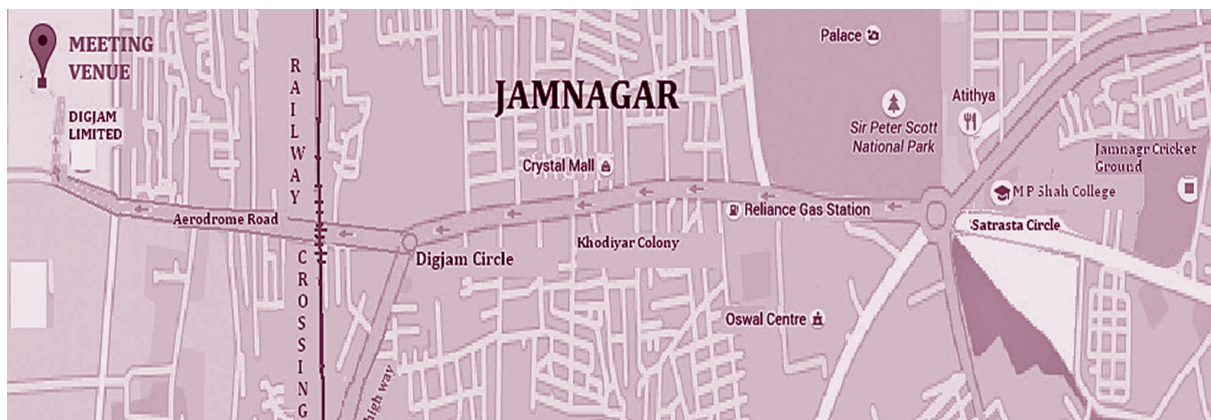
All the documents referred to in the notice and explanatory statement including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day prior to the date of the Annual General Meeting.

New Delhi
May 8, 2017

BY ORDER OF THE BOARD

Registered Office:
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
CIN: L17123GJ2015PLC083569

Jatin Jain
Company Secretary
e-mail: cosec@digjam.co.in
Tel.: +91-288-2712972/3
Fax: +91-288-2712991
website: www.digjam.co.in



REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report along with the Audited Accounts of the Company for the year ended March 31, 2017. The corresponding previous period was from June 17, 2015 (date of Incorporation) to March 31, 2016 and hence, the results are not comparable.

FINANCIAL RESULTS

	(Rs. Lacs)	
	March 31, 2017	March 31, 2016
Operations for the year/period resulted in (Loss)/Profit before Interest and Depreciation of	(475.03)	90.42
less: Finance Costs	1,331.89	859.26
less: Depreciation	283.16	217.18
less: Exceptional items	106.29	—
(Loss)/Profit Before Tax	(2,196.37)	(986.02)
less: Taxation	—	—
(Loss)/Profit After Tax	(2,196.37)	(986.02)
Balance brought forward	(986.02)	—
Leaving a Balance of which is carried forward	(3,182.39)	(986.02)

The Directors do not recommend any dividend.

REVIEW OF KEY BUSINESS MATTERS

The financial year 2016-17 was marked by uncertainties around the globe. Recovery in developed economies remained weak on poor sentiment arising from the US Presidential elections, the Brexit vote, the oil production cuts & price corrections and the extreme geopolitical tensions in various parts of the world. In India, prospects looked up with a much awaited good monsoon driving the agrarian economy. The decision to demonetize high denomination notes curbed cash-intensive economic activity restricting temporarily liquidity and consumption across the economy, but the impact was short lived and signalled a change in regime. The steps towards implementation of the long-awaited GST and government initiatives should improve investment and business growth prospects with the revival of customer confidence.

The markets for the Company's products also suffered from stagnant demand and competitive pressures from synthetic and blended fabrics and cheaper supplies from China influencing customer preferences. A marked shift to ready-mades and the move away from formal wear is also impacting overall superior fabric demand globally. Domestic sales in winter (also a major wedding/festival season), historically the strongest period for woollen/worsted fabric sales, were severely hit as a result of consumer uncertainty and lack of cash following unprecedented circumstances from November 2016, though it is reasonable to consider that this was an extraordinary event that could not have been foreseen. Nevertheless, it is safe to say that the strongest season for the Company was a washout during this year. Exports also continued to drag following global uncertainties.

All in all, the Company achieved significantly lower than expected sales volume at 28.02 lac metres (previous year annualised: 35.2 lac metres) translating into operational revenue of Rs. 99.39 Crores (previous year: Rs. 94.73 crores; annualised: Rs. 126.3 Crores). The possibilities of monetising surplus assets of the company to help ease the liquidity crunch are being evaluated. The Company continues to expend considerable management energy on marketing, improving operations and managing liquidity.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The tenure of Independent Directors, Sri A.C. Mukherji and Sri G. Momen, comes to an end at the forthcoming Annual General Meeting.

Sri C.L. Rathi retires by rotation and though eligible, is not seeking re-election due to personal reasons. The Board places on record its sincere and deep appreciation of the valuable guidance and services rendered by Sri A. C. Mukherji, Sri G. Momen and Sri C. L. Rathi during their respective long tenures on the Board of erstwhile Digjam Limited and of the Company.

In accordance with the recommendations of the Remuneration & Nominations Committee, the Board has appointed Sri Kishor Shah as (Independent) Additional Director with effect from May 8, 2017. Sri Kishor Shah has declared that he meets the criteria of independence as per Section 149(6) of the Companies Act, 2013 ('the Act'). In terms of Article 113 of the Articles of Association of the Company read with Section 161 of the Act, Sri Shah will hold office up to the date of the forthcoming Annual General Meeting; the Company has received notice u/s 160(2) of the Act proposing his appointment as Director along with requisite deposit.

During the year, four Board Meetings were held as per the details in the annexed Corporate Governance Report.

The marketing team was restructured and strengthened during the year to meet with the increasing challenges of domestic and global competition, with dynamic strategies backed by team reliability geared towards our renewed commitment to the Customer. Strengthening of key operating teams also continues as an on-going process.

SHARE CAPITAL

As reported earlier, upon amalgamation of erstwhile Digjam Limited with the Company under the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Gujarat, 8,76,41,621 fully paid up Equity Shares of the face value of Rs. 10/- each at a premium of Rs. 5/- per Share and 5,00,000 – 8% Non-Convertible Redeemable Preference Shares of Rs. 100/- each at par were allotted on April 29, 2016 in the ratio one share for every one share held in erstwhile Digjam Limited. The Equity Shares of the Company were subsequently listed on July 13, 2016. By operation of the 2nd Proviso to sub-section (2) of Section 47 of the Act, 5,00,000 – 8% Non-Convertible Redeemable Preference Shares of Rs. 100/- each acquired 50,00,000 Voting Rights on March 27, 2017. The said Preference Shares are held by one of the Promoter Group companies and were allotted by erstwhile Digjam Limited on March 27, 2015.

STATUTORY INFORMATION AND OTHER MATTERS

Information as per the requirements of the Act, our report on Corporate Governance alongwith the Auditors' Certificate on Compliance and the Managements' Discussion & Analysis Report form part of this report and are annexed hereto.

The extract of the Annual Return in Form MGT-9 is attached herewith.

The Board has, on the recommendation of the Remuneration & Nominations Committee, framed a Policy for appointment and remuneration of Directors and Senior Managerial Personnel as well as criteria for determining independence and other relevant matters (policy and criteria annexed herewith). Pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board carried out annual evaluation of its performance, and of individual Directors (including independent) as well as the evaluation of its Audit, Remuneration and Nominations, and Stakeholders Relationship Committees. The concerned Director did not participate in the meeting while being evaluated. A questionnaire was circulated to all the Directors. The Remuneration and Nominations Committee also evaluated the performance of every Director. The evaluation of the Chairman of the Board and the non-independent Directors was also carried out at the separate meeting of the Independent Directors.

The information on Conservation of Energy, Technology absorption, foreign exchange earnings and outgo is annexed hereto.

The Company has in place a system of periodical review of business risks. The Audit Committee and the Board are informed about the risks identified, assessment thereof and minimization procedures and identification of elements of risks which in the opinion of the Board may threaten existence of the Company.

The Company has an internal control system commensurate with its size of operations. The internal audit function is carried out by an external agency which reports to the Chairman of the Audit Committee. During the course of internal audit, the efficacy and adequacy of internal control systems of the Company is also evaluated. Based on the reports, corrective actions are taken and the controls strengthened.

The Company has no subsidiary, joint venture or associate company. The Company has not invited/accepted any Fixed Deposits under Chapter V of the Act and there are none outstanding on March 31, 2017. The Company has not granted any loan or issued any guarantee or made any investment to which the provisions of Section 186 of the Act apply.

All transactions with related parties during the year were in the ordinary course of business on an arm's length basis. There are no such material transactions entered into by the Company which may have a potential conflict of interest with that of the Company and to which Section 188(1) of the Act applies and thus, disclosure in Form AOC-2 is not required to be annexed. In accordance with the provisions of the Act and SEBI Listing Regulations, all Related Party Transactions are placed before the Audit Committee for approval or for omnibus approval as necessary. The statement of all such transactions entered into is placed before the said Committee for their review. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: <http://digjam.co.in/pdf/RPTpolicy2.pdf>.

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

The Audit Committee constituted by the Company meets the requirement of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations; details of its composition are furnished in the Corporate Governance Report. There was no instance during the year where the Board had not accepted any recommendation of the Audit Committee.

The Company has a vigil mechanism for Directors and employees to report genuine concerns in accordance with the Whistle Blower Policy; no employee is denied access to the Audit Committee in this regard. The said Policy provides for safeguards through Protected Disclosures against victimization of persons who use such mechanism, and is displayed on the Company's website. The details of the Whistle Blower Policy are also annexed herewith.

The Company has constituted a committee on Corporate Social Responsibility (CSR), the details of which are furnished in the Corporate Governance Report. While the statutory requirements on spending are not applicable to the Company in view of loss/inadequate profit, small steps have always been taken by the Company for social and inclusive development in its local area; however given the relatively small size and geographical spread, it has not been practical to yet undertake any significant projects beyond these. The CSR Policy of the Company is annexed herewith.

Information required pursuant to Section 197(12) of the Act read with Rule 5 (as amended) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed. However, in terms of Section 136 of the Act, the Annual Report is being sent to members of the Company excluding the information in respect of employees of the Company pursuant to Rule 5(2) of the aforesaid Rules and which will be furnished on request. The aforesaid statement is also available for inspection by shareholders at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

The Company has set up a Committee to look into the complaints under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint relating to sexual harassment at work place has been received during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Managing Director & Chief Executive Officer and the Chief Financial Officer have certified the Financial Statements as per the requirements of Regulation 17(8) of the SEBI Listing Regulations which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care pursuant to Section 134(5) of the Act, the Directors indicate that (a) in the preparation of annual accounts, the applicable Accounting Standards had been followed alongwith proper explanations relating to material departures; (b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year; (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) the Directors have prepared the annual accounts on a going concern basis; (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS' OBSERVATIONS

The Statutory Auditors and Secretarial Auditors, have made no audit qualifications for the year under review.

AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, had been appointed as the Statutory Auditors of the Company at the First Annual General Meeting to hold office until the conclusion of the Sixth Annual General Meeting of the Company i.e. for a term of five years. As provided in Section 139 of the Act, the said appointment is being placed for ratification at the forthcoming Annual General Meeting.

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, 2017 and the remuneration payable to them was approved by the Members at their 1st Annual General Meeting. Further, the Board has, on the recommendation of the Audit Committee, appointed the said Cost Accountants for audit of cost records of the Company for the year ending March 31, 2018. In terms of Section 148 (3) of the Act, the remuneration payable to them is required to be approved at the forthcoming Annual General Meeting.

Pursuant to the provisions of Section 204 of the Act, the Company had appointed Sri Viral Sanghavi (Proprietor: Viral Sanghavi & Associates), Practising Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is attached herewith.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

New Delhi
May 8, 2017

Sidharth Birla
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

THE BOARD OF DIRECTORS

The Board presently consists of 9 Directors, of whom 5 are independent and 8 are non-executive. Current regulations require that the Company should have at least one Woman Director and that, if the non-executive chairman is from the promoter group at least 50% of the Directors should be independent; these criteria are met. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board has 5 independent Directors viz. Sri A. C. Mukherji (ex-CMD of New India Assurance Co.), Sri G. Momen (Businessman of repute), Sri S. Ragothaman (Company Director, formerly senior official at ICICI), Sri Bharat Anand (Advocate & Solicitor and partner of Khaitan & Co. LLP) as well as Sri Kishor Shah, who has been appointed as an (Independent) Additional Director with effect from May 8, 2017 after the close of the year.

