**DIGJAM LIMITED**
*(formerly Digjam Textiles Limited)*
**Secretarial Department:**
Aerodrome Road,
Jamnagar – 361 006, India.
Tel.: +91 (0288) 2712972-73
Fax: +91 (0288) 2712991
e-mail: investors@digjam.co.in

DIGJAM

August 1, 2016

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

**Code No. 539979**

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

**Symbol "DIGJAMLTD"**

Dear Sir,

Re: Notice for 1st Annual General Meeting

Pursuant to Regulation 30(2) read with Item 12 of Part-A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements), 2015, we forward herewith for your records the Notice of Annual General Meeting together with the relevant documents circulated therewith. The same is being despatched to the Members of the Company shortly.

Thanking you,

Yours faithfully,
For DIGJAM Limited

(Jatin Jain)
Company Secretary

Encl: As above

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the First Annual General Meeting of the Members of the Company will be held on Friday, September 23, 2016 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 period ended March 31, 2016 and the Auditors Report thereon.

2. To appoint Auditors of the Company for a term of five years and to fix their remuneration and in this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

   **"RESOLVED** that M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366W/W-100018), Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the Sixth Annual General Meeting of the Company (i.e. for a term of five years) 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:

3. **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 S. Ragothaman (DIN: 00042395), Director of the Company who retires by rotation at this Annual General Meeting, 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 2021."

4. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 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), Sri Sidharth Birla (DIN: 00004213), 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 a Director of the Company, liable to retire by rotation."

5. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 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), Ms. Meenakshi Birla (DIN: 00019582), 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 152 and 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), Sri C. L. Rathi (DIN: 00012392), 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 a Director of the Company, liable to retire by rotation."

7. **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 A. C. Mukherji (DIN: 00063975), 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 2017."

8. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Sections 149, 152 and 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 G. Momen (DIN: 00402662), 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 2017."

9. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Sections 149, 152 and 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 Bharat Anand (DIN: 02806475), 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 2021."

10. **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 Service Tax 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, 2017."

11. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the Articles of Association of the Company and provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time including any statutory modification(s) or re-enactment thereof ('the Act') and such other approvals, as may be necessary, Sri C. Bhaskar (DIN: 00003343), be and is hereby appointed as the Managing Director & Chief Executive Officer of the Company, whose office shall not be liable to retirement by rotation under the Act for the period from March 18, 2016 until December 31, 2017, subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board and with liberty to either party to terminate the appointment on three months' notice to the other. Sri C. Bhaskar shall be paid remuneration by way of either:

i) Salary, commission (not exceeding 2% of the net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, as may be applicable; or

ii) Where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Sri C. Bhaskar by way of salary, house rent allowance, special allowance and other benefits/ allowances (as per the rules of the Company) as may be approved by the Board of Directors of the Company from time to time as minimum remuneration, within the limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 as amended from time to time or re-enactment thereof, i.e. Rs. 5 lacs per month, as may be applicable;

whichever of (i) or (ii) is higher.

Sri C. Bhaskar shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above in accordance with the provisions of Schedule V of the Companies Act, 2013 and any amendment or statutory modification or re-enactment thereof:

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

c. Encashment of unavailed leave at the end of the tenure."

12. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable Rules framed 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 Board of Directors of the Company for keeping the Register of Members of the Company and the respective Register of other security holders, if any, maintained under Section 88 of the Companies Act, 2013 together with the Index of Members and/or other security holders at the office of the Registrar and Share Transfer Agents of the Company viz. MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026 and at such places within Kolkata in the State of West Bengal where the Registrar and Share Transfer Agent may shift its office from time to time, instead of keeping such Register of Members including Register of other securities holders, if any, at the Registered Office of the Company."

13. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules notified thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby amended as under:-

a. By adding at the end of the existing Article 4 the following words: -

"and with full power to give any person the option to call for or be allotted shares of the Company of any class either at premium or at par or at discount and for such time and for such consideration as the Board think fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting."

b. By substituting for the existing clause i of Article 7 the following clause: -

"i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal or within such other period as the conditions of issue shall provide:

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first."

c. By substituting the following Article for the existing Article 41 :-

"41. Save with respect to transfers in accordance with these Articles, the Board may subject to the right of appeal decline to register any transfer of the share on which the Company has a lien, provided that the registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any persons indebted to the Company on any account whatsoever, except a lien."

d. By substituting the following Article together with the marginal note for the existing Article 149 alongwith the marginal note thereto:-

| | |
|---|---|
| "Unclaimed Dividend and Interest thereon | 149. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 124 of the Act in respect of such dividend. No dividend shall bear interest against the Company." |

**FURTHER RESOLVED** that the Company Secretary of the Company be and is hereby authorized to take all such steps and actions for the aforesaid purpose including all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this Resolution."

The Register of Members of the Company will remain closed from September 16, 2016 to September 23, 2016 (both days inclusive).

New Delhi
May 18, 2016

**BY ORDER OF THE BOARD**

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

**Registered Office:**
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
*CIN: U17123GJ2015PLC083569*

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**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. 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.

5. **Pursuant to the Scheme of Amalgamation of erstwhile Digjam Limited with the Company which became effective on March 17, 2016, the Company had fixed March 31, 2016 as the Record Date for determining the Shareholders of erstwhile Digjam Limited who would be entitled to allotment of Shares in the Company in the ratio of 1:1 as detailed in the notes to the Financial Statements. Accordingly, the Stock Exchanges had temporarily suspended the trading in the Equity Shares of erstwhile Digjam Limited. The Company has allotted the aforesaid shares and despatched the physical share certificates to the shareholders holding shares in physical form as well as arranged to credit the shares to the demat accounts of the shareholders holding shares in demat form. The Company has also taken steps to comply with the formalities for commencement of trading in the Equity Shares on BSE and NSE.**

6. **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.**

7. Members may note that the Notice of the 1st Annual General Meeting and the Annual Report for the period 2015-16 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.

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. In view of the provisions of Section 125 of the Companies Act, 2013, the sale proceeds of fractional shares arising out of the Scheme of Arrangement of erstwhile Digjam Limited in 2006 lying unpaid Rs. 9,840 with the Company will be transferred to the Investor Education and Protection Fund once the aforesaid provisions come into force.

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 1st 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 1st 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 20, 2016 (9.00 a.m.) and ends on Thursday, September 22, 2016 (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 16, 2016, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter.

a. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

b. Click on "Shareholders" tab.

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 | Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>*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.<br>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. |
| Dividend Bank Details **OR** Date of Birth (DOB) # | 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<br># 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. |

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 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 Store 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 heldesk.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@csdlindia.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 their shares of the paid up equity share capital of the Company as on the cut-off date of September 16, 2016.

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. 2:** Members will please note that appointment of Auditors M/s Deloitte Haskins & Sells LLP (Registration No. 117366W/W-100018), Ahmedabad is being proposed to be made for a term of five consecutive years in terms of Section 139 of the Act and the rules made thereunder.

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

**Item No. 3:** A brief resume of the Director offering himself for appointment is given below:

**Sri S. Ragothaman** aged 70 years, is a Commerce Graduate and Chartered Accountant. He is presently self-employed professional and was formerly a senior official of ICICI Limited. He has to his credit vast experience of about 40 years in the field of finance. Sri S. Ragothaman is a Director on the Boards of ABT Finance Ltd., The Bombay Dyeing and Manufacturing Co. Ltd., National Peroxide Ltd., Shreyas Relay Systems Ltd., Shreyas Shipping & Logistics Ltd., Ultramarine & Pigments Ltd., Xpro India Ltd. and Xpro Global Ltd. Sri Ragothaman is Chairman of Audit Committee and Remuneration Committee of Shreyas Relay Systems Ltd., Member of Audit Committee and Remuneration Committee of Shreyas Shipping & Logistics Ltd., Member of Audit Committee and Remuneration Committee of The Bombay Dyeing & Manufacturing Co. Ltd., Member of Audit Committee of National Peroxide Ltd., Chairman of the Audit Committee of Xpro India Ltd. He is Chairman of Audit Committee and member of the Remuneration & Nominations Committee of the Company.

Sri Ragothaman and his spouse inter se hold 723 (negligible %) and 10,148 (0.01%) Equity Shares in the Company respectively.

Sri Ragothaman was named in the Articles of Association as one of the first Directors of the Company upon Incorporation on June 17, 2015. Sri S. Ragothaman retires by rotation at the ensuing Annual General Meeting. He was designated as an Independent Director of the Company with effect from March 10, 2016. In terms of Section 149 and any other applicable provisions of the Act, Sri Ragothaman, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office until the conclusion of the Annual General Meeting to be held in 2021.

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

Copy of the letter for appointment of Sri Ragothaman 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 S. Ragothaman, 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. 4: Sri Sidharth Birla** aged 58 years, is a Science Honours Graduate and holds a Master's degree in Business Administration from IMD, Lausanne, Switzerland and has completed OPM (Owner – President Management) programme at Harvard Business School. He has extensive experience of over 36 years in the fields of Finance, Marketing, General Management, Corporate Governance, Company Law, Strategic Issues, Corporate and Financial Structuring, Resource Mobilisation, Acquisitions and Disinvestments. He is past President of the Federation of Indian Chambers of Commerce & Industry.

