

DIGJAM LIMITED

(CIN: L17110GJ1948PLC000753)

Registered Office: Aerodrome Road, Jamnagar 361 006

(Gujarat)

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PART I: Statement of Standalone Unaudited Financial Results for the Quarter and Six months ended September 30, 2014

(₹ in lacs)

| Sl. | Particulars | Quarter ended | | | Year to date for period ended | | Year ended |
|-----|--|----------------------|-----------------|----------------------|-------------------------------|----------------------|------------------|
| | | September 30 2014 | June 30 2014 | September 30 2013 | September 30 2014 | September 30 2013 | March 31 2014 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income from Operations | | | | | | |
| | a) Net Sales/Income from Operations (Net of Excise Duty) | 3,518 | 2,358 | 3,881 | 5,876 | 6,977 | 14,643 |
| | b) Other Operating Income | 59 | 78 | 65 | 137 | 207 | 375 |
| | Total Income from Operations (Net) | 3,577 | 2,436 | 3,946 | 6,013 | 7,184 | 15,018 |
| 2 | Expenses | | | | | | |
| | a) Cost of materials consumed | 1,293 | 1,014 | 1,393 | 2,307 | 2,660 | 5,146 |
| | b) Purchases of stock-in-trade | 456 | 169 | 436 | 625 | 915 | 2,164 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 24 | 64 | 191 | 88 | (18) | (182) |
| | d) Employee benefits expense | 548 | 573 | 560 | 1,121 | 1,101 | 2,067 |
| | e) Depreciation and amortisation expense | 101 | 101 | 97 | 202 | 193 | 388 |
| | f) Power and Fuel | 361 | 347 | 406 | 708 | 766 | 1,429 |
| | g) Other Expenses | 683 | 590 | 755 | 1,273 | 1,439 | 2,925 |
| | Total Expenses | 3,466 | 2,858 | 3,838 | 6,324 | 7,056 | 13,937 |
| 3 | Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2) | 111 | (422) | 108 | (311) | 128 | 1,081 |
| 4 | Other Income | 59 | 36 | 48 | 95 | 82 | 228 |
| 5 | Profit/(Loss) from Ordinary activities before finance costs and exceptional items (3+4) | 170 | (386) | 156 | (216) | 210 | 1,309 |
| 6 | Finance costs | 302 | 293 | 323 | 595 | 647 | 1,280 |
| 7 | Profit/(Loss) from Ordinary activities after finance costs but before Exceptional Items (5-6) | (132) | (679) | (167) | (811) | (437) | 29 |
| 8 | Exceptional Items | - | - | - | - | - | - |
| 9 | Profit/(Loss) from ordinary activities before tax (7+8) | (132) | (679) | (167) | (811) | (437) | 29 |
| 10 | Tax Expense | - | - | - | - | - | - |
| 11 | Net Profit/(Loss) from ordinary activities after tax (9-10) | (132) | (679) | (167) | (811) | (437) | 29 |
| 12 | Extraordinary items (net of tax expenses) | - | - | - | - | - | - |
| 13 | Net Profit/(Loss) for the period (11+12) | (132) | (679) | (167) | (811) | (437) | 29 |
| 14 | Paid-up Equity Share Capital (Face value: ₹ 10 / Share) | 8,766 | 8,766 | 8,766 | 8,766 | 8,766 | 8,766 |
| 15 | Reserves excluding Revaluation Reserve as per the balance sheet of previous accounting year | - | - | - | - | - | (7,549) |
| 16 | Earnings per Share (of ₹ 10 each) (not annualised) (₹) before & after extraordinary items: - Basic & Diluted | (0.15) | (0.77) | (0.19) | (0.92) | (0.50) | 0.03 |

PART II: Select Information for the Quarter and Six months ended September 30, 2014

| Sl. | Particulars | Quarter ended | | | Year to date for period ended | | Year ended |
|----------|---|----------------------|-----------------|----------------------|-------------------------------|----------------------|------------------|
| | | September 30 2014 | June 30 2014 | September 30 2013 | September 30 2014 | September 30 2013 | March 31 2014 |
| A | Particulars of Shareholding | | | | | | |
| 1 | Public Shareholding | | | | | | |
| | - Number of Shares | 49,490,151 | 49,490,151 | 50,510,151 | 49,490,151 | 50,510,151 | 49,490,151 |
| | - Percentage of Shareholding | 56.47 | 56.47 | 57.63 | 56.47 | 57.63 | 56.47 |
| 2 | Promoters and Promoter Group Shareholding | | | | | | |
| | a) Pledged/Encumbered | | | | | | |
| | - Number of Shares | 3,600,205 | 3,600,205 | 3,600,205 | 3,600,205 | 3,600,205 | 3,600,205 |
| | - Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group) | 9.44 | 9.44 | 9.70 | 9.44 | 9.70 | 9.44 |
| | - Percentage of Shares (as a % of the total Share Capital of the Company) | 4.11 | 4.11 | 4.11 | 4.11 | 4.11 | 4.11 |
| | b) Non-Encumbered | | | | | | |
| | - Number of Shares | 34,551,265 | 34,551,265 | 33,531,265 | 34,551,265 | 33,531,265 | 34,551,265 |
| | - Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group) | 90.56 | 90.56 | 90.30 | 90.56 | 90.30 | 90.56 |
| | - Percentage of Shares (as a % of the total Share Capital of the Company) | 39.42 | 39.42 | 38.26 | 39.42 | 38.26 | 39.42 |
| B | Investor Complaints | | | | | | |
| | Pending at the beginning of the Quarter | Nil | | | | | |
| | Received during the Quarter | 7 | | | | | |
| | Disposed of during the Quarter | 7 | | | | | |
| | Remaining unresolved at the end of the Quarter | Nil | | | | | |

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Contd.