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, inter alia, explains their role, function, duties and responsibilities. The Company has drawn up a Familiarization Programme for Independent Directors with a view to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of industry in which the company operates, business model of the company etc. (weblink: <http://digjam.co.in/pdf/FamProgID2.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.

The position of the Chairman is non-executive, non-managerial in nature. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Ms. Meenakshi Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Sri C.L. Rathi is a non-executive (non-independent) director. The Board had conferred the title of Chairman Emeritus to Sri S.K. Birla, past Chairman of the Board of erstwhile Digjam Limited and he is invited to all Board Meetings. Details are given below by category, attendance, shareholding, fees and total Directorships besides Memberships and Chairmanships of Board Committees.

Director	Category*	Board attendance **	Attendance at last AGM	B/C/Ch+	Sitting Fees Paid Rs.	Shares held as on March 31, 2017
Sri Sidharth Birla	P	4/4	No	5/-/-	1,20,000	50,000
Sri Bharat Anand	I	3/4	No	1/1/-	1,80,000	-
Ms. Meenakshi Birla	P	4/4	No	2/1/-	1,80,000	324
Sri G. Momen	I	1/4	No	8/5/1	45,000	-
Sri A.C. Mukherji	I	3/4	No	3/4/1	1,50,000	116
Sri S. Ragothaman	I	3/4	No	9/6/3	1,70,000	723
Sri C.L. Rathi	NE	4/4	No	2/2/1	1,25,000	-
Sri Kishor Shah	I	-	-	3/2/-	-	-
Sri C. Bhaskar	E	4/4	Yes	5/3/1	-	2,100

* : P = Promoter, I = Independent, E = Executive, NE = Non-Executive.

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

+ : B = Board Membership (public limited companies only), C/Ch = Membership/Chairmanship of SEBI specified Board Committees.

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 a Director.

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 Managing Director, subject to general supervision, control and direction of the Board. Sri C. Bhaskar who was appointed with effect from March 18, 2016 as the Managing Director & Chief Executive Officer of the Company holds the qualifications of B. Tech (Chem.), PGDM (IIM-Cal) MIMA, FIPI and has about 38 years of consultancy and industrial experience. The day-to-day working of the plant at Jamnagar is looked after by experienced officers reporting to the President & Chief Operating Officer, who is responsible for the overall operations of the plant and reports to the Managing Director & Chief Executive Officer. The Vice President & Chief Financial Officer heads the finance function discharging the responsibility entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

BOARD MEETINGS AND COMMITTEES

Board Meetings are held at varying locations and are usually scheduled in advance. The Board generally meets at least once a quarter to, *inter-alia*, review all relevant matters and approve the quarterly financial results. Independent Directors are required to meet at least once a year without the presence of non-independent directors and the management to, *inter alia*, discuss prescribed matters. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. The Agenda for meetings is prepared by the Company Secretary, in consultation with the Chairman and papers are circulated to all Directors in advance. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior Officers are called to provide clarifications and make presentations whenever

required. The Board met 4 times on May 18, August 2, November 11, 2016 & February 8, 2017. To enable fuller attention to the affairs of the Company, the Board delegates specified matters to its committees, which also prepare groundwork for decision-making and reports to the Board. However, no matter is left to the final decision of any committee, which under law or the Articles may not be delegated by the Board or may require its explicit approval.

Independent Directors separately met on February 8, 2017 to, *inter alia*, discuss matters prescribed under Company Law and Regulation 25 of the SEBI Listing Regulations. The meeting was attended by Sri S. Ragothaman and Sri Bharat Anand while leave of absence was granted to Sri A.C. Mukherji and Sri G. Momen.

Audit Committee

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

The Committee comprises Sri S. Ragothaman (Chairman), Sri A.C. Mukherji, Sri G. Momen, Sri Bharat Anand and Ms. Meenakshi Birla and is mandated to meet at least four times in a year; to assess the final audited accounts and to review each quarter, the quarterly results and the limited review report before they are put up to the Board. The Committee met 4 times on May 18, August 2, November 11, 2016 & February 8, 2017 during the year attended by Sri S. Ragothaman (3/4), Sri A.C. Mukherji (3/4), Sri G. Momen (1/4), Sri Bharat Anand (3/4) and Ms. Meenakshi Birla (4/4). Chairman of the Audit Committee could not attend the Annual General Meeting due to unavoidable circumstances. Sri Jatin Jain, Company Secretary, acts as the Secretary to the Committee.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee (which discharges the functions of the Nomination & Remuneration Committee as envisaged under Section 178 of the Act) comprises of non-executive Directors, majority of whom are independent. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; any compensation of non-executive Directors is a subject only for the whole Board. The Committee has devised a policy on Board diversity and when required, makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of

further Directors to strengthen the Board. The Committee has also formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy for the remuneration of the Directors, Key Managerial Personnel and other employees as well as criteria for evaluation of Independent Directors and the Board (Remuneration Policy and the Evaluation criteria are annexed). The Committee presently comprises of Sri A.C. Mukherji (as Chairman), Sri Bharat Anand, Sri G. Momen, Sri S. Raghothaman (Independent Directors) and Sri Sidharth Birla (non-executive Promoter Director). The Committee met on February 8, 2017 when Sri Bharat Anand, Sri S. Raghothaman and Sri Sidharth Birla attended.

The Board approved payment to each non-executive Director sitting fees of Rs.25,000 for every Board Meeting, Rs. 20,000 for every Audit Committee meeting, Rs.5,000 for Stakeholders Relationship Committee meeting and Rs. 10,000 for every other Committee meeting attended by him besides Rs.25,000 for separate meeting of Independent Directors. No fee is paid for meetings of the CSR Committee. No commission is paid to any Director. As approved by the Shareholders at the Annual General Meeting held on September 23, 2016, Sri C. Bhaskar was appointed as Managing Director & Chief Executive Officer for the period from March 18, 2016 to December 31, 2017 on either a remuneration comprising of salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances as may be decided by the Board from time to time, subject in aggregate to a maximum of 5% of the net profits of the Company as per relevant calculation or where in any financial year, the Company has no/inadequate profits, remuneration by way of salary, allowances and benefits as per the rules of the Company within the applicable limits (presently Rs. 5 lacs per month) of Schedule V of the Act, whichever is higher. Accordingly he is being paid a salary of Rs. 2,45,000 per month and benefits/perquisites as per the rules of the Company (well within the limits prescribed/approved by the Board). There are no severance fees (routine notice period not considered as severance fees), other benefits, bonus or stock options. The Company does not have any pecuniary relationship or transactions with any non-executive Director; Sri Bharat Anand is a partner of Khaitan & Co. LLP, a reputed firm of Advocates, who also act for the Company from time to time and to whom the Company paid Rs. 2,88,000 during the year towards Retainership, fee and reimbursement of expenses on different matters but the Board has determined that the said amount is not material to the firm's overall income and therefore would not be deemed to affect his independence.

Stakeholders Relationship Committee

The Committee is empowered to consider and resolve the grievances of security holders of the Company as well as to discharge all functions of the Board in connection with transfers and issue of certificates and record keeping in respect of the securities issued by the Company from time to time as well as to oversee the performance of the Registrar and Share Transfer Agents. Any shareholder grievance is referred to this Committee in the first instance for earliest resolution of a problem. The Company has about 74,000 shareholders and with a view to expedite share transfers, the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited, has been authorised to effect share transfers/transmissions, etc. The Company Secretary, Sri Jatin Jain, is appointed as Compliance Officer under relevant regulations. The Committee comprises of Sri C.L. Rath (Chairman), Sri A.C. Mukherji and Sri C. Bhaskar. During the year, 20 complaints/queries were received and all have been resolved. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2017.

Corporate Social Responsibility ("CSR") Committee

The Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Act, 2013 to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Sri G. Momen, as Chairman, Ms. Meenakshi Birla and Sri C. Bhaskar as members. The President & Chief Operating Officer of the Company is the management invitee at the meetings of the CSR Committee. The Committee met on April 21, 2016.

Committee of Directors

A Committee of Directors comprising of Sri Sidharth Birla, Chairman, Sri Bharat Anand, Ms. Meenakshi Birla, Sri A.C. Mukherji and Sri C. Bhaskar attends to matters specified and/or delegated appropriately by the Board from time to time. Besides, the Board, from time to time, constitutes committees of Directors for specific purposes. These committees meet as and when necessary for discharge of their respective functions.

SHAREHOLDER INFORMATION & RELATIONS

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

General Meetings of the Company are held at its Registered Office at Aerodrome Road, Jamnagar 361 006, Gujarat. The 1st Annual General Meeting was held on September 23, 2016. The 2nd Annual General Meeting is scheduled to be held at the Registered Office as per the notice in this Annual Report and Book Closure will be as per the notice. Besides, the Special Resolutions for granting consent to the Board of Directors to borrow u/s 180(1)(c) of the Act upto Rs. 250 Crores and for mortgaging and/or creating charge u/s 180(1)(a) of the Act at the Extraordinary General Meeting held on July 11, 2015, Special Resolutions were approved at the AGM held on September 23, 2016 for approving the appointment of and remuneration payable to Sri C. Bhaskar as Managing Director for the period from March 18, 2016 to December 31, 2017, for keeping the Register of Members of the Company and the respective Register of other security holders, if any, as required u/s 88 of the Act together with the Index of Members and/or other security holders at the office of RTA and for amendment of Articles of Association. No Special Resolution was put through postal ballot during the year and there is no item in the notice for the forthcoming Annual General Meeting requiring postal ballot. No Dividend has been declared so far and thus there was no date of mailing nor delay in payment. The Company keeps all shareholders informed via advertisements in appropriate newspapers of relevant dates and items requiring notice. **MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata 700 026 are Registrars and Share Transfer Agents (RTA)** both for shares held in physical and dematerialized form. The address for Shareholders' general correspondence is Company Secretary, DIGJAM Limited, Aerodrome Road, Jamnagar

361 006 (Gujarat); designated e-mail ID for grievance redressal is investors@digjam.co.in (of Compliance Officer) and mcssta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to Registrars directly in matters relating to transfers etc. The Company had published and shall continue to publish quarterly results etc. in English and relevant vernacular print media and hold Annual General Meetings, and pay dividends (if any) within the time limits prescribed by law or regulations. The relevant information is displayed on the Company's website: www.digjam.co.in.

No presentation has been made to institutional investors, etc. The financial year of the Company is from April 1 to March 31. The Company continues to upload from time to time necessary financial data on its website. There are no GDR/ADR, warrants or other secured convertible instruments issued or outstanding. Pursuant to the Scheme of Amalgamation, the Company allotted 8,76,41,621 Equity Shares of Rs. 10 each at a premium of Rs. 5 per Share on April 29, 2016 to the Shareholders of erstwhile Digjam Limited. The Company's Equity Shares are listed at National Stock Exchange of India Ltd., Mumbai (Stock Code 'DIGJAMLT') and BSE Ltd., Mumbai (Stock Code 539979). The Company has paid the up-to-date listing fees for each of these Stock Exchanges. Equity Shares of the Company are compulsorily traded in dematerialized form. The Company has entered into agreements with NSDL and CDSL. The ISIN is INE731U01010. As on March 31, 2017, 8,66,35,822 Equity Shares representing 98.85% of the total Equity Shares were held in dematerialized form and 10,05,799 Equity Shares representing 1.15% were held in physical form. Out of the balance as on April 1, 2016 of the unclaimed 1,61,426 shares held by 6,631 shareholders credited in "DIGJAM Limited Unclaimed Suspense Account" in dematerialized form, 8 shareholders/heir have approached for claiming the shares and accordingly, 189 shares were transferred in the said cases and the remaining 1,61,237 shares belonging to 6,623 shareholders remain unclaimed to the credit of this account. Voting Rights in respect of the aforesaid 1,61,237 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders. By operation of the 2nd Proviso to sub-section (2) of Section 47 of the Act, the holder of 5,00,000 – 8% Non-Convertible Redeemable Preference Shares (unlisted) of Rs. 100/- each, a company forming part of the Promoter Group, became entitled to 50,00,000 Voting Rights thereon with effect from March 27, 2017.

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

Distribution and pattern of Equity Shareholding as on March 31, 2017:

Distribution of Equity Shareholding

Shareholding range (Nos.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	63,630	86.21	57,66,992	6.58
501 – 1,000	4,592	6.22	40,23,739	4.59
1,001 - 2,000	2,552	3.46	41,72,888	4.76
2,001 - 5,000	1,802	2.44	63,31,083	7.22
5,001 - 10,000	696	0.94	54,47,636	6.22
10,001 and above	542	0.73	6,18,99,283	70.63
Total	73,814	100.00	8,76,41,621	100.00

This statement is on the basis of the Shareholding pattern as on March 31, 2017 submitted to the Stock Exchanges.