Sri Sidharth Birla jointly with his spouse holds 50,000 Equity Shares in the Company (0.06%)

Sri Sidharth Birla is Chairman of Xpro India Ltd. He is also on the Board of Alpha Capital Resources Pte. Ltd., Singapore, Birla Brothers Pvt. Ltd., Central India General Agents Ltd., Invest India, iPro Capital Ltd., Xpro Global Ltd. and Xpro Global Pte. Ltd., Singapore. He is Member of Audit Committee of Birla Brothers Pvt. Ltd., member of Remuneration and Nomination Committee and Chairman of Committee of Directors of Xpro India Ltd. and our Company. He is also one of the Promoters of the Company.

Sri Sidharth Birla was appointed as an Additional Director pursuant to Article 113 of the Articles of Association of the Company and also as Chairman of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Sri Sidharth Birla holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Sri Birla as a candidate for the office of Director of the Company.

Except for Sri Sidharth Birla and his daughter, Ms. Meenakshi Birla and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

**Item No. 5: Ms. Meenakshi Birla** aged 31 years, is a graduate in Business Administration and is a post graduate in Marketing from Cass Business School, City University, London. She is a member of Audit and Corporate Social Responsibility Committee and Committee of Directors of the Company. Ms. Meenakshi Birla has been appointed as an Additional Director on the Board of iPro Capital Limited.

Ms. Meenakshi Birla holds 324 Equity Shares in the Company (negligible %).

Ms. Meenakshi Birla was appointed as an Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Ms. Meenakshi Birla holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Ms. Meenakshi Birla as a candidate for the office of Director of the Company. She represents the Promoters of the Company.

Except for Ms. Meenakshi Birla and her father Sri Sidharth Birla and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

**Item No. 6: Sri C. L. Rathi** aged 70 years, is a Commerce and Law Graduate as well as Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has vast expertise in managing the affairs of large industrial undertakings and has experience of about 46 years in manufacturing industries like textiles, plastics, edible oil, light engineering, etc. at top management levels in India and abroad. He is a director in Drap Leasing & Finance Pvt. Ltd., Drap Plastics Pvt. Ltd. and VXL Technologies Ltd. He is a member of Audit Committee of VXL Technologies Ltd. and Chairman of Stake holders Relationship Committee of our Company.

Sri C. L. Rathi does not hold any Equity Share in the Company.

Sri Rathi was appointed as an Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Sri C. L. Rathi holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Sri Rathi as a candidate for the office of Director of the Company.

Except for Sri C. L. Rathi, 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. 7: Sri A. C. Mukherji** aged 90 years, is past Chairman of New India Assurance Co. Ltd. and has vast knowledge and experience. Sri Mukherji is a Director on the Boards of Kirloskar Pneumatic Co. Ltd., Ludlow Jute and Specialties Ltd. and NPR Finance Ltd. He is Chairman of Audit Committees of Kirloskar Pneumatic Co. Ltd. and Ludlow Jute and Specialties Ltd. and a member of Audit Committee of NPR Finance Ltd. He is Chairman of Remuneration & Nominations Committee and member of the Audit Committee, Stakeholders Relationship Committee and Committee of Directors of the Company.

Sri A. C. Mukherji jointly with his spouse holds 116 Equity Shares of Rs. 10/- each in the Company (negligible %).

Sri Mukherji 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Mukherji 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 Mukherji 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 2017. A notice under Section 160 of the Act has been received from a member proposing Sri Mukherji as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Mukherji 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 continued association would be of immense benefit to the Company, it is desirable to continue to avail services of Sri Mukherji as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Mukherji as an Independent Director, for the approval by the Members of the Company.

Copy of the letter for appointment of Sri Mukherji 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 A. C. Mukherji, 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. 8: Sri G. Momen** aged 82 years, is a businessman of repute and is well known in Tea trade Industry. He holds expertise in marketing of teas for over two decades and holds general expertise in marketing of products, besides expertise in packaging of teas for purposes of marketing. He is Chairman of Dover Tea Pvt. Ltd., White Cliff Construction Co. Pvt. Ltd., White Cliff Infrastructure Pvt. Ltd., White Cliff Holdings Pvt. Ltd., White Cliff Tea Pvt. Ltd., White Cliff Properties Pvt. Ltd. He is Director on the Boards of Apeejay Tea Ltd., Baghmari Tea Co. Ltd., Bengal Tea & Fabrics Ltd., Harrisons Malayalam Ltd., Kanco Tea & Industries Ltd., The Scottish Assam (India) Ltd. and Williamson Magor & Co. Ltd.

He is Chairman of Shareholders/Investors Grievance & Remuneration Committees and member of Audit and Share Transfer Committees of Bengal Tea & Fabrics Ltd. He is Chairman of the Remuneration Committee of Harrisons Malayalam Ltd. He is also member of the Audit Committee of The Scottish Assam (India) Ltd. He is also member of Remuneration Committee of Apeejay Tea Ltd. and Kanco Tea & Industries Ltd. Besides, he is member of Investors Grievance Committee of Williamson Magor & Co. Ltd. He is the Chairman of the CSR Committee of the Company and member of the Audit and Remuneration & Nominations Committees of the Company.

Sri G. Momen does not hold any Equity Share in the Company.

Sri Momen 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Momen 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 Momen 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 2017. A notice under Section 160 of the Act has been received from a member proposing Sri Momen as a candidate for the office of Director of the Company.

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

Copy of the letter for appointment of Sri Momen 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 G. Momen, 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. 9: Sri Bharat Anand** aged 39 years, is an Economics and Law Graduate and Member of the Bar Council of Delhi and Solicitor, England and Wales. After working for eight years in the London office of Freshfields Bruckhaus Deringer, he joined Khaitan & Co. LLP and is Partner in their Corporate Department. His area of expertise is mergers and acquisitions, corporate and commercial joint ventures and collaborations and he has advised several major transactions in these areas. Sri Anand has been ranked amongst India's leading Second Generation Lawyers. Sri Bharat Anand is a Director on the Board of H D Motor Company India Pvt. Ltd. He is member of Audit Committee, Remuneration & Nominations Committee and Committee of Directors of the Company.

Sri Anand does not hold any Equity Share in the Company.

Sri Anand 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Anand 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 Anand 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 2021. A notice under Section 160 of the Act has been received from a member proposing Sri Anand as a candidate for the office of Director of the Company.

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

Copy of the letter for appointment of Sri Bharat Anand 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 Bharat Anand, 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. 10:** 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 2016-17 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. 10 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. 11: Sri C. Bhaskar** was named in the Articles of Association as one of the first Directors of the Company upon Incorporation on June 17, 2015. The Board of Directors at their meeting held on March 10, 2016 have unanimously approved the appointment of Sri C. Bhaskar as Managing Director & Chief Executive Officer for the period from March 18, 2016 to December 31, 2017 and the details of the remuneration payable to him are furnished in the proposed Resolution. Sri C. Bhaskar will continue to hold office of the Managing Director in Xpro India Limited and his aggregate remuneration shall be in accordance with and within the limits specified in Schedule V to the Act.

**Sri C. Bhaskar** is also the Managing Director & Chief Executive Officer of Xpro India Ltd. He is a Director of Holland & Sherry India Pvt. Ltd., Kriti Industries (India) Ltd., Market Café Foods Ltd., Prosperous Healthy Life Pvt. Ltd., Xpro Global Ltd. and Xpro Global Pte. Ltd., Singapore and a member of the Executive Committee and President of Organisation of Plastics Processors of India.

Sri Bhaskar is member of Stakeholders Relationship Committee, Committee of Directors and Corporate Social Responsibility Committee of Xpro India Ltd. and of DIGJAM Limited.

Sri Bhaskar and his spouse inter se hold 2,100 and 2,500 Equity Shares in the Company respectively (negligible %).

Considering the qualifications and experience of Sri Bhaskar, the Board considers that it would be in the interest of the Company to appoint him as the Managing Director & Chief Executive Officer not liable to retire by rotation and accordingly, recommends the proposed Resolution for your approval.

Except for Sri C. Bhaskar, 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 Resolution.

In accordance with the requirement of Schedule V to the Act, a statement providing the required information for the appointment and payment of remuneration to Sri C. Bhaskar is given below:

**I. General Information:**

1. Nature of Industry — Textiles

2. Date or Expected date of commencement of commercial production — The Company has under the Scheme of Amalgamation acquired wef close of business on June 30, 2015 the assets and liabilities of erstwhile Digjam Limited as a going concern which consists of a running woollen worsted textile mill.

3. In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus — Not applicable

4. Financial Performance based on given indicators — The net profit after tax, net sales and foreign exchange earned through exports (FOB Value)/deemed exports for three years were as follows:

(in Crore Rs.)

| Year/Period | Net Profit | Revenue | Exports |
|---|---|---|---|
| 2013-14* | 0.29 | 150.18 | 53.43 |
| 2014-15* | (14.64) | 132.47 | 39.42 |
| 2015-16 | (9.67) | 94.73 | 31.14 |

5. Foreign Investments or collaborations, if any. — Nil

**II. Information about Appointee:**

1. Background details — Sri C. Bhaskar, aged 61 years, is a B. Tech (Chem.), MIMA, FIPI, PGDM (IIM-Cal). He is having expertise in operations management, marketing and general management and is having an experience of over 37 years in consultancy and in industry. He has been Managing Director and Chief Executive Officer of Xpro India Limited since a long time.

2. Past remuneration

| Financial Year / Period | Remuneration (Rs. in lacs) |
|---|---|
| 2013-14* | 22.90 |
| 2014-15* | 42.31 |
| 2015-16 | 25.15 |

3. Recognition or Awards — Presently, President of Organisation of Plastics Processors of India, and member of the National Executive Committee & Chairman, (Proplast Committee) of Plastindia. He is an elected fellow of the Indian Plastics Institute. Has in the past also been Vice President of the All India Plastics Manufacturers Association.