Notes:

1. Statement of Assets and Liabilities (Standalone):

| | | (₹ in lacs) | |
|----------|---------------------------------------|---|---------------------------------------|
| Sl. | Particulars | As at September 30, 2014 Unaudited | As at March 31, 2014 Audited |
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' funds | | |
| | a. Equity Share Capital | 8,766 | 8,766 |
| | b. Reserves and Surplus | (8,406) | (7,549) |
| | Sub-total - Shareholders' funds: | 360 | 1,217 |
| 2 | Non-current liabilities | | |
| | a. Long-term borrowings | 543 | 536 |
| | b. Other long-term liabilities | 194 | 197 |
| | c. Long-term provisions | 337 | 271 |
| | Sub-total - Non-current liabilities: | 1,074 | 1,004 |
| 3 | Current liabilities | | |
| | a. Short-term borrowings | 5,997 | 5,258 |
| | b. Trade payables | 3,386 | 3,229 |
| | c. Other current liabilities | 871 | 745 |
| | d. Short-term provisions | 158 | 175 |
| | Sub-total - Current liabilities: | 10,412 | 9,407 |
| | Total - Equity and Liabilities | 11,846 | 11,628 |
| B | ASSETS | | |
| 1 | Non-current assets | | |
| | a. Fixed assets | 3,478 | 3,677 |
| | b. Long-term loans and advances | 958 | 951 |
| | Sub-total - Non-current assets: | 4,436 | 4,628 |
| 2 | Current assets | | |
| | a. Inventories | 4,315 | 4,126 |
| | b. Trade receivables | 2,606 | 2,395 |
| | c. Cash and cash equivalents | 165 | 178 |
| | d. Short-term loans and advances | 215 | 137 |
| | e. Other current assets | 109 | 164 |
| | Sub-total - Current assets: | 7,410 | 7,000 |
| | Total - Assets | 11,846 | 11,628 |

- The Company operates in single business segment "Textiles" (as per Accounting Standard 17).
- With regard to the qualification made by the Auditors on annual accounts - in respect of realisability of capital advance of ₹ 881 lacs towards building, physical possession of which has been arbitrarily with held by the developer - management considers the advance as good. Since close of the last financial year, NSE has advised that the qualification be suitably rectified. As the matter is sub-judice, the Company has initiated appropriate steps based on professional advice.
- Depreciation is based on estimated useful life of the assets, as per Schedule II of the Companies Act, 2013; Effect relating to period prior to April 1, 2014 (debit of ₹ 46.14 lacs) has been adjusted against opening balance in retained earnings.
- Previous period's figures have been regrouped and rearranged wherever necessary.
- The above results, subjected to limited review by the statutory auditors, were reviewed and recommended by the Audit Committee, and approved by the Board of Directors at their meetings held on November 5, 2014 and November 6, 2014 respectively

Kolkata
November 6, 2014

For and on behalf of the Board


C Bhaskar
Managing Director & CEO





INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF DIGJAM LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DIGJAM LIMITED** ("the Company") for the Quarter and Six Months ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is drawn to Note 3 to the Statement which describes the dispute with regard to possession of certain property. In the absence of necessary evidence and since the legal/arbitration proceedings have been ongoing for several years, we are unable to comment upon the ultimate recoverability of Capital Advances of Rs. 880.63 lacs given by the Company towards purchase thereof, which are considered good by the Management.*

On May 5, 2014, the Company has received a letter from the National Stock Exchange of India Limited dated April 28, 2014 informing the Company that based on the recommendations of Qualified Audit Review Committee (QARC) of SEBI, in terms of Clauses 5(d)(i) and 5(d)(iii) of the applicable SEBI Circular dated August 13, 2012, the Company is advised that the qualification raised by the Statutory Auditors shall be suitably rectified and that the same qualification shall not appear in the Audit Report for the next reporting period. For the reasons stated in the above said Note 3, the Company has initiated appropriate steps based on professional advice and, accordingly, no rectification has been made in the Statement.

4. Based on our review conducted as stated above, *except for the effects of the matter described in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which are deemed to be applicable in respect of Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells

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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months ended September 30, 2014 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



A handwritten signature in black ink, appearing to read "Gaurav J Shah", written over a horizontal line.

Gaurav J Shah
Partner
(Membership No. 35701)

AHMEDABAD, November 6, 2014