Pattern of Equity Shareholding as on March 31, 2017

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks, FIs, Insurance Companies	42	0.06	1,02,08,343	11.65
Domestic Companies	769	1.04	3,62,86,904	41.40
Mutual Funds	3	0.00	740	0.00
Non-residents	1,382	1.87	5,29,668	0.60
Resident Individuals/others	71,618	97.03	4,06,15,966	46.35
Total	73,814	100.00	8,76,41,621	100.00

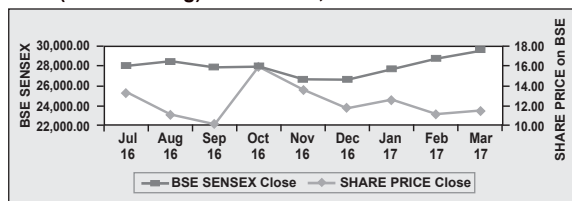
This statement is on the basis of the Shareholding pattern as on March 31, 2017 submitted to the Stock Exchanges.

Aggregate of non-promoter shareholding: 60.56%

Monthly High and Low Market Price Data of Equity Shares [July 13, 2016 (date of listing) to March 2017]

	B S E		N S E	
	High Rs.	Low Rs.	High Rs.	Low Rs.
Year 2016				
July	16.65	11.45	16.80	11.45
August	13.87	10.00	14.25	10.10
September	12.10	9.25	12.10	9.10
October	17.30	9.90	17.40	9.95
November	16.60	10.40	16.60	10.40
December	14.80	11.04	14.00	11.10
Year 2017				
January	14.50	11.55	14.50	11.50
February	14.10	11.10	14.10	11.10
March	12.68	11.00	12.65	10.95
During the period	17.30	9.25	17.40	9.10

Equity performance compared to BSE Sensex during July 13, 2016 (date of listing) to March 31, 2017



COMMODITY AND FOREIGN EXCHANGE RISKS

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

MANDATORY/NON-MANDATORY PROVISIONS

There have been no transactions of a material nature of the Company with its promoters, Directors or the management, their subsidiaries or relatives, etc. except for transactions of routine nature as disclosed in the notes on accounts. Accordingly, there have been no potential conflict(s) with the interests of the Company.

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. All mandatory requirements (except where not relevant or applicable) of the SEBI Listing Regulations have been adopted. Of the non-mandatory suggestions, those relating to a Chairman's Office, appointment of separate persons to the posts of Chairman and that of the Managing Director & CEO, audit qualification as well as reporting by Internal Auditor directly to Audit Committee have been adopted; sending six-monthly information to each shareholder household has not been adopted. The above represents the Company's philosophy on, and implementation of, its corporate governance. Auditor's certification as required forms a part of this Annual Report.

For and on behalf of the Board

New Delhi
May 8, 2017

Sidharth Birla
Chairman

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

This is to confirm that the Company has received affirmation of compliance with "Code of Business Conduct for Directors and Senior Executives" laid down by the Board of Directors from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the year ended March 31, 2017.

New Delhi
May 8, 2017

C. Bhaskar
Managing Director & Chief Executive Officer

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of DIGJAM LIMITED
(formerly Digjam Textiles Limited)

1. This certificate is issued in accordance with the terms of our engagement letter dated September 23, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of DIGJAM LIMITED (formerly Digjam Textiles Limited) ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, except for regulation 18(1)(d) with regard to attendance at annual general meeting by the chairperson of the audit committee, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

(Kartikeya Raval)
(Partner)

New Delhi
May 8, 2017

(Membership No. 106189)

MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We submit herewith our Managements' Discussion & Analysis Report for the year ended March 31, 2017. 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.

The Company was incorporated on June 17, 2015 as "Digjam Textiles Limited". Pursuant to the Scheme of Amalgamation, ("the Scheme") the business of the erstwhile Digjam Limited stood transferred to, and is being carried on by, the Company with effect from the close of business on June 30, 2015. In terms of the Scheme, the name of the Company stood changed to "Digjam Limited".

COMPANY & INDUSTRY STRUCTURE

The Company operates in woollen worsted textiles segment and operates a fully equipped composite mill (ISO 9001 certified) in Jamnagar, Gujarat, which has been manufacturing high quality worsted fabrics for over last six decades. The woollen worsted industry in the country comprises of a few mills in the organized sector and a number of units in the unorganized sector. Company's commitment to quality and customer orientation reflects in its strong widely recognized and valuable brand - **DIGJAM**, supported by a well-established national distribution network. The mill has 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.

The Company gives a high priority to its export business and exploring new areas. It has an independent marketing team supported by an appropriate network abroad for export business. It exports a significant portion of its production to markets in Europe, USA, Canada, Middle East, Far East etc. The Company has Oekotex Certification, which certifies that its fabric is free from hazardous chemicals.

OPERATIONS

A summary of key operating indicators is given below; detailed performance may be viewed from financial statements and notes thereto in the Annual Report.

	<u>2016-17</u>	<u>2015-16</u> #
Product : Woolen/Worsted Fabrics		
Production (Lac Mtrs)	28.4	25.7
Sales (Lac Mtrs):		
— Domestic	20.1	18.9
— Exports	7.9	7.5
Revenue (Lac Rs.)	9,939	9,473

for the period from June 17, 2015 to March 31, 2016

Global GDP growth is projected to rise from just under 3% in 2016 to 3.3% in 2017. There have been some positive signs of accelerating activity and rising consumer and business confidence in recent months in advanced economies and a number of emerging market economies. The world economies face anti-globalization and anti-immigration waves, causing uncertainties in markets. Crude oil prices surged following agreement by OPEC and others to cut oil production.

Indian GDP growth slowed to about 6.5% during 2016-17 from 7.6% previous year despite recovery in agriculture sector following

normal monsoon, while industrial production moderated with manufacturing sector registering contraction of 0.3% during April '16 to February '17 (against previous year growth of 2.3%). The slowdown reflected continued slump in investment, with excess production capacity dragging growth. Trade deficit declined following export growth (2.2%) and import contraction (3.8%). The implementation of seventh pay commission, passage of the GST Bill and demonetization were the notable events during the year. Inflation dropped below 4% following good monsoons and policy measures, despite strong recovery in prices of crude oil and other commodities. The demonetisation decision in November 2016 quelled cash intensive economic activity and discretionary spend, while helping moderate inflation. The economic outlook for the coming year brightens with expectations of early revival and growth across sectors following normalisation in liquidity, increasing Government deregulation, GST, initiatives to boost private investment and steps being taken to reduce vulnerability to imported oil.

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 domestic demand was particularly affected during the year due general liquidity constraints in the market, impacted further through demonetization and related restrictions which impacted the winter and wedding seasons severely. Disturbed situation in J&K also affected us in a traditional market. On the global front, factors such as changing weather cycles, the Presidential elections in the US, Brexit and political turmoil in Turkey and parts of the Middle East led to weak demand. The prices of Australian wool, our principal raw material, has surged during the year by over 20 percent, due strong Chinese demand etc., which, with consistently strong Australian Dollar, resulted in sharp increase in raw material cost.

The overall performance was affected particularly severely during the year in the face of subdued market conditions and severe liquidity constraints. Production was 28.4 lac meters and revenue from operations was Rs. 99.39 Crores against Rs.94.73 Crores in the previous period. The operations in the overall, resulted in loss before interest and depreciation and exceptional items of Rs. 4.75 Crores. Finance costs and Depreciation were Rs.13.31 Crores and Rs. 2.83 Crores respectively, yielding a loss before tax of Rs. 21.96 Crores during the year. The liquidity pressures resulting from the increased losses that could not have been foreseen in the usual course further impacted operations, marketing efforts and cash flows.

Various options are being investigated to rebuild the resources of the Company, particularly after the unforeseen losses as described. These steps could include, but are not limited to, raising fresh long term resources or disposal of surplus assets.

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

ENVIRONMENT & SAFETY

We are fully conscious of the need for both environmentally clean and safe operations. Our policy requires all operations to be conducted in a way so as to ensure safety of all concerned,

compliance of statutory and industrial requirements for environment protection and conservation of natural resources.

HUMAN RESOURCES

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

OTHER MATTERS

After close of the financial year, award was pronounced in the long drawn arbitration proceedings initiated by erstwhile Digjam Limited against the Developer for arbitrarily withholding the physical possession of purchased office premises by terminating the agreement on grounds of non-payment of alleged dues. The Ld. Arbitrator has awarded in favour of the Company Rs. 5 Crores plus interest, totaling Rs. 17.6 Crores against the said Developer. He however simultaneously allowed the entire award amount to be set-off against an amount of Rs. 31.3 Crores (Rs. 8.9 Crores + interest) awarded by him in favour of the Developer in another arbitration proceeding initiated by the Developer against the Company and Saurashtra Chemicals Ltd. ("SCL") in connection with a matter pertaining to the erstwhile chemicals division of the Company. He has disregarded that the said division consisting of, inter alia, its entire assets and liabilities stood, with the sanction of Hon'ble High Court of Gujarat, demerged under Scheme of Arrangement under Sections 391-393 of the Companies Act, 1956 and transferred to and vested in SCL with effect from the Appointed Date of July 1, 1998. Therefore the Company is not concerned or liable in respect of that matter pertaining to SCL. Considering the facts, the Company shall proceed further in the matter under legal advise and shall, consequently, account for the above on its final resolution.

Barring any unforeseen systemic disruption which can affect the markets, there are no further or typical areas of risks or concerns

outside the usual course of business foreseeable at this time. 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 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 Management Team

New Delhi
May 8, 2017

C. Bhaskar
Managing Director & Chief Executive Officer

Annexure to the Directors' Report

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN :	L17123GJ2015PLC083569
ii) Registration Date :	June 17, 2015
iii) Name of the Company :	DIGJAM Limited (formerly Digjam Textiles Limited)
iv) Category / Sub-Category of the Company :	Public Company - Limited by Shares
v) Address of the Registered office and contact details :	Aerodrome Road, Jamnagar 361 006, Gujarat Tel: 0288 - 2712972/73, Fax: 0288 - 2712991 Email: cosec@digjam.co.in website: www.digjam.co.in
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road, Kolkata 700 026. Tel: 033 - 4072 4051, Fax: 033 - 4072 4050, Email: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY – Manufacture and Sale of Fabrics

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Weaving, manufacture of wool and wool mixture fabrics	13123	31.00
2.	Weaving, manufacturing of man-made fiber and man-made mixture fabrics	13124	45.95
3.	Wholesale of textiles, fabrics	46411	21.78

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (allotted on April 29, 2016)				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	87589	—	87589	0.10	87589	—	87589	0.10	0.00
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	33590000	—	33590000	38.32	29590000	—	29590000	33.76	(11.91)
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	4887881	—	4887881	5.58	4887881	—	4887881	5.58	0.00
Sub-total (A) (1)	38565470	—	38565470	44.00	34565470	—	34565470	39.44	(10.37)
(2) Foreign									
a) NRIs – Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
Sub-total(A) (2)	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	38565470	—	38565470	44.00	34565470	—	34565470	39.44	(10.37)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Contd.