4. Job Profile and his suitability — Sri C. Bhaskar has been appointed as Managing Director & Chief Executive Officer subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board. Considering his background and experience, he is eminently suitable to hold the position of Managing Director in the Company.

5. Remuneration proposed — As per details contained in the Notice for the Meeting.

6. Comparative remuneration with respect to industry, etc. — The proposed remuneration is well within the remuneration payable to the Directorial personnel holding similar stature/position in the Industry.

7. Any Pecuniary Relationship — None except the remuneration as Managing Director.

**III. Other Information:**

1. Reasons for loss or inadequate profits

2. Steps taken/proposed to be taken for improvement

The Company operates a worsted textile composite mill at Jamnagar where high quality worsted fabrics are manufactured. The fabrics are marketed by the Company internationally and within the country under the well-known brand 'DIGJAM'. In the recent past, erstwhile Digjam Limited had to face substantial challenges arising out of economic slowdown in its key export destinations Europe and USA and also due to corporate restructuring by a few major US customers besides the downtrend in the demand cycle. This has been compounded by increased competition from China. These operational challenges resulted in significant losses. Therefore, a Scheme of Amalgamation was undertaken whereby erstwhile Digjam Limited amalgamated into the Company and the same is expected to provide greater financial strength and flexibility for the Company resulting in maximizing overall shareholder value and improving its economic and competitive position. As a result of the Scheme, the Company

* Pertain to erstwhile Digjam Limited amalgamated into the Company.

| | | |
|---|---|---|
| 3. | Expected increase in Productivity/ Profits | is also expected to benefit from an optimum financial and capital structure resulting in better ability to leverage resources. Post amalgamation, the Company is focusing on strengthening the marketing organisation and channels, improving the product mix with premium varieties as well as enhancing volumes through outsourcing. Growth in US economy and rising confidence in the domestic market are expected to boost the overall performance of the Company. The Company expects improvement in consumer demand following the expected growth in domestic GDP which will lead to improvement in its operations. |

**Disclosures:**

The Remuneration details are given in the proposed Resolution. The appointment letter issued to Sri Bhaskar is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Your approval is sought by Special Resolution as stipulated under the relevant provisions of Part II of Section II of Schedule V to the Act and the Board commends the proposed Resolution as set out above for your approval as a Special Resolution.

**Item No. 12:** Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members at a place other than the Registered Office of the Company, if approved by the Members by way of Special Resolution.

Presently more than one - tenth of the total number of Members of the Company is residing in the city of Kolkata in the State of West Bengal. Accordingly, the Board seeks approval of the Members to keep the Registers of Members and other security holders alongwith all relevant documents/registers pertaining thereto, maintained by the Company either physically or electronically, at the Kolkata office of the Registrar & Transfer Agents of the Company. As required, an advance copy of the proposed resolution is being filed with the Registrar of Companies, Gujarat at Ahmedabad.
The Resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution.

**Item No. 13:** To facilitate the listing of the Equity Shares of the Company on BSE Limited and National Stock Exchange of India Limited, the Board has decided to amend the Articles specified in the Resolution and forming part of the Articles of Association of the Company in order to ensure that the same are in line with the requirement of Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957. In accordance with Section 14 of the Act, your approval is sought by way of Special Resolution for the proposed amendments to the Articles of Association of the Company as detailed in the Resolution. A copy of the existing Articles of Association together with the proposed amendments therein is available for inspection at the Registered Office of the Company during working hours on any working day.

The Resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution.

**Inspection of Documents**

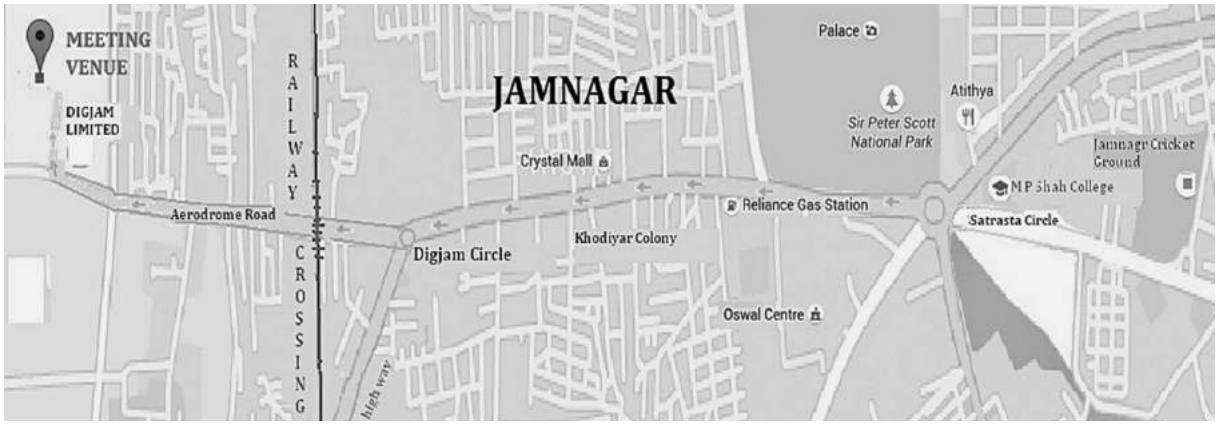
All the documents including the draft Articles of Association referred to in the notice and explanatory statement including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day prior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

New Delhi
May 18, 2016

**BY ORDER OF THE BOARD**

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

**Registered Office:**
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
*CIN: U17123GJ2015PLC083569*



DIGJAM

# DIGJAM LIMITED

*(formerly Digjam Textiles Limited)*

**ANNUAL REPORT 2015/16**

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. Rathi

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 Ravinder Sharma
*Executive Vice President (Sales & Marketing)*

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

Sri Satish Shah
*Vice President & Chief Financial Officer*

Sri Ajay Agarwal
*Vice President (Materials & Administration)*

***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***

U17123GJ2015PLC083569

***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 First Annual General Meeting of the Members of the Company will be held on Friday, September 23, 2016 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 period ended March 31, 2016 and the Auditors Report thereon.

2. To appoint Auditors of the Company for a term of five years and to fix their remuneration and in this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

   **"RESOLVED** that M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366W/W-100018), Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the Sixth Annual General Meeting of the Company (i.e. for a term of five years) 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:

3. **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 S. Ragothaman (DIN: 00042395), Director of the Company who retires by rotation at this Annual General Meeting, 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 2021."

4. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 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), Sri Sidharth Birla (DIN: 00004213), 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 a Director of the Company, liable to retire by rotation."

5. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 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), Ms. Meenakshi Birla (DIN: 00019582), 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Section 152 and 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), Sri C. L. Rathi (DIN: 00012392), 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 a Director of the Company, liable to retire by rotation."

7. **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 A. C. Mukherji (DIN: 00063975), 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 2017."

8. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Sections 149, 152 and 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 G. Momen (DIN: 00402662), 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 2017."

9. **AS AN ORDINARY RESOLUTION**

   **"RESOLVED** that pursuant to the provisions of Sections 149, 152 and 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 Bharat Anand (DIN: 02806475), 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 2021."

10. **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 Service Tax 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, 2017."

11. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the Articles of Association of the Company and provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time including any statutory modification(s) or re-enactment thereof ('the Act') and such other approvals, as may be necessary, Sri C. Bhaskar (DIN: 00003343), be and is hereby appointed as the Managing Director & Chief Executive Officer of the Company, whose office shall not be liable to retirement by rotation under the Act for the period from March 18, 2016 until December 31, 2017, subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board and with liberty to either party to terminate the appointment on three months' notice to the other. Sri C. Bhaskar shall be paid remuneration by way of either:

i) Salary, commission (not exceeding 2% of the net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, as may be applicable; or

ii) Where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Sri C. Bhaskar by way of salary, house rent allowance, special allowance and other benefits/ allowances (as per the rules of the Company) as may be approved by the Board of Directors of the Company from time to time as minimum remuneration, within the limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 as amended from time to time or re-enactment thereof, i.e. Rs. 5 lacs per month, as may be applicable;

whichever of (i) or (ii) is higher.

Sri C. Bhaskar shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above in accordance with the provisions of Schedule V of the Companies Act, 2013 and any amendment or statutory modification or re-enactment thereof:

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

c. Encashment of unavailed leave at the end of the tenure."

12. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable Rules framed 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 Board of Directors of the Company for keeping the Register of Members of the Company and the respective Register of other security holders, if any, maintained under Section 88 of the Companies Act, 2013 together with the Index of Members and/or other security holders at the office of the Registrar and Share Transfer Agents of the Company viz. MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026 and at such places within Kolkata in the State of West Bengal where the Registrar and Share Transfer Agent may shift its office from time to time, instead of keeping such Register of Members including Register of other securities holders, if any, at the Registered Office of the Company."

13. **AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules notified thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby amended as under:-

a. By adding at the end of the existing Article 4 the following words: -

"and with full power to give any person the option to call for or be allotted shares of the Company of any class either at premium or at par or at discount and for such time and for such consideration as the Board think fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting."

b. By substituting for the existing clause i of Article 7 the following clause: -

"i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or sub-division, consolidation or renewal or within such other period as the conditions of issue shall provide:

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first."

c. By substituting the following Article for the existing Article 41 :-

"41. Save with respect to transfers in accordance with these Articles, the Board may subject to the right of appeal decline to register any transfer of the share on which the Company has a lien, provided that the registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any persons indebted to the Company on any account whatsoever, except a lien."

d. By substituting the following Article together with the marginal note for the existing Article 149 alongwith the marginal note thereto:-

| | |
|---|---|
| "Unclaimed Dividend and Interest thereon | 149. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 124 of the Act in respect of such dividend. No dividend shall bear interest against the Company." |

**FURTHER RESOLVED** that the Company Secretary of the Company be and is hereby authorized to take all such steps and actions for the aforesaid purpose including all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this Resolution."

The Register of Members of the Company will remain closed from September 16, 2016 to September 23, 2016 (both days inclusive).

New Delhi
May 18, 2016

**BY ORDER OF THE BOARD**

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

**Registered Office:**
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
*CIN: U17123GJ2015PLC083569*

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**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. 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.

5. **Pursuant to the Scheme of Amalgamation of erstwhile Digjam Limited with the Company which became effective on March 17, 2016, the Company had fixed March 31, 2016 as the Record Date for determining the Shareholders of erstwhile Digjam Limited who would be entitled to allotment of Shares in the Company in the ratio of 1:1 as detailed in the notes to the Financial Statements. Accordingly, the Stock Exchanges had temporarily suspended the trading in the Equity Shares of erstwhile Digjam Limited. The Company has allotted the aforesaid shares and despatched the physical share certificates to the shareholders holding shares in physical form as well as arranged to credit the shares to the demat accounts of the shareholders holding shares in demat form. The Company has also taken steps to comply with the formalities for commencement of trading in the Equity Shares on BSE and NSE.**

6. **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.**

7. Members may note that the Notice of the 1st Annual General Meeting and the Annual Report for the period 2015-16 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.

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. In view of the provisions of Section 125 of the Companies Act, 2013, the sale proceeds of fractional shares arising out of the Scheme of Arrangement of erstwhile Digjam Limited in 2006 lying unpaid Rs. 9,840 with the Company will be transferred to the Investor Education and Protection Fund once the aforesaid provisions come into force.

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 1st 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 1st 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 20, 2016 (9.00 a.m.) and ends on Thursday, September 22, 2016 (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 16, 2016, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter.

a. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

b. Click on "Shareholders" tab.

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 | Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>*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.<br>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. |
| Dividend Bank Details **OR** Date of Birth (DOB) # | 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<br># 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. |

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 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 Store 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 heldesk.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@csdlindia.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 their shares of the paid up equity share capital of the Company as on the cut-off date of September 16, 2016.

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. 2:** Members will please note that appointment of Auditors M/s Deloitte Haskins & Sells LLP (Registration No. 117366W/W-100018), Ahmedabad is being proposed to be made for a term of five consecutive years in terms of Section 139 of the Act and the rules made thereunder.

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

**Item No. 3:** A brief resume of the Director offering himself for appointment is given below:

**Sri S. Ragothaman** aged 70 years, is a Commerce Graduate and Chartered Accountant. He is presently self-employed professional and was formerly a senior official of ICICI Limited. He has to his credit vast experience of about 40 years in the field of finance. Sri S. Ragothaman is a Director on the Boards of ABT Finance Ltd., The Bombay Dyeing and Manufacturing Co. Ltd., National Peroxide Ltd., Shreyas Relay Systems Ltd., Shreyas Shipping & Logistics Ltd., Ultramarine & Pigments Ltd., Xpro India Ltd. and Xpro Global Ltd. Sri Ragothaman is Chairman of Audit Committee and Remuneration Committee of Shreyas Relay Systems Ltd., Member of Audit Committee and Remuneration Committee of Shreyas Shipping & Logistics Ltd., Member of Audit Committee and Remuneration Committee of The Bombay Dyeing & Manufacturing Co. Ltd., Member of Audit Committee of National Peroxide Ltd., Chairman of the Audit Committee of Xpro India Ltd. He is Chairman of Audit Committee and member of the Remuneration & Nominations Committee of the Company.

Sri Ragothaman and his spouse inter se hold 723 (negligible %) and 10,148 (0.01%) Equity Shares in the Company respectively.

Sri Ragothaman was named in the Articles of Association as one of the first Directors of the Company upon Incorporation on June 17, 2015. Sri S. Ragothaman retires by rotation at the ensuing Annual General Meeting. He was designated as an Independent Director of the Company with effect from March 10, 2016. In terms of Section 149 and any other applicable provisions of the Act, Sri Ragothaman, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office until the conclusion of the Annual General Meeting to be held in 2021.

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

Copy of the letter for appointment of Sri Ragothaman 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 S. Ragothaman, 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. 4: Sri Sidharth Birla** aged 58 years, is a Science Honours Graduate and holds a Master's degree in Business Administration from IMD, Lausanne, Switzerland and has completed OPM (Owner – President Management) programme at Harvard Business School. He has extensive experience of over 36 years in the fields of Finance, Marketing, General Management, Corporate Governance, Company Law, Strategic Issues, Corporate and Financial Structuring, Resource Mobilisation, Acquisitions and Disinvestments. He is past President of the Federation of Indian Chambers of Commerce & Industry.

Sri Sidharth Birla jointly with his spouse holds 50,000 Equity Shares in the Company (0.06%)

Sri Sidharth Birla is Chairman of Xpro India Ltd. He is also on the Board of Alpha Capital Resources Pte. Ltd., Singapore, Birla Brothers Pvt. Ltd., Central India General Agents Ltd., Invest India, iPro Capital Ltd., Xpro Global Ltd. and Xpro Global Pte. Ltd., Singapore. He is Member of Audit Committee of Birla Brothers Pvt. Ltd., member of Remuneration and Nomination Committee and Chairman of Committee of Directors of Xpro India Ltd. and our Company. He is also one of the Promoters of the Company.

Sri Sidharth Birla was appointed as an Additional Director pursuant to Article 113 of the Articles of Association of the Company and also as Chairman of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Sri Sidharth Birla holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Sri Birla as a candidate for the office of Director of the Company.

Except for Sri Sidharth Birla and his daughter, Ms. Meenakshi Birla and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

**Item No. 5: Ms. Meenakshi Birla** aged 31 years, is a graduate in Business Administration and is a post graduate in Marketing from Cass Business School, City University, London. She is a member of Audit and Corporate Social Responsibility Committee and Committee of Directors of the Company. Ms. Meenakshi Birla has been appointed as an Additional Director on the Board of iPro Capital Limited.

Ms. Meenakshi Birla holds 324 Equity Shares in the Company (negligible %).

Ms. Meenakshi Birla was appointed as an Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Ms. Meenakshi Birla holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Ms. Meenakshi Birla as a candidate for the office of Director of the Company. She represents the Promoters of the Company.

Except for Ms. Meenakshi Birla and her father Sri Sidharth Birla and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

**Item No. 6: Sri C. L. Rathi** aged 70 years, is a Commerce and Law Graduate as well as Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has vast expertise in managing the affairs of large industrial undertakings and has experience of about 46 years in manufacturing industries like textiles, plastics, edible oil, light engineering, etc. at top management levels in India and abroad. He is a director in Drap Leasing & Finance Pvt. Ltd., Drap Plastics Pvt. Ltd. and VXL Technologies Ltd. He is a member of Audit Committee of VXL Technologies Ltd. and Chairman of Stake holders Relationship Committee of our Company.

Sri C. L. Rathi does not hold any Equity Share in the Company.

Sri Rathi was appointed as an Additional Director of the Company pursuant to Article 113 of the Articles of Association of the Company with effect from March 10, 2016. As provided therein and under Section 161 of the Act, Sri C. L. Rathi holds office as Director only upto the date of the forthcoming Annual General Meeting of the Company. A notice under Section 160 of the Act has been received from a member proposing Sri Rathi as a candidate for the office of Director of the Company.

Except for Sri C. L. Rathi, 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. 7: Sri A. C. Mukherji** aged 90 years, is past Chairman of New India Assurance Co. Ltd. and has vast knowledge and experience. Sri Mukherji is a Director on the Boards of Kirloskar Pneumatic Co. Ltd., Ludlow Jute and Specialties Ltd. and NPR Finance Ltd. He is Chairman of Audit Committees of Kirloskar Pneumatic Co. Ltd. and Ludlow Jute and Specialties Ltd. and a member of Audit Committee of NPR Finance Ltd. He is Chairman of Remuneration & Nominations Committee and member of the Audit Committee, Stakeholders Relationship Committee and Committee of Directors of the Company.

Sri A. C. Mukherji jointly with his spouse holds 116 Equity Shares of Rs. 10/- each in the Company (negligible %).

Sri Mukherji 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Mukherji 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 Mukherji 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 2017. A notice under Section 160 of the Act has been received from a member proposing Sri Mukherji as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Mukherji 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 continued association would be of immense benefit to the Company, it is desirable to continue to avail services of Sri Mukherji as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Mukherji as an Independent Director, for the approval by the Members of the Company.

Copy of the letter for appointment of Sri Mukherji 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 A. C. Mukherji, 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. 8: Sri G. Momen** aged 82 years, is a businessman of repute and is well known in Tea trade Industry. He holds expertise in marketing of teas for over two decades and holds general expertise in marketing of products, besides expertise in packaging of teas for purposes of marketing. He is Chairman of Dover Tea Pvt. Ltd., White Cliff Construction Co. Pvt. Ltd., White Cliff Infrastructure Pvt. Ltd., White Cliff Holdings Pvt. Ltd., White Cliff Tea Pvt. Ltd., White Cliff Properties Pvt. Ltd. He is Director on the Boards of Apeejay Tea Ltd., Baghmari Tea Co. Ltd., Bengal Tea & Fabrics Ltd., Harrisons Malayalam Ltd., Kanco Tea & Industries Ltd., The Scottish Assam (India) Ltd. and Williamson Magor & Co. Ltd.