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (allotted on April 29, 2016)				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	740	—	740	0.00	740	—	740	0.00	0.00
b) Banks / FI	9005741	19395	9025136	10.30	8955701	19415	8975116	10.24	(0.55)
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt (s)	1234744	—	1234744	1.41	1234744	—	1234744	1.41	0.00
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	1233227	—	1233227	1.41	1233227	—	1233227	1.41	0.00
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1)	11474452	19395	11493847	13.12	11424412	19415	11443827	13.06	(0.44)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4460817	14863	4475680	5.11	5447378	14782	5462160	6.23	22.04
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	22040530	949197	22989727	26.23	26866402	920168	27786570	31.70	20.87
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9384587	—	9384587	10.71	7675383	—	7675383	8.76	(18.21)
c) Others (specify)									
Directors & Relatives	16235	—	16235	0.02	16235	—	16235	0.02	0.00
Non-Resident Individuals	500449	52165	552614	0.63	478234	51434	529668	0.60	(4.15)
Trusts	2035	—	2035	0.00	1071	—	1071	0.00	(47.37)
Digjam Ltd. Unclaimed Suspense Account	161426	—	161426	0.18	161237	—	161237	0.18	(0.12)
Sub-Total(B)(2)	36566079	1016225	37582304	42.88	40645940	986384	41632324	47.50	10.78
Total Public Shareholding (B) = (B)(1) + (B)(2)	48040531	1035620	49076151	56.00	52070352	1005799	53076151	60.56	8.15
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	86606001	1035620	87641621	100.00	86635822	1005799	87641621	100.00	NA

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (allotted on April 29, 2016)			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1.	S. K. Birla	37589	0.04	0.03	37589	0.04	0.03	—
2.	Sidharth Kumar Birla	50000	0.06	0.00	50000	0.06	0.00	—
3.	Janardhan Trading Co. Ltd.	1900000	2.17	1.34	1900000	2.17	1.34	—
4.	Central India General Agents Ltd.	16514000	18.84	2.41	16514000	18.84	2.41	—
5	iPro Capital Ltd.	7000000	7.99	0.00	3000000	3.42	0.00	(57.14)
6.	Birla Eastern Ltd.	926000	1.05	0.33	926000	1.05	0.33	—
7.	Birla Holdings Ltd.	7250000	8.27	0.00	7250000	8.27	0.00	—
8.	Sukriti Education Society	4809881	5.49	0.00	4809881	5.49	0.00	—
9.	Sushila Birla Memorial Institute	78000	0.09	0.00	78000	0.09	0.00	—
10.	Smt. Sumangala Birla	—	—	—	—	—	—	—
11.	Smt. Madhushree Birla	—	—	—	—	—	—	—
12.	Nathdwara Investment Co. Ltd.	—	—	—	—	—	—	—
	Total	38565470	44.00	4.11	34565470	39.44	4.11	(10.37)

Note : The Company has pursuant to the Scheme of Amalgamation allotted 5,00,000-8% Non-convertible Redeemable Preference Shares Rs. 100 each aggregating to Rs. 5,00,00,000 to Central India General Agents Limited. The said Preference Shares are entitled to Voting Rights in terms of the second proviso to sub-section (2) of section 47 of the Companies Act, 2013 wef March 27, 2017.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (allotted on April 29, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year – iPro Capital Ltd.	7000000	7.99		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	13.07.2016 Transfer	25000	0.03	6975000	7.96
	12.08.2016 Transfer	67500	0.08	6907500	7.88
	17.08.2016 Transfer	25500	0.03	6882000	7.85
	06.09.2016 Transfer	71000	0.08	6811000	7.77
	08.09.2016 Transfer	91000	0.10	6720000	7.67
	14.09.2016 Transfer	51000	0.06	6669000	7.61
	20.09.2016 Transfer	69000	0.08	6600000	7.53
	22.09.2016 Transfer	100000	0.11	6500000	7.42
	27.09.2016 Transfer	105000	0.12	6395000	7.30
	28.09.2016 Transfer	95000	0.11	6300000	7.19
	07.10.2016 Transfer	175000	0.20	6125000	6.99
	15.12.2016 Transfer	75000	0.09	6050000	6.90
	16.12.2016 Transfer	50000	0.05	6000000	6.85
	19.12.2016 Transfer	40000	0.05	5960000	6.80
	21.12.2016 Transfer	60000	0.07	5900000	6.73
	04.01.2017 Transfer	100000	0.11	5800000	6.62
	05.01.2017 Transfer	100000	0.12	5700000	6.50
	06.01.2017 Transfer	50000	0.05	5650000	6.45
	10.01.2017 Transfer	85000	0.10	5565000	6.35

iii) Change in Promoters' Shareholding (please specify, if there is no change) Contd.

Sl. No.			Shareholding at the beginning of the year (allotted on April 29, 2016)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	11.01.2017	Transfer	65000	0.07	5500000	6.28
	13.01.2017	Transfer	50000	0.06	5450000	6.22
	17.01.2017	Transfer	100000	0.11	5350000	6.11
	18.01.2017	Transfer	100000	0.12	5250000	5.99
	19.01.2017	Transfer	250000	0.29	5000000	5.70
	24.01.2017	Transfer	150000	0.17	4850000	5.53
	25.01.2017	Transfer	100000	0.11	4750000	5.42
	27.01.2017	Transfer	100000	0.11	4650000	5.31
	13.02.2017	Transfer	100000	0.12	4550000	5.19
	14.02.2017	Transfer	50000	0.06	4500000	5.13
	15.02.2017	Transfer	50000	0.06	4450000	5.07
	20.02.2017	Transfer	100000	0.11	4350000	4.96
	21.02.2017	Transfer	75000	0.09	4275000	4.87
	28.02.2017	Transfer	75000	0.08	4200000	4.79
	01.03.2017	Transfer	275000	0.31	3925000	4.48
	02.03.2017	Transfer	225000	0.26	3700000	4.22
	03.03.2017	Transfer	200000	0.23	3500000	3.99
	06.03.2017	Transfer	200000	0.23	3300000	3.76
	08.03.2017	Transfer	300000	0.34	3000000	3.42
	At the end of the year				3000000	3.42

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders Name, Date & Reason of Change		Shareholding at the beginning of the year (allotted on April 29, 2016)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ICICI BANK LIMITED		8763381	10.00	8763381	10.00
	At the end of the year		—	—	8763381	10.00
2.	GUJARAT STATE INVESTMENTS LIMITED		1234744	1.41	1234744	1.41
	At the end of the year		—	—	1234744	1.41
3.	LIFE INSURANCE CORPN. OF INDIA LIMITED		1127223	1.29	1127223	1.29
	At the end of the year		—	—	1127223	1.29
4.	VIIVEK MADANLAL JAIN HUF		500000	0.57	500000	0.57
	At the end of the year		—	—	500000	0.57
5.	JAINAM SHARE CONSULTANTS PVT. LTD.		354532	0.40	354532	0.40
	15.07.2016	Transferred	2950	0.00	351582	0.40
	22.07.2016	Transferred	6950	0.01	344632	0.39
	29.07.2016	Transferred	98899	0.11	245733	0.28
	05.08.2016	Acquired	1250	0.00	246983	0.28
	12.08.2016	Acquired	12480	0.01	259463	0.30
	19.08.2016	Acquired	1000	0.00	260463	0.30
	26.08.2016	Acquired	1	0.00	260464	0.30
	02.09.2016	Acquired	3550	0.00	264014	0.30
	09.09.2016	Acquired	18400	0.02	282414	0.32
	16.09.2016	Acquired	2200	0.00	284614	0.32
	23.09.2016	Acquired	23400	0.03	308014	0.35
	30.09.2016	Transferred	15200	0.02	292814	0.33
	07.10.2016	Transferred	1000	0.00	291814	0.33
	14.10.2016	Transferred	3600	0.00	288214	0.33

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders Name, Date & Reason of Change		Shareholding at the beginning of the year (allotted on April 29, 2016)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	21.10.2016	Transferred	8275	0.01	279939	0.32
	28.10.2016	Acquired	49106	0.06	329045	0.38
	04.11.2016	Acquired	13650	0.01	342695	0.39
	11.11.2016	Acquired	1225	0.00	343920	0.39
	18.11.2016	Transferred	4750	0.01	339170	0.39
	25.11.2016	Acquired	11300	0.01	350470	0.40
	02.12.2016	Acquired	2896	0.00	353366	0.40
	09.12.2016	Transferred	21800	0.02	331566	0.38
	16.12.2016	Transferred	3446	0.00	328120	0.37
	23.12.2016	Acquired	8050	0.01	336170	0.38
	31.12.2016	Acquired	1348	0.00	337518	0.39
	06.01.2017	Acquired	31863	0.04	369381	0.42
	13.01.2017	Acquired	13227	0.01	382608	0.44
	20.01.2017	Acquired	2456	0.00	385064	0.44
	27.01.2017	Acquired	23811	0.03	408875	0.47
	03.02.2017	Transferred	20261	0.02	388614	0.44
	10.02.2017	Acquired	7834	0.01	396448	0.45
	17.02.2017	Transferred	9400	0.01	387048	0.44
	24.02.2017	Acquired	18049	0.02	405097	0.46
	03.03.2017	Acquired	38081	0.04	443178	0.51
	10.03.2017	Acquired	55078	0.06	498256	0.57
	17.03.2017	Acquired	14500	0.01	512756	0.59
	24.03.2017	Transferred	9059	0.01	503697	0.57
	31.03.2017	Transferred	8700	0.01	494997	0.56
	At the end of the year		—	—	494997	0.56
6.	SANJAY LUNAWAT		251500	0.29	251500	0.29
	15.07.2016	Transferred	40500	0.05	211000	0.24
	At the end of the year		—	—	211000	0.24
7.	LALIT MODI		200000	0.23	200000	0.23
	At the end of the year		—	—	200000	0.23
8.	JAGDISH AMRITLAL SHAH		191128	0.22	191128	0.22
	At the end of the year		—	—	191128	0.22
9.	CRESCENDO TRADING PRIVATE LIMITED		179360	0.20	179360	0.20
	30.09.2016	Transferred	70000	0.08	109360	0.12
	03.02.2017	Acquired	10000	0.01	119360	0.14
	10.02.2017	Transferred	9039	0.01	110321	0.13
	17.03.2017	Transferred	3000	0.00	107321	0.12
	At the end of the year		—	—	107321	0.12
10.	DIGJAM LIMITED UNCLAIMED SUSPENSE ACCOUNT		161426	0.18	161426	0.18
	09.09.2016	Transferred	20	0.00	161406	0.18
	18.11.2016	Transferred	63	0.00	161343	0.18
	27.01.2017	Transferred	12	0.00	161331	0.18
	24.02.2017	Transferred	46	0.00	161285	0.18
	03.03.2017	Transferred	48	0.00	161237	0.18
	At the end of the year		—	—	161237	0.18

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (allotted on April 29, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year - (allotted on April 29, 2016)				
1.	Sri Sidharth Birla	50,000	0.06	50,000	0.06
2.	Sri A.C. Mukherji	116	0.00	116	0.00
3.	Ms. Meenakshi Birla	324	0.00	324	0.00
4.	Sri S. Ragothaman	723	0.00	723	0.00
5.	Sri C. Bhaskar	2,100	0.00	2,100	0.00
6.	Sri Jatin Jain	50	0.00	50	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus / sweat equity etc.) :	—	—	—	—
	At the End of the year				
1.	Sri Sidharth Birla	50,000	0.06	50,000	0.06
2.	Sri A.C. Mukherji	116	0.00	116	0.00
3.	Ms. Meenakshi Birla	324	0.00	324	0.00
4.	Sri S. Ragothaman	723	0.00	723	0.00
5.	Sri C. Bhaskar	2,100	0.00	2,100	0.00
6.	Sri Jatin Jain	50	0.00	50	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38,53,48,258	14,63,00,000	—	53,16,48,258
ii) Interest due but not paid	—	28,65,107	—	28,65,107
iii) Interest accrued but not due	—	29,36,876	—	29,36,876
Total (i + ii + iii)	38,53,48,258	15,21,01,983	—	53,74,50,241
Change in Indebtedness during the financial year				
• Addition	24,31,31,605	39,380,149	—	28,25,11,754
• Reduction	—	—	—	—
Net Change	24,31,31,605	39,380,149	—	28,25,11,754
Indebtedness at the end of the financial year				
i) Principal Amount	62,69,69,589	17,13,00,000	—	79,82,69,589
ii) Interest due but not paid	—	1,65,60,064	—	1,65,60,064
iii) Interest accrued but not due	15,10,274	36,22,068	—	51,32,342
Total (i + ii + iii)	62,84,79,863	19,14,82,132	—	81,99,61,995

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTDT/ Manager				Total Amount
		Sri C. Bhaskar	—	—	—	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,05,000				28,05,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,20,750				4,20,750
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	—				—
2.	Stock Option	—				—
3.	Sweat Equity	—				—
4.	Commission	—				—
	- as % of profit					
	- others, specify					
5.	Others, please specify:	—				—
	Total (A)	32,25,750				32,25,750
	Ceiling as per the Act	60,00,000				60,00,000

Note : Excludes contributions to Provident & Superannuation Funds in accordance with Schedule V to the Act.

B. Remuneration to other Directors:

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri B. Anand	Sri G. Momen	Sri A. C. Mukherji	Sri S. Ragothaman	
1.	Independent Directors ● Fee for attending Board/Committee meetings ● Commission ● Others, please specify	1,80,000 — —	45,000 — —	1,50,000 — —	1,70,000 — —	5,45,000 — —
	Total (1)	1,80,000	45,000	1,50,000	1,70,000	5,45,000
2.	Other Non-Executive Directors ● Fee for attending Board/Committee meetings ● Commission ● Others, please specify	Sri C. L. Rathi 1,25,000 — —	Sri Sidharth Birla 1,20,000 — —	Ms. M.Birla 1,80,000 — —		4,25,000 — —
	Total (2)	1,25,000	1,20,000	1,80,000		4,25,000
	Total (B) = (1 + 2)	—	—	—		9,70,000
	Total Managerial Remuneration					41,95,750
	Overall Ceiling as per the Act					1,11,00,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

(Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO Sri Satish Shah	CS Sri Jatin Jain	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	*	15,97,459 3,42,916 —	4,07,459 60,263 —	20,04,918 4,03,179 —
2.	Stock Option		—	—	—
3.	Sweat Equity		—	—	—
4.	Commission - as % of profit - others, specify		—	—	—
5.	Others, please specify tax exempt medical reimbursements		19,950	19,950	39,000
	Total		19,60,325	4,87,672	24,47,997

* The Managing Director is the CEO and the remuneration paid to him is furnished at VI.A above.