He is Chairman of Shareholders/Investors Grievance & Remuneration Committees and member of Audit and Share Transfer Committees of Bengal Tea & Fabrics Ltd. He is Chairman of the Remuneration Committee of Harrisons Malayalam Ltd. He is also member of the Audit Committee of The Scottish Assam (India) Ltd. He is also member of Remuneration Committee of Apeejay Tea Ltd. and Kanco Tea & Industries Ltd. Besides, he is member of Investors Grievance Committee of Williamson Magor & Co. Ltd. He is the Chairman of the CSR Committee of the Company and member of the Audit and Remuneration & Nominations Committees of the Company.

Sri G. Momen does not hold any Equity Share in the Company.

Sri Momen 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Momen 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 Momen 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 2017. A notice under Section 160 of the Act has been received from a member proposing Sri Momen as a candidate for the office of Director of the Company.

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

Copy of the letter for appointment of Sri Momen 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 G. Momen, 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. 9: Sri Bharat Anand** aged 39 years, is an Economics and Law Graduate and Member of the Bar Council of Delhi and Solicitor, England and Wales. After working for eight years in the London office of Freshfields Bruckhaus Deringer, he joined Khaitan & Co. LLP and is Partner in their Corporate Department. His area of expertise is mergers and acquisitions, corporate and commercial joint ventures and collaborations and he has advised several major transactions in these areas. Sri Anand has been ranked amongst India's leading Second Generation Lawyers. Sri Bharat Anand is a Director on the Board of H D Motor Company India Pvt. Ltd. He is member of Audit Committee, Remuneration & Nominations Committee and Committee of Directors of the Company.

Sri Anand does not hold any Equity Share in the Company.

Sri Anand 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 March 10, 2016. As provided therein and under Section 161 of the Act, Sri Anand 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 Anand 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 2021. A notice under Section 160 of the Act has been received from a member proposing Sri Anand as a candidate for the office of Director of the Company.

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

Copy of the letter for appointment of Sri Bharat Anand 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 Bharat Anand, 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. 10:** 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 2016-17 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. 10 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. 11: Sri C. Bhaskar** was named in the Articles of Association as one of the first Directors of the Company upon Incorporation on June 17, 2015. The Board of Directors at their meeting held on March 10, 2016 have unanimously approved the appointment of Sri C. Bhaskar as Managing Director & Chief Executive Officer for the period from March 18, 2016 to December 31, 2017 and the details of the remuneration payable to him are furnished in the proposed Resolution. Sri C. Bhaskar will continue to hold office of the Managing Director in Xpro India Limited and his aggregate remuneration shall be in accordance with and within the limits specified in Schedule V to the Act.

**Sri C. Bhaskar** is also the Managing Director & Chief Executive Officer of Xpro India Ltd. He is a Director of Holland & Sherry India Pvt. Ltd., Kriti Industries (India) Ltd., Market Café Foods Ltd., Prosperous Healthy Life Pvt. Ltd., Xpro Global Ltd. and Xpro Global Pte. Ltd., Singapore and a member of the Executive Committee and President of Organisation of Plastics Processors of India.

Sri Bhaskar is member of Stakeholders Relationship Committee, Committee of Directors and Corporate Social Responsibility Committee of Xpro India Ltd. and of DIGJAM Limited.

Sri Bhaskar and his spouse inter se hold 2,100 and 2,500 Equity Shares in the Company respectively (negligible %).

Considering the qualifications and experience of Sri Bhaskar, the Board considers that it would be in the interest of the Company to appoint him as the Managing Director & Chief Executive Officer not liable to retire by rotation and accordingly, recommends the proposed Resolution for your approval.

Except for Sri C. Bhaskar, 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 Resolution.

In accordance with the requirement of Schedule V to the Act, a statement providing the required information for the appointment and payment of remuneration to Sri C. Bhaskar is given below:

**I. General Information:**

1. Nature of Industry — Textiles

2. Date or Expected date of commencement of commercial production — The Company has under the Scheme of Amalgamation acquired wef close of business on June 30, 2015 the assets and liabilities of erstwhile Digjam Limited as a going concern which consists of a running woollen worsted textile mill.

3. In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus — Not applicable

4. Financial Performance based on given indicators — The net profit after tax, net sales and foreign exchange earned through exports (FOB Value)/deemed exports for three years were as follows:

(in Crore Rs.)

| Year/Period | Net Profit | Revenue | Exports |
|---|---|---|---|
| 2013-14* | 0.29 | 150.18 | 53.43 |
| 2014-15* | (14.64) | 132.47 | 39.42 |
| 2015-16 | (9.67) | 94.73 | 31.14 |

5. Foreign Investments or collaborations, if any. — Nil

**II. Information about Appointee:**

1. Background details — Sri C. Bhaskar, aged 61 years, is a B. Tech (Chem.), MIMA, FIPI, PGDM (IIM-Cal). He is having expertise in operations management, marketing and general management and is having an experience of over 37 years in consultancy and in industry. He has been Managing Director and Chief Executive Officer of Xpro India Limited since a long time.

2. Past remuneration

| Financial Year / Period | Remuneration (Rs. in lacs) |
|---|---|
| 2013-14* | 22.90 |
| 2014-15* | 42.31 |
| 2015-16 | 25.15 |

3. Recognition or Awards — Presently, President of Organisation of Plastics Processors of India, and member of the National Executive Committee & Chairman, (Proplast Committee) of Plastindia. He is an elected fellow of the Indian Plastics Institute. Has in the past also been Vice President of the All India Plastics Manufacturers Association.

4. Job Profile and his suitability — Sri C. Bhaskar has been appointed as Managing Director & Chief Executive Officer subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board. Considering his background and experience, he is eminently suitable to hold the position of Managing Director in the Company.

5. Remuneration proposed — As per details contained in the Notice for the Meeting.

6. Comparative remuneration with respect to industry, etc. — The proposed remuneration is well within the remuneration payable to the Directorial personnel holding similar stature/position in the Industry.

7. Any Pecuniary Relationship — None except the remuneration as Managing Director.

**III. Other Information:**

1. Reasons for loss or inadequate profits

2. Steps taken/proposed to be taken for improvement

The Company operates a worsted textile composite mill at Jamnagar where high quality worsted fabrics are manufactured. The fabrics are marketed by the Company internationally and within the country under the well-known brand 'DIGJAM'. In the recent past, erstwhile Digjam Limited had to face substantial challenges arising out of economic slowdown in its key export destinations Europe and USA and also due to corporate restructuring by a few major US customers besides the downtrend in the demand cycle. This has been compounded by increased competition from China. These operational challenges resulted in significant losses. Therefore, a Scheme of Amalgamation was undertaken whereby erstwhile Digjam Limited amalgamated into the Company and the same is expected to provide greater financial strength and flexibility for the Company resulting in maximizing overall shareholder value and improving its economic and competitive position. As a result of the Scheme, the Company

* Pertain to erstwhile Digjam Limited amalgamated into the Company.

| | | |
|---|---|---|
| 3. | Expected increase in Productivity/ Profits | is also expected to benefit from an optimum financial and capital structure resulting in better ability to leverage resources. Post amalgamation, the Company is focusing on strengthening the marketing organisation and channels, improving the product mix with premium varieties as well as enhancing volumes through outsourcing. Growth in US economy and rising confidence in the domestic market are expected to boost the overall performance of the Company. The Company expects improvement in consumer demand following the expected growth in domestic GDP which will lead to improvement in its operations. |

**Disclosures:**

The Remuneration details are given in the proposed Resolution. The appointment letter issued to Sri Bhaskar is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Your approval is sought by Special Resolution as stipulated under the relevant provisions of Part II of Section II of Schedule V to the Act and the Board commends the proposed Resolution as set out above for your approval as a Special Resolution.

**Item No. 12:** Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members at a place other than the Registered Office of the Company, if approved by the Members by way of Special Resolution.

Presently more than one - tenth of the total number of Members of the Company is residing in the city of Kolkata in the State of West Bengal. Accordingly, the Board seeks approval of the Members to keep the Registers of Members and other security holders alongwith all relevant documents/registers pertaining thereto, maintained by the Company either physically or electronically, at the Kolkata office of the Registrar & Transfer Agents of the Company. As required, an advance copy of the proposed resolution is being filed with the Registrar of Companies, Gujarat at Ahmedabad.
The Resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution.

**Item No. 13:** To facilitate the listing of the Equity Shares of the Company on BSE Limited and National Stock Exchange of India Limited, the Board has decided to amend the Articles specified in the Resolution and forming part of the Articles of Association of the Company in order to ensure that the same are in line with the requirement of Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957. In accordance with Section 14 of the Act, your approval is sought by way of Special Resolution for the proposed amendments to the Articles of Association of the Company as detailed in the Resolution. A copy of the existing Articles of Association together with the proposed amendments therein is available for inspection at the Registered Office of the Company during working hours on any working day.

The Resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution.

**Inspection of Documents**

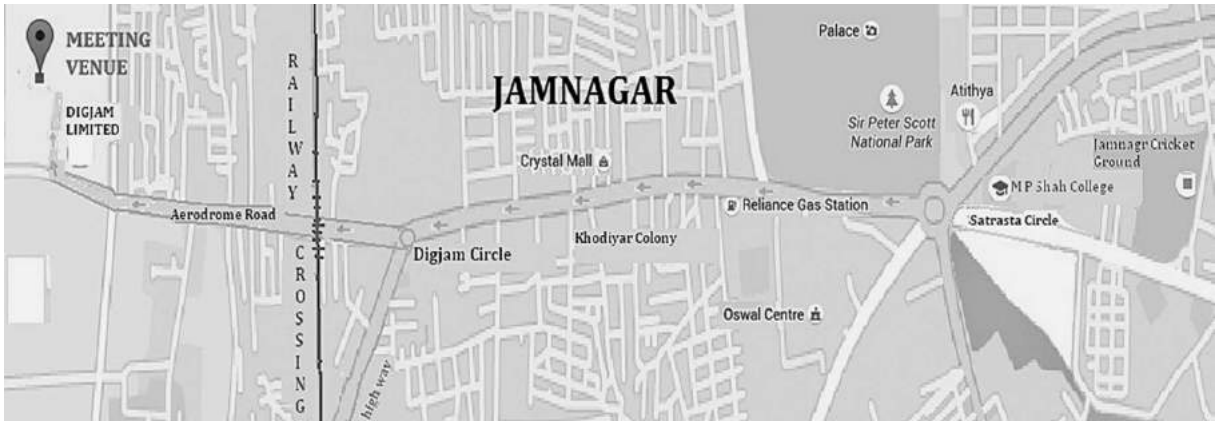
All the documents including the draft Articles of Association referred to in the notice and explanatory statement including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day prior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

New Delhi
May 18, 2016

**BY ORDER OF THE BOARD**

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

**Registered Office:**
Aerodrome Road,
Jamnagar 361 006
(Gujarat)
*CIN: U17123GJ2015PLC083569*



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report along with the Audited Accounts of the Company for the period ended March 31, 2016.

During the year, the Company proposed a scheme of amalgamation with its erstwhile parent company with a view to achieve financial strength and flexibility, and provide opportunities to leverage raising of resources to finance business needs with an improved financial structure. The Hon'ble High Court of Gujarat sanctioned the Scheme of Amalgamation ("the Scheme") between the erstwhile Digjam Limited and its wholly owned subsidiary Digjam Textiles Limited ("the Company") and their respective Creditors and Shareholders vide its Order dated February 17, 2016. On filing a certified copy of the Court Order with the Registrar of Companies, Gujarat on March 17, 2016 the Scheme came into effect.

Accordingly, the entire business and undertaking of erstwhile Digjam Limited was transferred as a going concern to the Company with effect from close of business on June 30, 2015 (Appointed Date) pursuant to Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the said Act and the Companies Act, 2013 ("the Act"). Thereafter, the name of the Company stood changed from 'Digjam Textiles Limited' to 'Digjam Limited' w.e.f. March 23, 2016. In essence, all shareholders of the erstwhile Digjam Limited automatically converted to shareholders of the Company in exactly the same proportion by number of shares.

As the Company was incorporated on June 17, 2015 and this is its first Report, previous year's figures are not applicable.

**FINANCIAL RESULTS**

| | **(Rs. Lacs)** |
|---|---|
| | **March 31, 2016** |
| Operations for the period resulted in Profit before Interest and Depreciation of | **90.42** |
| less : Finance Costs | **859.26** |
| less : Depreciation | **217.18** |
| **(Loss)/Profit Before Tax** | **(986.02)** |
| less: Taxation | **–** |
| **(Loss)/Profit After Tax being the Balance which is carried forward** | **(986.02)** |

The Directors do not recommend any dividend.

**REVIEW OF KEY BUSINESS MATTERS**

Following positive government policies for growth and governance, India's overall economic prospects are on a recovery path. But domestic demand conditions have not fully recovered. Capacity utilization across many industries is sub-optimal and private business is still constrained and hesitant about fresh investments. Challenges to economic prospects include possible rise in oil prices, uncertain monsoons, debt overhang in businesses, and slow revival of customer confidence.

The markets for the Company's products also suffered indifferent demand. Competition from synthetic and cotton fabrics and cheaper supplies from China worked to influence customer preferences. A marked shift to ready-mades is also impacting overall superior fabric demand at home. In addition, domestic sales were hit on account of deficient monsoon and exports dragged due to weak conditions in global markets. The Company achieved lower than expected sales volume at 26.4 lac metres (annualised: 35.2 lac metres) translating into operational revenue of Rs. 94.7 crores in 9 months (annualised: Rs.126.3 Crores). The Company continues to expend considerable management energy on marketing, improving operations and managing liquidity.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

Sri S. Ragothaman, Sri C. Bhaskar and Sri Satish Shah were the first Directors of the Company upon incorporation. At the Board Meeting held on March 10, 2016, Sri Sidharth Birla, Ms. Meenakshi Birla and Sri C. L. Rathi were appointed as Additional Directors and Sri Bharat Anand, Sri A.C. Mukherji and Sri G. Momen were appointed as (Independent) Additional Directors. The Board also designated Sri S. Ragothaman as an Independent Director. All the Independent Directors have declared that they meet the criteria of independence as per Section 149(6) of the Companies Act, 2013. All the Additional Directors hold office upto the date of the forthcoming Annual General Meeting; the Company has received notices u/s 160(2) of the Act proposing their appointment as Directors alongwith requisite deposits.

The Board has unanimously elected Sri Sidharth Birla as Chairman of the Company and has appointed Sri C. Bhaskar as Managing Director & Chief Executive Officer of the Company for the period from March 18, 2016 till December 31, 2017 subject to relevant approvals; the Resolution setting out the terms of his appointment is proposed for the forthcoming Annual General Meeting. Sri Bhaskar will, as permitted in law, continue to also hold office of Managing Director in Xpro India Limited.

Sri Satish Shah resigned from the Board on March 10, 2016 and there upon, he was appointed as Vice President & Chief Financial Officer of the Company. Sri Jatin Jain had been appointed as the Company Secretary of the Company on January 28, 2016.

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

**SHARE CAPITAL**

The Company was incorporated with paid-up Equity Share Capital of Rs. 5,00,000. Pursuant to the Scheme the aforesaid Share Capital held by erstwhile Digjam Limited stands cancelled. As per the Scheme, the Company has since the close of the period allotted 8,76,41,621 fully paid up Equity Shares of 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, on April 29, 2016 to the entitled shareholders of erstwhile Digjam Limited in the ratio 1 (one) share for every 1 (one) share held in erstwhile Digjam Limited on the Record Date i.e. March 31, 2016.

The Equity Shares of the Company are in the process of being listed and relevant approvals are anticipated soon.

**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 Regulation 17(10) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of erstwhile Digjam Limited 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 of erstwhile Digjam Limited 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, 2016. 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 period 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 Regulation 23 of the 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 / RPT policy2.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 period 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 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed.

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 period.

The Managing Director & Chief Executive Officer and the Chief Financial Officer have certified 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 period and of the loss of the Company for the period; (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 observations of the Statutory Auditors and Secretarial Auditors, are routine and in the nature of general disclosures.

**AUDITORS**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, had been appointed as the first Statutory Auditors of the Company by the Board of Directors to hold office until the conclusion of the first Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. They are proposed to be appointed to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting of the Company thereafter.

The erstwhile Digjam Limited 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, 2016 and the remuneration payable to them was approved by the Members at their 65th 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, 2017. 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 18, 2016

**Sidharth Birla**
*Chairman*

## REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board has always followed the principles of good governance and emphasizes transparency, integrity and accountability. We believe that good governance is voluntary, self-disciplining with the strongest impetus coming from Directors and the management itself and hence, even though the Company is in the process of listing as on date, it has in place a proper system of Corporate Governance. 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 8 Directors, of whom 4 are designated as independent and 7 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 4 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) and Sri Bharat Anand, (Advocate & Solicitor and partner of Khaitan & Co. LLP).

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 erstwhile Digjam Limited and he is invited to be present at 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 ** | B/C/Ch+ | Shares held as on March 31, 2016 $ |
|---|---|---|---|---|
| **Sri Sidharth Birla** (w.e.f. March 10, 2016) | P | 1/1 | 5/-/- | 50,000 |
| **Sri Bharat Anand** (w.e.f. March 10, 2016) | I | 1/1 | 1/1/- | - |
| **Ms. Meenakshi Birla** (w.e.f. March 10, 2016) | P | 1/1 | 2/1/- | 324 |
| **Sri G. Momen** (w.e.f. March 10, 2016) | I | -/1 | 8/5/1 | - |
| **Sri A.C. Mukherji** (w.e.f. March 10, 2016) | I | 1/1 | 4/5/2 | 116 |
| **Sri S. Ragothaman** # | I | 6/7 | 9/6/3 | 723 |
| **Sri C.L. Rathi** (w.e.f. March 10, 2016) | NE | 1/1 | 2/2/1 | - |
| **Sri Satish Shah** # (upto March 10, 2016) | NE | 5/7 | -/-/- | - |
| **Sri C. Bhaskar** # (as MD w.e.f. March 10, 2016) | E | 7/7 | 5/2/- | 2,100 |

Sitting fees are payable wef April 1, 2016. The first AGM of the Company will be held on September 23, 2016.

# First Directors of the Company.

$ reflects proportionate number of shares since allotted pursuant to the Scheme

* : 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 37 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 7 times on June 29, July 13 & 31, November 3, 2015, January 28, March 4 & 10, 2016. 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.