Note: Excludes tax exempt contributions to Provident & Superannuation Funds.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure to the Directors' Report

POLICY ON REMUNERATION TO EXECUTIVE DIRECTORS & SENIOR MANAGEMENT

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

1. Guiding principles:

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

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

2. Remuneration:

a) Base Compensation (fixed salaries)

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

b) Variable salary

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

c) Severance pay

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

3. Role of the Remuneration & Nominations Committee

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

- formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this policy;
- advising the Board on issues concerning principles for remuneration, remuneration and other terms of employment for Executive Directors & Senior Executives;
- recommending to the Board, candidates and terms of employment for EDs and senior executives;
- monitoring and evaluating programs for variable remuneration;

- monitoring and evaluating the application of this Policy; and
- monitoring and evaluating current remuneration structures and levels in the Company.

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

4. Authority to decide on deviations from this Policy:

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

5. Amendment

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

Annexure to the Directors' Report

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) Regulations, 2015, the Remuneration & Nominations Committee has laid down the following criteria for performance evaluation of Independent Directors as well as of the Board :

- Broad understanding of the Company's business including financial, marketing, strategic plans and key issues;
- Special skills/expertise contributing to the overall effectiveness and diversity of the Board;
- Making measured and balanced contributions to Board discussions and deliberations after taking into consideration the interests of all stakeholders;
- Standards of propriety;
- 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:

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

Annexure to the Directors' Report

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 Oeko-Tex Standard 100 as meeting the human ecological standards for products with direct contact to skin.
 - b. Technology upgradation to meet the specifications of exportable products.
 - c. Increased range and variety of fabrics with finishes like bio-polishing, 100% wool washable fabrics and nano finished fabrics.
 - d. Improvement in quality and marketability of existing products.
 - e. Energy and water conservation.

- f. Better and easier availability of materials leading to less dependence on imported items and saving of foreign exchange outgo.
- g. Improved productivity and improved machine performance resulting in saving in process cost.
- iii. No fresh technology has been imported during the last three years.
- iv. The expenditure on Research and Development:
 - Recurring expenditure: estimated at Rs. 20 lacs

C. Foreign Exchange Earnings and Outgo

	(Rs. Lac)	
	Year ended March 31, 2017	Period ended March 31, 2016
Total foreign exchange earned	2,910	3,058
Total foreign exchange used	223	170

For and on behalf of the Board

New Delhi
May 8, 2017

Sidharth Birla
Chairman

Annexure to the Directors' Report

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 ("SEBI Listing Regulations"), 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 Regulation 18 of SEBI Listing Regulations.
- b. **"Employee"** means every employee of the Company and their representative bodies including Directors of the Company.
- c. **"Investigators"** mean those persons authorized, appointed, consulted or approached by the Audit Committee and include the auditors of the Company and the police.
- d. **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. **"Company"** means DIGJAM Limited.
- f. **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.

3. Scope

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

4. Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or its subsidiaries. Any such disclosure shall be made within a reasonable time from the occurrence of the alleged violation

and in any case, not later than six months from alleged occurrence.

5. Disqualifications

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company. The contact details of the Chairman of the Audit Committee are :

*Sri S. Ragothaman,
C-3, Golden Gate Apartments,
New No. 33, Habibullah Road,
T. Nagar,
Chennai - 600 017*

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

7. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator, as directed by Audit Committee, who will investigate / oversee the investigations under the authorization of the Audit Committee.

- b. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. Any member of the Audit Committee who may have a conflict of interest in respect of the matter under investigation/the protected disclosure, should recuse himself and the other members of the Committee shall deal with the matter.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

8. Protection

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his

duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of Audit Committee (e.g. during investigations carried out by Investigators).

- b. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- c. Any violation of the above protection should be reported to the Chairman of the Audit Committee who shall cause the same to be investigated and recommend appropriate action, if required, to the management.

9. Investigators

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

10. Decision

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

11. Reporting

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

12. Retention of documents

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

13. Amendment

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

Annexure to the Directors' Report

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, including through financial contribution to them.

The Committee 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 2% of the average net profits of the Company during the 3 immediately preceding financial years. 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:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;

- training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- 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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- rural development projects.
- slum area development.

Annexure to the Directors' Report

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

- The ratio of the remuneration of each director to the median employee's remuneration for the financial year:
Sri C. Bhaskar (Managing Director & CEO) : 23:1
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
Sri C. Bhaskar – (Managing Director & CEO) : 6
Sri Satish Shah – (Vice President & CFO) : 27
Sri Jatin Jain – (Company Secretary) : 3
- The percentage increase in the median remuneration of employees in the financial year : 10.55
- The number of permanent employees on the rolls of Company: 964 (as on March 31, 2017)
- Average percentile increase 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 1.30% and 24.39% for Managerial Personnel (which includes arrears paid for the preceding period).
- 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. Where applicable, the remuneration of previous period has been considered on annualised basis.

For and on behalf of the Board

New Delhi
May 8, 2017

Sidharth Birla
Chairman

Form No. MR - 3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR
ENDED 31st MARCH, 2017**

*[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
(formerly: Digjam Textiles Limited)
Aerodrome Road, Jamnagar 361 006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIGJAM Limited** (formerly Digjam Textiles Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Digjam Limited for the financial year ended on 31st March, 2017 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;
- 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, 2009;
 - 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - *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, 1998;
 - *Not applicable as the Company has not bought back any of its securities during the financial year under review.*
- i. 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

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

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

- a. The Equity Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited wef July 13, 2016.

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

**CS Viral Sanghavi
Proprietor**

M No. ACS 24951 CP 9035
On 24th April, 2017 at Jamnagar

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIGJAM LIMITED**

(formerly: DIGJAM TEXTILES LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of DIGJAM LIMITED (formerly DIGJAM TEXTILES LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 29 to the financial statements which indicates the preparation of financial statements of the Company on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon the revival of market and consequently the Company's ability to generate sustainable cash flows in future to meet its obligations.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(Kartikeya Raval)
Place : New Delhi (Partner)
Date : May 8, 2017 (Membership No. 106189)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF DIGJAM LIMITED (formerly: DIGJAM TEXTILES LIMITED)

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

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

We have audited the internal financial controls over financial reporting of Digjam Limited (formerly Digjam Textiles Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Kartikeya Raval)
Place : New Delhi (Partner)
Date : May 8, 2017 (Membership No. 106189)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF DIGJAM LIMITED (formerly DIGJAM TEXTILES LIMITED)

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and the records examined by us and based on the examination of Orders provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except for the following:

Particulars of the land	Gross Block Rs. (as at the Balance Sheet Date)	Net Block Rs. (as at the Balance Sheet Date)	Remarks
Freehold land at Jamnagar, Gujarat	5,91,347	5,91,347	The documents for the land are yet to be mutated from erstwhile Birla VXL Limited (Digjam Woollen Mills) to Digjam Limited (current name).

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 confirmation directly received by us from lender.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of paragraph 2 of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provisions of the Act and Companies (Acceptance of Deposit) Rules, 2014, as amended would apply. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes except for the following:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	18.04.2006 to 31.07.2006	11,74,484	10,99,484
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Oct 2009 to Sept. 2014	115,15,579	106,51,909

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed from Government and also the Company has not issued debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has utilised the money raised by way of term loans during the year for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 2 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Place: New Delhi
Date : May 8, 2017

(Kartikeya Raval)
(Partner)
(Membership No. 106189)

**BALANCE SHEET
AS AT MARCH 31, 2017**

		(Rs.)
	As at	As at
	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES	Notes	
Shareholders' Funds		
Share Capital	3	92,64,16,210
Share Capital Suspense	3	–
Reserves and Surplus	4	14,47,68,470
Non-current Liabilities		
Long Term Borrowings	5	29,16,59,694
Other Long Term Liabilities	6	2,48,05,004
Long Term Provisions – Employee benefits	24	4,61,75,674
Current Liabilities		
Short Term Borrowings	7	50,63,94,383
Trade Payables	8	
a. Total outstanding dues of Micro and Small Enterprises		–
b. Total outstanding dues of creditors other than Micro and Small Enterprises		35,14,15,110
Other Current Liabilities	9	4,44,24,722
Short Term Provisions	10	2,08,84,013
Total		2,35,69,43,280
ASSETS		
Non-current Assets		
Fixed Assets		
Tangible Assets	11a	1,76,26,48,003
Intangible Assets	11b	11,23,364
Long Term Loans and Advances	12	22,29,212
Current Assets		
Inventories	13	40,81,99,250
Trade Receivables	14	14,63,08,724
Cash and Cash Equivalents	15	1,73,00,287
Short Term Loans and Advances	16	1,67,64,938
Other Current Assets	17	23,69,502
Total		2,35,69,43,280

Accompanying notes form integral part of the financial statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sidharth Birla
Chairman

Kartikeya Raval
Partner

Jatin Jain
Company Secretary

Satish Shah
Vice President
& Chief Financial Officer

C. Bhaskar
Managing Director
& Chief Executive Officer

New Delhi
May 8, 2017

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2017**

			(Rs.)
	Notes	Year ended 31.03.2017	Period ended 31.03.2016
INCOME			
Revenue from Operations	19	99,39,17,699	94,73,07,558
Other Income	20	1,17,12,224	68,13,054
		1,00,56,29,923	95,41,20,612
EXPENSES			
Cost of Materials Consumed	21	37,31,10,975	28,24,39,219
Purchase of Stock-in-Trade	22	15,44,08,967	14,41,03,354
Changes in Inventories (of Finished Goods, Work-in-progress and Stock-in-trade)	23	(7,61,99,117)	5,10,65,362
Employees Benefits Expense	24	25,83,89,115	18,21,27,372
Finance Costs	25	13,31,88,501	8,59,25,750
Depreciation and Amortisation Expense	11	2,83,15,530	2,17,18,257
Other Expenses	26	34,34,24,374	28,53,43,399
		1,21,46,38,345	1,05,27,22,713
Loss before Exceptional Items and Tax for the year/period		(20,90,08,422)	(9,86,02,101)
Exceptional Items	27	(1,06,28,787)	–
Loss before Tax for the year/period		(21,96,37,209)	(9,86,02,101)
Tax Expense		–	–
Net Loss after Tax for the year / Period		(21,96,37,209)	(9,86,02,101)
Earnings per Equity Share			
(Face Value – Rs. 10)	35		
Basic and Diluted – Rs.:		(2.51)	(1.13)

Accompanying notes form integral part of the financial statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sidharth Birla
Chairman

Kartikeya Raval
Partner

Jatin Jain
Company Secretary

Satish Shah
Vice President
& Chief Financial Officer

C. Bhaskar
Managing Director
& Chief Executive Officer

New Delhi
May 8, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	(Rs.)	(Rs.)
	Year ended 31.03.2017	Period ended 31.03.2016
A. Cash Flow from Operating Activities		
Net Loss before Tax	(21,96,37,209)	(9,86,02,101)
Adjusted for:		
Depreciation and Amortisation Expense	2,83,15,530	2,17,18,257
Finance Costs	13,31,88,501	8,59,25,750
Interest income	(55,82,414)	(47,43,321)
(Profit)/Loss on sale of Fixed Assets	(5,32,382)	5,295
(Gain)/Loss on Foreign Exchange Fluctuation (unrealized)	51,821	(6,716)
Operating (Loss) / Profit before working capital changes	(6,41,96,153)	42,97,164
Adjustment for (increase)/decrease in operating assets:		
Trade receivables	(1,50,68,693)	6,66,55,954
Loans & Advances	32,16,536	69,87,318
Other receivables	39,12,286	39,85,084
Inventories	(8,19,75,905)	8,31,26,962
Adjustment for (decrease)/increase in operating Liabilities:		
Trade Payables	(79,58,938)	(6,46,24,830)
Other current liabilities	1,22,88,856	27,50,409
Cash (used in) / Generated from operations	(14,97,82,011)	10,31,78,061
Direct taxes Receipts	5,08,196	3,84,834
Net Cash (Used in) / Generated from Operating Activities... (A)	(14,92,73,815)	10,35,62,895
B. Cash Flow from Investing Activities		
Capital Expenditure on Purchase of Fixed Assets	(84,48,183)	(6,48,873)
Proceeds from Sale of Fixed Assets	7,21,902	38,150
Bank Balances not considered as Cash and Cash Equivalents – Matured (Invested)	–	30,35,636
Interest received	(20,95,830)	–
	55,82,414	47,43,321
Net Cash (Used in) / Generated from Investing Activities.. (B)	(42,39,697)	71,68,234
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	15,20,13,992	72,67,211
(Repayment of) / Proceeds from Short Term Borrowings	11,68,36,843	(2,60,02,873)
(Repayment of) / Proceeds from Borrowings (net)	26,88,50,835	(1,87,35,662)
Interest and Financial Charges	(11,72,98,078)	(9,27,24,063)
Proceeds from Issue of Equity Shares (refer note 1C)	–	5,00,000
Net Cash (Used in) / Generated from Financing Activities.. (C)	15,15,52,757	(11,09,59,725)
Net (decrease) in Cash and Cash Equivalents (A+B+C)	(19,60,755)	(2,28,596)
Cash and Cash Equivalents (Opening Balance)	36,80,112	–
Add: Pursuant to Scheme of Amalgamation (Refer Note No. 1C)	–	39,08,708
Cash and Cash Equivalents (Closing Balance) (refer note 15(A))	17,19,357	36,80,112

Notes :

1. Cash and Cash Equivalents (Refer Note No. 15A) foreign exchange fluctuation (unrealised) in bank balance in foreign exchange – Rs. (9,213) [(Previous Period Rs. (746)).
2. For non-cash transactions in previous period relating to investing and financing activities pursuant to the Scheme refer Note 1B.
3. Cash flows of the previous period have been adjusted for the balances transferred from the amalgamated company.

Accompanying notes form integral part of the financial statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sidharth Birla
Chairman

Kartikeya Raval
Partner
New Delhi
May 8, 2017

Jatin Jain
Company Secretary

Satish Shah
Vice President
& Chief Financial Officer

C. Bhaskar
Managing Director
& Chief Executive Officer

Notes to the 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. In terms of the Scheme, the Company has allotted 8,76,41,621 fully paid-up Equity Shares of Rs. 10 each at a premium of Rs. 5 per Equity Share and 5,00,000 - 8% Non-Convertible Redeemable Preference Shares of Rs. 100 each at par fully paid-up in the ratio of 1 share for every 1 share held in the Amalgamating Company. The Scheme provided for cancellation of inter-company balances and inter-company investments.
- C. The amalgamation has been accounted for as per "The Purchase Method" prescribed under Accounting Standard 14 - "Accounting for Amalgamations" (AS 14) issued by the Institute of Chartered Accountants of India and notified by the Central Government. Accordingly, all the assets and liabilities of the Amalgamating Company were recorded in the books of the Company, at respective fair values, as determined by an approved valuer/the management, as at the Appointed Date. Accordingly, the difference of Rs. 2,47,99,675 between the value of net assets of the Amalgamating Company as recorded in the Company's books and the amount credited to Share Capital Suspense Account and Securities Premium Suspense Account and cancellation of inter-company balances and inter-company investments has been credited to Capital Reserve.
- D. Pursuant to the Scheme of Amalgamation, the Authorised Share Capital of the Amalgamating Company stands combined with the Authorised Share Capital of the Company and the Authorised Share Capital of the Company is reflected accordingly.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"). The Financial Statements have been prepared on accrual basis under the historical cost convention, except that the Assets & Liabilities of the Amalgamating Company, transferred to and vested in the Company are recorded at their respective fair values, as on the appointed date.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP required the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates as are recognised in the periods in which the results are known/materialise.

2.3 Fixed Assets

Fixed assets are stated at cost of acquisition (i.e. fair value on the Appointed Date as determined under the Scheme of Amalgamation) less depreciation and Impairment, if any. The cost is inclusive of freight, duties, taxes, incidental expenses related to acquisition/installation. Fixed assets acquired and put to use for project purposes are capitalized when the project is ready for intended use and all costs and revenues till then are capitalized with the project cost. Projects under which tangible fixed assets are not yet ready for their intended use are carried as capital-work-in-progress at cost comprising direct cost, related incidental expenses and attributable interest.

2.4 Depreciation and Amortisation

Depreciation on tangible fixed assets except Building and Plant & Machinery has been charged under Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on Building and Plant & Machinery has been charged on Straight Line Method over the useful life of Assets as determined by the Valuer while evaluating fair value.

Amortisation in respect of intangible assets is provided on straight line basis over the period of underlying contract or estimated period of its economic life.

2.5 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of the assets exceeds the recoverable amount. The impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.6 Investments

Long Term investments are stated at cost less provision for diminution in value other than temporary, if any.

2.7 Inventories

Inventories include stock-in-transit/bonded warehouses and with others for manufacturing/processing/replacement. Inventories are valued at lower of cost and net realizable value, cost is determined on the weighted average method. Finished goods and

process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer (on despatch to the buyer) and are reported net of turnover/trade discounts, returns and claims.

Income from Services: Revenue is recognized on accrual basis.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is accounted on time proportion basis taking into account the amount outstanding and applicable interest rate.

Others: 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 on cash basis.

2.9 Employee Benefits

Contributions to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to a government administered Provident Fund and to recognised trust respectively, and are charged to the statement of Profit and Loss as incurred. The Company has no further obligations beyond its contributions to these funds.

Provision for gratuity, under a LIC administered fund, and compensated absences, which are in the nature of defined benefit plans, are provided based on actuarial valuations based on projected unit credit method, as at the balance sheet date.

Termination benefits are recognized as expense as and when incurred.

2.10 Borrowing Cost

Borrowing cost relating to (i) funds borrowed for acquisition/construction of qualifying assets are capitalised up to the date the assets are put to use, and (ii) funds borrowed for other purposes are charged to the statement of Profit and Loss.

2.11 Research & Development Expenditure

Research and Development expenses of revenue nature are charged to the statement of Profit and Loss under respective heads of account and capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

2.12 Leases

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as expense in the statement of Profit and Loss on a straight line basis.

2.13 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.14 Government Grants

Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Project capital subsidy is credited to Capital Reserve. Other government grants or subsidies including export incentives are credited to the statement of Profit and Loss or deducted from related expenses.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities, if any, are not recognized in the accounts but are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.16 Foreign Currency Transactions and Forward Contracts

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing at time of transaction. Monetary items denominated in foreign currencies and outstanding at the year-end are translated at year-end rates. Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expenses in the statement of Profit & Loss for the year in which they arise.

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense in the period in which such cancellation or renewal is made.

2.17 Segment reporting

The Company identifies primary segments based on dominant source, nature of risks and returns and the internal organisation and

management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.19 Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of operating and liabilities as current and non-current.

3. Share Capital

	As at 31.03.2017	(Rs.) As at 31.03.2016
Authorised (Refer Note No. 1D)		
10,00,50,000 Equity Shares of Rs. 10 each (March 31, 2016: 10,00,50,000)	100,05,00,000	100,05,00,000
25,00,000 Preference Shares of Rs. 100 each (March 31, 2016: 25,00,000)	25,00,00,000	25,00,00,000
	125,05,00,000	125,05,00,000
Issued, Subscribed & fully paid up		
8,76,41,621 Equity Shares of Rs. 10 each (March 31, 2016 : Nil)	87,64,16,210	—
5,00,000 Preference Shares of Rs. 100 each (March 31, 2016 : Nil)	5,00,00,000	—
	92,64,16,210	—

In terms of the Scheme, the paid-up Equity Share Capital of Rs. 5,00,000 held by the erstwhile holding Company stands cancelled. (Refer Note No. 1B)

3.1 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.

The Non-Convertible Redeemable Preference Shares of Rs. 100 each to be allotted under the Scheme of Amalgamation on the same terms and conditions on which the said shares were allotted by the Amalgamating Company and are entitled to dividend @ 8% p.a. (non-cumulative) in preference to the Equity Shares 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 27, 2015 is deemed to be the relevant date. Consequently, w.e.f March 27, 2017, the Preference Shares are entitled to Voting Rights in terms of the second proviso to sub-section (2) of section 47 of the Companies Act, 2013.

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.

The Non-Convertible Redeemable Preference Shares are redeemable at par at the end of 10 years from March 27, 2015 with an option to the Company to redeem at any time earlier thereto

3.2 Share Capital Suspense

	As at 31.03.2017	(Rs.) As at 31.03.2016
Shares to be issued pursuant to Scheme of Amalgamation		
(Refer Note No. 1B)		
Particulars		
8,76,41,621 Equity Shares of Rs. 10 each	—	87,64,16,210
5,00,000, 8% Non-Convertible Redeemable Preference Shares of Rs. 100 each	—	5,00,00,000
	—	92,64,16,210

3.3 Reconciliation of number of Shares

	(Nos.)
Equity Shares	
Number of Shares at the beginning of the year/period	—
Shares issued and allotted upon incorporation	50,000
Share issued and allotted during the year/period pursuant to the Scheme (Refer Note 1B)	8,76,41,621
Cancellation on account of the Scheme (Refer Note 1B)	—
Balance at the year/ period end	8,76,41,621

	As at 31.03.2017	(Nos.) As at 31.03.2016
Preference Shares		
Number of Shares at the beginning of the year/period	—	—
Share issued and allotted during the year/period pursuant to the Scheme (Refer Note 1B)	5,00,000	—
Balance at the year/period end	5,00,000	—

3.4 Shareholders holding more than 5% shares in the Company

I. Equity Shares of Rs. 10 each

Central India General Agents Ltd.: 1,65,14,000 Shares; 18.84% (Previous Period 1,65,14,000 Shares; 18.84%)

ICICI Bank Ltd. 87,63,381 Shares; 10.00% (Previous Period 87,63,381 Shares; 10.00%)

Birla Holdings Ltd.: 72,50,000 Shares; 8.27% (Previous Period 72,50,000 Shares; 8.27%)

iPro Capital Ltd.: 30,00,000 Shares; 3.42% (Previous Period 70,00,000 Shares; 7.99%)

Sukriti Education Society: 48,09,881 Shares; 5.49% (Previous Period 48,09,881 Shares; 5.49%)

II. 8% Non- Convertible Redeemable Preference Shares of Rs. 100 each

Central India General Agents Ltd.: 5,00,000 Shares; 100% (Previous Period 5,00,000 Shares; 100%)

Previous period numbers refer to the proportionate number of shares that have been allotted on April 29, 2016 under the Scheme. Percentages have been rounded to the nearest second decimal place.

	As at 31.03.2017	(Rs.) As at 31.03.2016
4. Reserves and Surplus		
Capital Reserve (Refer Note No. 1C)		
Opening Balance	2,47,99,675	—
Pursuant to Scheme of Amalgamation	—	2,47,99,675
Closing Balance	2,47,99,675	2,47,99,675
Surplus/(Deficit)		
Opening Balance	(9,86,02,101)	—
(Loss) after tax as per the Statement of Profit and Loss	(21,96,37,209)	(9,86,02,101)
Closing Balance	(31,82,39,310)	(9,86,02,101)
Security Premium Account (Refer Note No. 1B)	43,82,08,105	—
Security Premium Suspense (Refer Note No. 1C)	—	43,82,08,105
Reserve & Surplus (Total)	14,47,68,470	36,44,05,679

	As at 31.03.2017		As at 31.03.2016
	Non-current portion	Current Maturities	Non-current portion Current Maturities
5. Long Term Borrowings			
Secured			
Term Loans :			
- Banks and Financial Institutions	12,52,59,694	2,15,512	4,75,206 1,94,590
Unsecured			
Intercompany Deposits	16,64,00,000	—	9,14,00,000 —
	29,16,59,694	2,15,512	9,18,75,206 1,94,590

Note: Amount stated in "Current Maturities" are amounts disclosed under the head "Other Current Liabilities" (Refer Note 9)

Loan from a Bank, total outstanding Rs. 12,50,00,000 (Previous Period Rs: Nil), carrying interest linked to the bank's Base Rate, is secured by first charge on fixed assets at Jamnagar and DIGJAM Brand and second pari passu charge on present and future stocks of raw materials, stock-in-process, finished goods and other current assets besides pledge of part of promoters' shareholding. The loan is repayable in 3 equal instalments payable after 24 Months, 30 Months and 34 months respectively from 24.06.2016.

Loan from Housing Development Finance Corporation Limited total outstanding - Rs. Nil (Previous Period Rs. Nil) together with the right of recompense, if any, on account of settlement is secured by mortgage on specified immovable properties.