***Audit Committee***

The terms of reference of the Audit Committee, as specified by the Board in writing, include the whole specified in the 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 inter corporate 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 was constituted on March 10, 2016 and met on that day attended by Sri S. Ragothaman, Sri A.C. Mukherji, Sri Bharat Anand and Ms. Meenakshi Birla. 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 which was constituted on March 10, 2016, comprises of Sri A.C. Mukherji (as Chairman), Sri Bharat Anand, Sri G. Momen, Sri S. Ragothaman (independent Directors) and Sri Sidharth Birla (non-executive Promoter Director). The Committee met on March 10, 2016 when Sri A.C. Mukherji, Sri Bharat Anand, Sri S. Ragothaman and Sri Sidharth Birla attended.

The Board has wef April 1, 2016 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. The Board of Directors subject to the approval of the Shareholders at the forthcoming Annual General Meeting appointed Sri C. Bhaskar 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. 2,30,000 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. 5,38,500 during the period 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 75,000 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 which was constituted on March 10, 2016 comprises of Sri C. L. Rathi (Chairman), Sri A. C. Mukherji and Sri C. Bhaskar. During the period, 16 complaints/queries were received and have all been resolved. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2016 which was fixed as the Record Date for determining the Shareholders of erstwhile Digjam Limited entitled to allotment of Shares in the Company under the Scheme.

***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 constituted on March 10, 2016 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.

***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).

The first Annual General Meeting of the Company is scheduled to be held at its Registered Office at Aerodrome Road, Jamnagar 361 006, Gujarat as per the notice in this Annual Report and Book Closure will be as per the notice. Special Resolutions were approved at the EOGM held on July 11, 2015 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. The Extraordinary General Meeting held on July 11, 2015 was attended by Sri Satish Shah, the then Director of the Company. No Special Resolution was put through postal ballot during the period 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 though the present Report is from the date of incorporation viz. June 17, 2015. 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 has 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 in the process of being listed at National Stock Exchange of India Ltd., Mumbai and BSE Ltd., Mumbai. The Company has entered into agreements with NSDL and CDSL for dematerialization

of its Equity Shares. The ISIN is INE731U01010. As on the Record Date March 31, 2016, 8,66,06,001 Equity Shares representing 98.82% of the total Equity Shares of erstwhile Digjam Limited were held in dematerialized form and 10,35,620 Equity Shares representing 1.18% were held in physical form. Out of the balance as on April 1, 2015 of the unclaimed 1,61,579 shares of erstwhile Digjam Limited held by 6,638 shareholders credited in "DIGJAM Limited Unclaimed Suspense Account" in dematerialized form, 7 shareholders/heir have approached for claiming the shares and accordingly, 153 shares were transferred in the said cases and the remaining 1,61,426 shares belonging to 6,631 shareholders remain unclaimed to the credit of this account. Voting rights in respect of the aforesaid 1,61,426 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders.

**Distribution and pattern of Equity Shareholding upon allotment on April 29, 2016**

**Distribution of Equity Shareholding**

| Shareholding range (Nos.) | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1 – 500 | 65,118 | 86.91 | 59,42,407 | 6.78 |
| 501 – 1000 | 4,645 | 6.20 | 40,47,763 | 4.62 |
| 1,001 - 2,000 | 2,491 | 3.32 | 40,59,574 | 4.63 |
| 2,001 - 5,000 | 1,655 | 2.21 | 57,62,442 | 6.57 |
| 5,001 - 10,000 | 564 | 0.75 | 44,24,336 | 5.05 |
| 10,001 and above | 457 | 0.61 | 6,34,05,099 | 72.35 |
| **Total** | **74,930** | **100.00** | **8,76,41,621** | **100.00** |

**Pattern of Equity Shareholding**

| Category | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| Banks, FIIs, Insurance Companies | 41 | 0.05 | 1,02,58,363 | 11.70 |
| Domestic Companies | 712 | 0.95 | 3,93,00,424 | 44.84 |
| Mutual Funds (incl. UTI) | 3 | 0.00 | 740 | 0.00 |
| Non-residents | 1,387 | 1.86 | 5,52,614 | 0.63 |
| Resident Individuals/others | 72,787 | 97.14 | 3,75,29,480 | 42.83 |
| **Total** | **74,930** | **100.00** | **8,76,41,621** | **100.00** |

**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 qualifications 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 18, 2016

**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 period ended March 31, 2016.

New Delhi
May 18, 2016

**C. Bhaskar**
*Managing Director & Chief Executive Officer*

**INDEPENDENT AUDITOR'S CERTIFICATE**

**To the Members of DIGJAM LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **DIGJAM LIMITED** (formerly DIGJAM TEXTILES LIMITED) ("the Company"), for the period ended on 31st March 2016, as stipulated in:
   - The Companies Act, 2013 in respect of compliance of conditions of the Corporate Governance provisions relating to composition of Board of Directors and constitution of Board Committees including the constitution of the Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.
   - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), as amended (the "SEBI LODR Regulations") in relation to
     - Regulations 17 to 27 (excluding regulation 23(4))and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations as on March 31, 2016.
2. In terms of the Scheme of Amalgamation between erstwhile Digjam Limited and Digjam Limited (formerly Digjam Textiles Limited) and their respective Creditors and Shareholders sanctioned by the Hon'ble High Court of Gujarat vide Order dated February 17, 2016, the Company has, inter alia, allotted equity shares on April 29, 2016 and is in the process of listing the said shares on BSE Limited and National Stock Exchange of India Limited. The equity shares of the Company were not listed on the said Stock Exchanges during the period and as on March 31, 2016.
3. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.
4. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
5. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Paragraph 1 above, as at March 31, 2016.
6. 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)
(Membership No. 106189)

New Delhi
May 18, 2016

## MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We submit herewith our Managements' Discussion & Analysis Report for the period ended March 31, 2016. 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 the woollen worsted textiles segment and operates a fully equipped composite mill (ISO 9001 certified), which has manufactured high quality worsted fabrics, at Jamnagar, Gujarat 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.

| **Product :** Woolen/Worsted Fabrics | **2015-16#** |
|---|---|
| **Production** (Lac Mtrs) | **25.7** |
| **Sales** (Lac Mtrs) | |
| - Domestic | **18.9** |
| - Exports | **7.5** |
| **Revenue** (Lac Rs.) | **9,473** |

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

India registered robust growth of 7.6% in 2015-16 despite two successive years of truant monsoons and unusual volatility in the global economic environment. Policy measures taken by the government have helped enhance confidence in the economy. Inflation has moderated significantly and interest rates have been cut. The overall outlook for the Indian economy however continues to be challenging with persisting uncertainty as to a timeline for full revival of domestic demand conditions. Weak global economy has hit exports, companies are operating at sub-optimal capacity and investments remain subdued. The rupee has depreciated. Consequences of a slow-down in China and US monetary policy normalization remain uncertain. The recent turnaround in industrial production, particularly in the consumer products segment, is an encouraging trend.

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 synthetic fabrics and increased availability of cottons at lower prices. A slow recovery or weak economic conditions in key export destinations, and increasing competitiveness of China has compounded the situation and impacted our exports. The deficient monsoon in 2015, dampened the domestic, particularly rural and semi-urban, demand. The prices of imported wool, our principal raw material, firmed up about 10 percent due falling output and tight supply of Australian wool.

The fallout of this overall scenario reflected in our performance. Production was 25.7 lac meters and revenue from operations at Rs. 94.73 Crores (equivalent to Rs. 126.30 Crores on annualized basis). The operations in the overall, resulted in an earnings before interest and depreciation of Rs. 90 lacs. Finance costs and Depreciation were Rs. 8.59 Crores and Rs. 2.17 Crores respectively, yielding a loss before tax of Rs. 9.86 Crores during the period. The losses resulted in pressures on the liquidity position of the Company and to that extent impacted operations and marketing efforts.

These results were achieved in the face of prevailing competitive environment and severe liquidity constraints, balanced by efforts towards cost control and productivity enhancements. 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 the expected upturn in the economic conditions and expectations of good monsoon helping the domestic 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

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 — **C. Bhaskar**
May 18, 2016 — *Managing Director & Chief Executive Officer*

**Annexure to the Directors' Report**

**Form No. MGT - 9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL PERIOD ENDED ON MARCH 31, 2016

*[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 : | U17123GJ2015PLC083569 |
| 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<br>Tel: 0288 - 2712972/73, Fax: 0288 - 2712991<br>Email: cosec@digjam.co.in<br>website: www.digjam.co.in |
| vi) Whether listed company | Being Listed |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | MCS Share Transfer Agent Ltd.<br>12/1/5, Manoharpukur Road<br>Kolkata 700 026<br>Tel: 033 - 4072 4051, Fax: 033 - 4072 4050<br>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* | *C-13-131-1312-13123* | *22.57* |
| 2. | *Weaving, manufacturing of man-made fiber and man-made mixture fabrics* | *C-13-131-1312-13124* | *54.48* |
| 3. | *Wholesale of textiles, fabrics* | *G-46-464-4641-46411* | *21.52* |

**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* | | | | 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 | – | 6 | 6 | 0.00 | 87,589 | – | 87,589 | 0.10 | NA |
| b) Central Govt. | – | – | – | – | – | – | – | – | – |
| c) State Govt.(s) | – | – | – | – | – | – | – | – | – |
| d) Bodies Corp. | – | 49994 | 49994 | 100.00 | 33590000 | – | 33590000 | 38.32 | NA |
| e) Banks / FI | – | – | – | – | – | – | – | – | – |
| f) Any Other | – | – | – | – | 4887881 | – | 4887881 | 5.58 | NA |
| **Sub-total (A) (1)** | – | 50000 | 50000 | 100.00 | 38565470 | – | 38565470 | 44.00 | 0.00 |