Loan from bank for purchase of vehicles total outstanding – Rs. 4,75,206 (Previous Period: Rs. 6,69,796) are secured against the vehicles purchased out of those loans. The loan is repayable, in 25 equated monthly instalments, by April 2019.

Unsecured Intercompany Deposits of Rs. 16,64,00,000 (Previous Period: Rs. 9,14,00,000) are repayable after June, 2018.

		(Rs.)
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
6. Other Long Term Liabilities		
Security Deposits from Dealers and Selling Representatives	<u>2,48,05,004</u>	<u>2,25,75,500</u>
7. Short Term Borrowings		
Secured Loans from Banks	50,14,94,383	38,46,78,462
Unsecured Intercompany Deposits	49,00,000	5,49,00,000
	<u>50,63,94,383</u>	<u>43,95,78,462</u>

Secured loans are for working capital from consortium of banks, comprising of UCO Bank and State Bank of India, and are secured by first charge on inventories and book debts besides second charge on movable machinery and fixed assets at Jamnagar as well as on DIGJAM brand, all ranking pari passu, and pledge of part of the promoters' shareholding in the Company.

8. Trade Payables		
Acceptances	10,01,51,772	14,51,85,227
Others	25,12,63,338	21,41,88,821
	35,14,15,110	35,93,74,048

There are no dues and no payment has been made to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Company, as at March 31, 2017, which requires disclosure under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by auditors.

9. Other Current Liabilities		
Current maturities of long term loans (secured)	2,15,512	1,94,590
Interest Accrued and due on borrowings	1,65,60,064	28,65,107
Interest accrued but not due on borrowings	51,32,342	29,36,876
Advance from Customers	1,41,19,997	1,66,79,821
Statutory Liabilities	83,96,807	65,72,072
	<u>4,44,24,722</u>	<u>2,92,48,466</u>

10. Short Term Provisions		
Short Term Employees Benefits	2,00,56,487	1,77,16,775
Provision for Fringe Benefit Tax (Refer Note 15)	8,27,526	8,27,526
	<u>2,08,84,013</u>	<u>1,85,44,301</u>

										(Rs.)
11. FIXED ASSETS		Gross Block			Depreciation & Amortisation				Net Block	
	As at April 1, 2016	Additions	Sale/ Adjust- ments	As at March 31, 2017	As at April 1, 2016	For the Year	On Sale/ Adjust- ments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
11. a. Tangible Assets										
Land	1,49,86,18,134	—	—	1,49,86,18,134	—	—	—	—	1,49,86,18,134	1,49,86,18,134
Building	13,45,84,000	—	—	13,45,84,000	31,54,134	41,86,203	—	73,40,337	12,72,43,663	13,14,29,866
Plant & Equipment	16,37,23,000	54,57,311	—	16,91,80,311	1,66,00,468	2,21,33,149	—	3,87,33,617	13,04,46,694	14,71,22,532
Furniture & Fixtures	11,40,681	8,78,142	—	20,18,823	1,08,875	1,93,153	—	3,02,028	17,16,795	10,31,806
Vehicles	30,08,171	13,78,502	1,60,205	42,26,468	6,54,091	8,11,017	1,15,649	13,49,459	28,77,009	23,54,080
Office Equipment	25,60,151	7,34,228	4,43,996	28,50,383	7,53,247	6,50,459	2,99,031	11,04,675	17,45,708	18,06,904
	1,80,36,34,137	84,48,183	6,04,201	1,81,14,78,119	2,12,70,815	2,79,73,981	4,14,680	4,88,30,116	1,76,26,48,003	1,78,23,63,322
Previous Period	—	1,80,36,77,582	43,445	1,80,36,34,137	—	2,12,70,815	—	2,12,70,815	1,78,23,63,322	
11. b. Intangible Assets										
Software	19,12,355	—	—	19,12,355	4,47,442	3,41,549	—	7,88,991	11,23,364	14,64,913
Previous Period	—	19,12,355	—	19,12,355	—	4,47,442	—	4,47,442	14,64,913	

	(Rs.)	
	As at 31.03.2017	As at 31.03.2016
12. Long Term Loans and Advances		
(Unsecured, considered good)		
Security Deposits	22,29,212	22,15,800
Advances to Showrooms	—	14,82,314
Others	—	7,65,000
	<u>22,29,212</u>	<u>44,63,114</u>
13. Inventories		
(Please refer Note 2.7 for accounting policy for valuation)		
Raw Materials*	4,38,86,186	3,66,48,041
Work-in-progress	17,48,35,054	13,80,49,400
Finished Goods	15,65,40,142	11,47,03,560
Stock-in-trade	2,42,26,247	2,66,49,366
Stores and Spares	87,11,621	1,01,72,978
	<u>40,81,99,250</u>	<u>32,62,23,345</u>
* Includes goods in transit Rs. 1,32,48,766 (Previous period Rs. 1,04,45,491)		
14. Trade Receivable		
(Secured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	2,00,000	69,294
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment (Net)*	53,49,097	11,56,775
Others	14,07,59,627	13,00,56,570
	<u>14,63,08,724</u>	<u>13,12,82,639</u>
*excludes doubtful receivables - Rs. 3,48,03,092 (Previous Period Rs. 3,50,02,778) fully provided for.		
15. Cash and Cash Equivalents		
Cash on hand	2,23,062	3,09,833
Balances with Banks		
- Current Accounts	11,58,562	33,16,764
- Export Earners Foreign Currency Accounts	3,37,733	53,515
Total Cash & Cash Equivalents (As per AS-3 Cash Flow Statements) (A)	<u>17,19,357</u>	<u>36,80,112</u>
Other Balances with Banks		
- Fixed Deposits in earmarked accounts Balances held as Margin Money	1,44,06,037	1,23,10,103
- Fringe Benefit Tax Account	11,74,893	11,74,997
Total – Other Bank Balances (B)	<u>1,55,80,930</u>	<u>1,34,85,100</u>
Total Cash and Cash Equivalents (A+B)	<u>1,73,00,287</u>	<u>1,71,65,212</u>
16. Short Term Loans and Advances		
(Unsecured, considered good)		
Security Deposits	14,30,200	11,93,200
Balances with Government Authorities*	20,49,789	20,61,808
Advance Income Tax	19,63,667	24,71,863
Prepaid Expenses	34,48,553	35,02,749
Advances to Vendors	45,99,980	45,46,320
Advances to Showrooms	5,69,412	7,65,196
Interest Free Loan to Employees	—	1,95,000
Other Advances	27,03,337	35,19,632
	<u>1,67,64,938</u>	<u>1,82,55,768</u>

	(Rs.)	
	As at 31.03.2017	As at 31.03.2016
17. Other Current Assets		
Export Benefits Receivable	18,41,125	58,82,923
Interest Accrued but not due (on deposits with Bank)	5,28,377	3,98,865
	23,69,502	62,81,788
18. Contingent Liabilities and Commitments		
Contingent Liabilities		
Service Tax matters under appeal	1,26,90,062	1,31,22,490
Stamp Duty – Pursuant to the Scheme	49,29,581	—
(In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote)		
		(Rs.)
	Year ended	Period ended
	31.03.2017	31.03.2016
19. Revenue from Operations		
Sale of Goods		
- Cloth	95,21,93,864	91,56,96,945
- Others	1,20,24,359	1,35,64,776
Sub-total	96,42,18,223	92,92,61,721
Export Incentives and Claims	2,75,80,358	1,60,68,101
Other Operating Revenue	21,19,118	19,77,736
Revenue from Operations	99,39,17,699	94,73,07,558
20. Other Income		
Interest Income	55,82,414	47,43,321
Provisions/Liabilities no longer required written back	54,28,987	2,18,444
Profit on sale of Fixed Assets	5,32,382	—
Gain on Foreign Exchange Fluctuation (Net)	—	10,95,554
Other Non-operating Income	1,68,441	7,55,735
	1,17,12,224	68,13,054
21. Cost of Materials Consumed		
Inventories at the beginning of the year/period	3,66,48,041	—
Add: Acquired pursuant to the Scheme of Amalgamation (Refer Note 1C)	—	6,41,27,569
Add: Purchase during the year/ period	38,44,90,115	25,94,79,608
	42,11,38,156	32,36,07,177
Less: Sales	41,40,995	45,19,917
	41,69,97,161	31,90,87,260
Less: inventories at the end of year/period	4,38,86,186	3,66,48,041
Cost of Materials consumed	37,31,10,975	28,24,39,219
Details of Material consumed		
Wool and Synthetic Fibers	34,60,46,905	25,69,35,266
Yarn (bought out)	1,53,75,229	1,87,64,147
Others	1,16,88,841	67,39,806
	37,31,10,975	28,24,39,219
22. Purchase of Stock-in-Trade		
Cloth	14,34,19,995	13,06,45,551
Others	1,09,88,972	1,34,57,803
	15,44,08,967	14,41,03,354

		(Rs.)
	Year ended 31.03.2017	Period ended 31.03.2016
23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the beginning of the year/period		
Finished Goods	11,47,03,560	—
Work-in-progress	13,80,49,400	—
Stock-in-trade	2,66,49,366	—
Sub-total (I)	27,94,02,326	—
Acquired Pursuant to the Scheme of Amalgamation (Refer Note 1C)		
Finished Goods	—	10,99,63,407
Work-in-progress	—	18,73,95,550
Stock-in-trade	—	3,31,08,731
Sub-total (II)	—	33,04,67,688
Closing Stock:		
Finished Goods	15,65,40,142	11,47,03,560
Work-in-progress	17,48,35,054	13,80,49,400
Stock-in-trade	2,42,26,247	2,66,49,366
Sub-total (III)	35,56,01,443	27,94,02,326
Net (Increase) / Decrease	(7,61,99,117)	5,10,65,362
24. Employees Benefits Expense		
Salaries, Wages, Bonus, etc.	20,23,98,542	14,98,93,259
Contribution to Provident & other funds	3,45,03,048	1,86,39,480
Employees Welfare expenses	2,14,87,525	1,35,94,633
	25,83,89,115	18,21,27,372

Defined benefits plans: 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 the IRDA Regulations. The Company also provides compensated absences to the employees. The details of these defined benefit plans recognized in the financial statements are as under:

	Gratuity		Compensated Absences	
	Year ended 31.03.2017	Period ended 31.03.2016	Year ended 31.03.2017	Period ended 31.03.2016
a. Reconciliation of opening and closing balances of the present value of defined benefit obligation				
Obligation at the beginning of the year/period	12,61,58,955	—	1,87,85,060	—
Add: Pursuant to Scheme of amalgamation (Refer Note 1A)	—	12,37,98,294	—	1,83,83,001
Current Service Cost	52,88,705	40,19,047	52,42,020	26,02,305
Interest Cost	1,03,57,650	77,43,583	15,42,253	11,49,857
Actuarial (gain)/loss	44,97,918	(18,49,956)	(26,29,303)	(24,23,385)
Benefits paid	(1,45,68,701)	(75,52,013)	(18,89,114)	(9,26,718)
Obligation at the end of the year/period	13,17,34,527	12,61,58,955	2,10,50,916	1,87,85,060
b. Reconciliation of opening and closing balances of fair value of plan assets				
Plan assets at the beginning of the year/period, at fair value	9,17,45,011	—	—	—
Add: Pursuant to Scheme of amalgamation (Refer Note 1A)	—	9,39,50,905	—	—
Expected Return on Plan Assets	75,32,265	58,76,629	—	—
Actuarial gain/(loss)	(11,55,293)	(5,30,510)	—	—
Contribution	30,00,000	—	—	—
Benefits paid	(1,45,68,701)	(75,52,013)	—	—
Plan assets at the end of the year/period at fair value	8,65,53,282	9,17,45,011	—	—

(Rs.)

	Gratuity		Compensated Absences	
	Year ended 31.03.2017	Period ended 31.03.2016	Year ended 31.03.2017	Period ended 31.03.2016
c. Net Liability recognised in Balance Sheet				
Obligation at the end of the year/period	13,17,34,527	12,61,58,955	2,10,50,916	1,87,85,060
Less: Plan assets at the end of the year/period at fair value	(8,65,53,282)	(9,17,45,011)	—	—
Liability recognised in Balance Sheet as at the end of the year/period as under:	4,51,81,245	3,44,13,944	2,10,50,916	1,87,85,060
- Long Term Provision for Employees Benefits	3,08,76,502	2,11,98,001	1,52,99,172	1,42,84,228
- Short Term Provision for Employees Benefits	1,43,04,743	1,32,15,943	57,51,744	45,00,832
d. Components of employer expense for the year/period				
Current service cost	52,88,705	40,19,047	52,42,020	26,02,305
Interest cost	1,03,57,650	77,43,583	15,42,253	11,49,857
Expected return on plan assets	(75,32,265)	(58,76,629)	—	—
Net Actuarial (gain)/loss	56,53,211	(13,19,446)	(26,29,303)	(24,23,385)
Net cost	1,37,67,301	45,66,555	41,54,970	13,28,777
e. Assumptions	%	%	%	%
Discount Rate (p.a.)	7.26	8.21	7.26	8.21
Expected Rate of Return on plan assets (p.a.)	7.26	8.21	—	—
Expected rate of increase in compensation levels (p.a.)	6.00	6.00	6.00	6.00
f. Experience History			2016-17	2015-16
Gratuity				
Defined Benefit Obligation at the beginning of the year/period			13,17,34,527	—
Plan Assets at the end of the year/period			8,65,63,282	9,17,45,011
Funded Status – Surplus/(Deficit)			(4,51,81,245)	(3,44,13,944)
Experience Adjustment on Plan Liabilities- (Gain)/Loss			(28,54,753)	(28,56,713)
Experience Adjustment on Plan Assets Gain/(Loss)			(11,55,293)	(5,30,510)
Compensated Absences				
Defined Benefit Obligation at the end of the year/period			2,10,50,916	1,87,85,060
Funded Status – Surplus/(Deficit)			(2,10,50,916)	(1,87,85,060)
Experience Adjustment on Plan Liabilities – (Gain)/Loss			(38,47,316)	(25,77,146)
g.	The contribution expected to be made by the Company during the next financial year has not been ascertained.			
h.	The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.1,77,76,651 (Previous Period Rs. 1,30,34,064) for Provident Fund contributions, Rs. 23,88,855 (Previous Period Rs.10,38,859) for Superannuation Fund contributions and Rs. 47,95,446 (Previous Period Rs. 34,06,935) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.			

25. Finance Costs

(Rs.)

	Year ended 31.03.2017	Period ended 31.03.2016
Interest Expenses	12,10,98,428	7,65,90,197
Other Borrowing Costs	1,20,90,073	93,35,553
	13,31,88,501	8,59,25,750

		(Rs.)
	Year ended 31.03.2017	Period ended 31.03.2016
26. Other Expenses		
Stores and Spares consumed	4,32,90,883	3,46,51,940
Power and Fuel	11,35,16,561	9,24,75,874
Processing Expenses	2,75,38,009	2,02,49,903
Repairs to Building	46,20,568	18,62,310
Repairs to Machinery	1,41,54,198	83,74,113
Repairs (Others)	14,89,377	9,48,171
Insurance	36,14,648	24,02,706
Directors Fees including Service Tax	12,20,033	12,82,821
Professional & Legal Fees and Expenses@	1,51,94,032	1,14,54,178
Payment to Auditors*	17,53,063	10,61,289
Rates & Taxes	18,24,688	14,07,016
Rent **	99,86,287	86,37,134
Traveling Expenses	1,52,28,011	87,48,166
Advertisement & Sales Promotion	3,71,19,661	4,21,44,210
Brokerage, Rebate, Discount & Commission	2,06,01,428	2,35,93,218
Loss on Foreign Exchange Fluctuation (Net)	7,13,886	—
Bad Debts written off	10,002	25,204
Loss on Sale/Discard of Fixed Assets (Net)	—	5,295
Freight & other Selling Expenses	95,30,482	1,25,43,905
Miscellaneous Expenses	2,20,18,557	1,34,75,946
	34,34,24,374	28,53,43,399
 *Payment to Auditors		
As Auditors	8,00,000	8,00,000
For Other Services (included in Professional & Legal fees and expenses)	6,50,000	6,26,660
Service Tax	1,20,000	1,15,500
Reimbursement of expenses	1,83,063	1,45,789
	17,53,063	16,87,949
 @ includes amount paid to a firm in which some of the partners of the Statutory Auditors are partners: Rs. Nil. (Previous period Rs. 30,000)		
 ** The Company is lessee under various operating leases, none of which is non-cancellable.		
27. Exceptional items represent the one time Stamp Duty liability under Gujarat Stamp Act, 1958 pursuant to the Scheme.		
28. In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax asset has not been recognised.		
29. The Company has been adversely affected by the steep fall in consumer product sales during the year. This significantly impacted the performance and cash flows of the Company resulting in substantial loss for the year and as on March 31, 2017 the Company's current liabilities are over its current assets. The Management expects improved operating cash flows with market revival. This is expected to result in sustainable cash flows and accordingly the Financial Statements continue to be presented on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.		
30. Foreign Currency Transactions		
i. Value of Imports on CIF Basis		
Raw Materials	—	70,59,273
Store & Spare parts (incl. Components)	1,07,66,340	21,13,685
ii. Expenditure in Foreign Currency		
Commission	41,10,523	59,36,863
Traveling expenses	20,48,540	13,40,655
Others	14,12,075	5,82,705
iii. Earnings in Foreign Exchange		
Export (including Deemed) of goods (on FOB basis)	33,79,64,325	31,13,99,867

31. Foreign Exchange Exposure

- i. There are no outstanding foreign exchange exposures hedged under forward contracts.
- ii. The foreign exchange exposures not covered under forward contracts -

Receivables : EURO – 17,409, Rs. 12,34,793 (Previous Period: EURO – 8,558, Rs. 6,45,477), USD – 4,58,667, Rs. 2,97,40,067, (Previous Period: USD – 200, Rs. 13,266) and GBP – 50, Rs. 4,048 (Previous Period: GBP – 50 Rs. 4,780).

Payables : EURO – 82,131, Rs. 56,82,472 (Previous Period: EURO – 57,254, Rs. 43,20,991), USD – 90,779, Rs. 58,87,935 (Previous Period: USD – 90,490, Rs. 59,97,716)

32. Value of Consumables

	Year ended 31.03.2017		Period ended 31.03.2016	
	Rs.	%	Rs.	%
Raw Material				
Imported	1,47,543	0.04	3,03,51,712	10.75
Indigenous	37,29,63,432	99.96	25,20,87,507	89.25
	<u>37,31,10,975</u>	<u>100.00</u>	<u>28,24,39,219</u>	<u>100.00</u>
Spares and Components				
Imported	70,17,726	16.21	34,13,598	9.85
Indigenous	3,62,73,157	83.79	3,12,38,342	90.15
	<u>4,32,90,883</u>	<u>100.00</u>	<u>3,46,51,940</u>	<u>100.00</u>

33. Segment Information

(in terms of AS 17)

As the Company operates in a single business segment "Textiles", the primary segment information in terms of AS 17 is not required to be given. The information based on location of customers are as under:

		(Rs.)
	Year ended 31.03.2017	Period ended 31.03.2016
Revenue		
Within India	67,37,07,449	63,86,11,538
Outside India (excluding Deemed Exports)	32,02,10,250	30,86,96,020
Total	<u>99,39,17,699</u>	<u>94,73,07,558</u>
Carrying amount of Assets		
Within India	2,29,93,03,580	2,25,69,77,420
Outside India	5,76,39,700	3,05,22,681
Total	<u>2,35,69,43,280</u>	<u>2,28,75,00,101</u>
Additions to Fixed Assets		
Within India (including Pursuant to the Scheme of Amalgamation Refer Note No. 1C)	84,48,183	1,80,55,89,937
Outside India	—	—
Total	<u>84,48,183</u>	<u>1,80,55,89,937</u>

34. Related Party Disclosures

(in terms of AS 18)

- i. Key Managerial Personnel:

Sri C. Bhaskar (Managing Director & Chief Executive Officer) – Remuneration – Rs. 35,62,350 (Previous Period: Rs.25,14,600). The remuneration exclude gratuity funded through LIC, and leave obligation for which contribution/provision are not separately identified. There was no other transaction with him during the aforesaid period.

- ii. Xpro India Ltd. (a company where common management may be deemed to exist) - aggregate of Short Term Deposits taken from them from time to time – Rs. 1,50,00,000; (Previous Period Rs. Nil) Deposits repaid from time to time – Rs. 1,50,00,000 (Previous Period Rs. 2,50,00,000), Interest expense (gross) on above Deposits – Rs.18,82,192 (Previous Period Rs. 28,72,429) and Expenses reimbursed – Rs.17,68,681 (Previous Period Rs.7,39,784). Maximum outstanding balance (credit) during the year – Rs. 1,77,47,715 (Previous Period Rs.2,62,04,823). Outstanding balance as at March 31, 2017 – Rs. 27,47,715 (Previous Period Rs. Nil).

35. Earnings Per Share

(in terms of AS 20)

		Year ended 31.03.2017	Period ended 31.03.2016
(Loss) after Tax	Rs.	(21,96,37,209)	(9,86,02,101)
(Loss) pertaining to equity shareholders	Rs.	(21,96,37,209)	(9,86,02,101)
Number of Equity Shares*	Nos.	8,76,41,621	8,76,41,621
Nominal value per Equity Share	Rs.	10	10
Basic & Diluted Earnings per share:	Rs.	(2.51)	(1.13)

***Note :**

For the purpose of calculating Earnings Per Share for the period ended March 31, 2016 the Equity Shares issued pursuant to the Scheme (Refer Note No. 1B) have been considered effective close of business as on June 30, 2015, being the Appointed Date under the Scheme and the Equity Shares on incorporation have been ignored since the same are cancelled there under.

36. Disclosure on Specified Bank Notes (SBNs)

Specified Bank Notes (SBNs) and other denominations held and transacted during the period from November 8, 2016 to December 30, 2016, is given below as per MCA notification G.S.R 308(E) dated March 30, 2017:

Particulars	SBNs*	Other Denomination Notes	(Rs.) Total
Closing cash in hand as on November 08, 2016	74,88,000	5,94,193	80,82,193
(+) Permitted receipts	—	17,34,843	17,34,843
(-) Permitted Payments	—	17,32,795	17,32,795
(-) Amount deposited in Bank	**74,88,000	32,000	75,20,000
Closing cash in hand as on December 30, 2016	—	5,64,241	5,64,241

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning as provided in the notification of the Govt. of India in Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E) dated the 8th November, 2016.

** This does not include unauthorized deposits amounting to Rs. 1,92,852 by customers in the Company's Bank account which has not been accounted for in the Company's books.

- 37.** There is a claim raised by Asset Reconstruction Company (India) Limited ("Arcil") in Debt Recovery Tribunal on account of duly settled dues, for which even the relevant charges registered with Registrar of Companies, Gujarat had been satisfied in terms of Arcil's no objection letter. The Company has been legally advised that the claim is not tenable and does not expect any outflows on this account.
- 38.** The previous period's figures have been regrouped / reclassified as necessary.
- 39.** Figures for the period ended March 31, 2016 are from June 17, 2015 (date of Incorporation). Accordingly, the figures for previous period are not comparable.

For and on behalf of the Board

Sidharth Birla
Chairman

Satish Shah
Vice President
& Chief Financial Officer

C. Bhaskar
Managing Director
& Chief Executive Officer

New Delhi
May 8, 2017

Jatin Jain
Company Secretary

FORM : MGT - 11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DIGJAM LIMITED

(formerly Digjam Textiles Limited)

CIN: L17123GJ2015PLC083569; Regd. Office: Aerodrome Road, Jamnagar 361 006 (Gujarat)
Tel.: 91-288-2712972/3; Fax: 91-288-2712991; e-mail: cosec@digjam.co.in; website: www.digjam.co.in

Name of the member(s) :
Registered address :
E-mail id :
Folio No./Client ID & DP ID :

I/We, being the member(s) of shares of the above named company, hereby appoint:

- 1) Name: Address:
e-mail id: Signature: or failing him;
- 2) Name: Address:
e-mail id: Signature: or failing him;
- 3) Name: Address:
e-mail id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Second** Annual General Meeting of the Company to be held on **Friday, September 22, 2017 at 10.00 a.m.** at the Registered Office of the Company at Aerodrome Road, Jamnagar 361 006, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.	1	2	3	4	5	6
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Signed this day of 2017

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CUT HERE

ATTENDANCE SLIP

(To be presented at the entrance)

2ND ANNUAL GENERAL MEETING ON FRIDAY SEPTEMBER 22, 2017 AT 10.00 A.M. OF

DIGJAM LIMITED

(formerly Digjam Textiles Limited)

CIN: L17123GJ2015PLC083569; at the Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat)
Tel.: 91-288-2712972/3; Fax: 91-288-2712991; e-mail: cosec@digjam.co.in; website: www.digjam.co.in

Folio No./DP ID No.& Client ID No. No. of Shares

Name of the Member Signature

Name of the Proxy holder Signature

If undelivered, please return to :

DIGJAM LIMITED

(formerly Digjam Textiles Limited)

Aerodrome Road,

Jamnagar 361 006 (Gujarat)

INDIA