**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* | | | | 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 | |
| **(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)** | – | 50000 | 50000 | 100.00 | 38565470 | – | 38565470 | 44.00 | NA |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | – | – | – | – | 740 | – | 740 | 0.00 | NA |
| b) Banks / FI | – | – | – | – | 9005741 | 19395 | 9025136 | 10.30 | NA |
| c) Central Govt. | – | – | – | – | – | – | – | – | – |
| d) State Govt(s) | – | – | – | – | 1234744 | – | 1234744 | 1.41 | NA |
| e) Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| f) Insurance Companies | – | – | – | – | 1233227 | – | 1233227 | 1.41 | NA |
| g) FIIs | – | – | – | – | – | – | – | – | – |
| h) Foreign Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| i) Others (specify) | – | – | – | – | – | – | – | – | – |
| **Sub-total (B)(1)** | – | – | – | – | 11474452 | 19395 | 11493847 | 13.12 | NA |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| *i)* Indian | – | – | – | – | 4460817 | 14863 | 4475680 | 5.11 | NA |
| *ii)* Overseas | – | – | – | – | – | – | – | – | – |
| b) Individuals | | | | | | | | | |
| *i)* Individual shareholders holding nominal share capital upto Rs. 1 lakh | – | – | – | – | 22040530 | 949197 | 22989727 | 26.23 | NA |
| *ii)* Individual shareholders holding nominal share capital in excess of Rs 1 lakh | – | – | – | – | 9384587 | – | 9384587 | 10.71 | NA |
| c) Others (specify) | | | | | | | | | |
| Directors & Relatives | – | – | – | – | 16235 | – | 16235 | 0.02 | NA |
| Non-Resident Individuals | – | – | – | – | 500449 | 52165 | 552614 | 0.63 | NA |
| Trusts | – | – | – | – | 2035 | – | 2035 | 0.00 | NA |
| Digjam Ltd. Unclaimed Suspense Account | – | – | – | – | 161426 | – | 161426 | 0.18 | NA |
| **Sub-Total(B)(2)** | – | – | – | – | 36566079 | 1016225 | 37582304 | 42.88 | NA |
| Total Public Shareholding (B) = (B)(1)+ (B)(2) | – | – | – | – | 48040531 | 1035620 | 49076151 | 56.00 | NA |
| **C. Shares held by Custodian for GDRs & ADRs** | – | – | – | – | – | – | – | – | – |
| **Grand Total (A+B+C)** | – | 50000 | 50000 | 100.00 | 86606001 | 1035620 | 87641621 | 100.00 | NA |

*Equity Shares allotted to the subscribers upon incorporation, being the holding company, erstwhile Digjam Limited and its nominees.

** Reflects the proportionate number of Equity Shares that have since been allotted under the Scheme of Amalgamation

***ii) Shareholding of Promoters***

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year* | | | 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 | |
| | Nominees of erstwhile Digjam Limited | | | | | | | |
| 1. | Sri Chandrasekharan Bhaskar | 1 | 0.00 | – | – | – | – | NA |
| 2. | Sri Satish Shah | 1 | 0.00 | – | – | – | – | NA |
| 3. | Sri Sunil Gupta | 1 | 0.00 | – | – | – | – | NA |
| 4. | Sri Divyesh Vasoya | 1 | 0.00 | – | – | – | – | NA |
| 5. | Sri Jatin Jain | 1 | 0.00 | – | – | – | – | NA |
| 6. | Sri Ravindran Kunjunni Nair | 1 | 0.00 | – | – | – | – | NA |
| 7. | Digjam Limited | 49994 | 100.00 | – | – | – | – | NA |
| 1. | S. K. Birla | – | – | – | 37589 | 0.04 | 0.03 | NA |
| 2. | Sidharth Kumar Birla | – | – | – | 50000 | 0.06 | 0.00 | NA |
| 3. | Janardhan Trading Co. Ltd. | – | – | – | 1900000 | 2.17 | 1.34 | NA |
| 4. | Central India General Agents Ltd. | – | – | – | 16514000 | 18.84 | 2.41 | NA |
| 5. | iPro Capital Ltd. | – | – | – | 7000000 | 7.99 | 0.00 | NA |
| 6. | Birla Eastern Ltd. | – | – | – | 926000 | 1.05 | 0.33 | NA |
| 7. | Birla Holdings Ltd. | – | – | – | 7250000 | 8.27 | 0.00 | NA |
| 8. | Sukriti Education Society | – | – | – | 4809881 | 5.49 | 0.00 | NA |
| 9. | Sushila Birla Memorial Institute | – | – | – | 78000 | 0.09 | 0.00 | NA |
| 10. | Smt. Sumangala Birla | – | – | – | – | – | – | – |
| 11. | Smt. Madhushree Birla | – | – | – | – | – | – | – |
| 12. | Nathdwara Investment Co. Ltd. | – | – | – | – | – | – | – |
| | Total | 50000 | 100.00 | 0.00 | 38565470 | 44.00 | 4.11 | NA |

*Equity Shares allotted to the subscribers upon incorporation, being the holding company, erstwhile Digjam Limited and its nominees.

**Reflects the proportionate number of Equity Shares that have since been allotted under the Scheme of Amalgamation

**Note:** The Company has pursuant to the Scheme of Amalgamation since 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.

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

| Sl. No. | | Shareholding at the beginning of the year | | 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 – i.e. on incorporation on June 17, 2015 allotted to the subscribers | 50,000 | 100.00 | 50,000 | 100.00 |
| | Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.): | | | | |
| | Shares cancelled pursuant to the Scheme | (–) 50,000 | 100.00 | Nil | – |
| | Proportionate number of Equity Shares since allotted (on April 29, 2016) under the Scheme of Amalgamation based on the Shareholding in erstwhile Digjam Limited on the Record Date March 31, 2016 | | | | |

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | S. K. Birla | 37589 | 0.04 | 37589 | 0.04 |
| 2. | Sidharth Kumar Birla | 50000 | 0.06 | 50000 | 0.06 |
| 3. | Janardhan Trading Co. Ltd. | 1900000 | 2.17 | 1900000 | 2.17 |
| 4. | Central India General Agents Ltd. | 16514000 | 18.84 | 16514000 | 18.84 |
| 5. | iPro Capital Ltd. | 7000000 | 7.99 | 7000000 | 7.99 |
| 6. | Birla Eastern Ltd. | 926000 | 1.05 | 926000 | 1.05 |
| 7. | Birla Holdings Ltd. | 7250000 | 8.27 | 7250000 | 8.27 |
| 8. | Sukriti Education Society | 4809881 | 5.49 | 4809881 | 5.49 |
| 9. | Sushila Birla Memorial Institute | 78000 | 0.09 | 78000 | 0.09 |
| | At the end of the year | 38565470 | 44.00 | 38565470 | 44.00 |

***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* | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Erstwhile Digjam Limited | 49994 | 100.00 | 49994 | 100.00 |
| | 17.03.2016 Cancelled due Scheme | 49994 | 100.00 | – | – |
| 2 | Sri Chandrasekharan Bhaskar[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |
| 3 | Sri Satish Shah[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |
| 4 | Sri Sunil Gupta[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |
| 5 | Sri Divyesh Vasoya[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |
| 6 | Sri Jatin Jain[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |
| 7 | Sri Ravindran Kunjunni Nair[$] | 1 | 0.00 | 1 | 0.00 |
| | 17.03.2016 Cancelled due Scheme | 1 | 0.00 | – | – |

*Equity Shares allotted to the subscribers upon incorporation, being the holding company, erstwhile Digjam Limited and its nominees.

[$]As nominee of the holding company erstwhile Digjam Limited.

***v) Shareholding of Directors and Key Managerial Personnel:***

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | 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 - i.e. on incorporation on June 17, 2015 allotted to the subscribers | | | | |
| 1. | Sri C. Bhaskar | 1 | 0.00 | 1 | 0.00 |
| 2. | Sri Satish Shah | 1 | 0.00 | 1 | 0.00 |
| 3. | Sri Jatin Jain (Appointed as Company Secretary on 28.01.2016) | 1 | 0.00 | 1 | 0.00 |

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc.): | | | | |
| | Shares cancelled pursuant to the Scheme | | | | |
| 1. | Sri C. Bhaskar | 1 | 0.00 | 0 | - |
| 2. | Sri Satish Shah | 1 | 0.00 | 0 | - |
| 3. | Sri Jatin Jain | 1 | 0.00 | 0 | - |
| | Proportionate number of Equity Shares since allotted (on April 29, 2016) under the Scheme of Amalgamation based on the Shareholding in erstwhile Digjam Limited on the Record Date March 31, 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 |
| | 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 | – | – | – | – |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | – | – | – |
| **Total (i + ii + iii)** | – | – | – | – |
| **Change in Indebtedness during the financial year** | | | | |
| • Pursuant to the Scheme of Amalgamation | 38,64,98,920 | 17,34,70,482 | – | 55,99,69,402 |
| • Addition | – | 2,00,00,000 | – | 2,00,00,000 |
| • Reduction | (11,50,662) | (4,13,68,499) | – | (4,25,19,161) |
| **Net Change** | 38,53,48,258 | 15,21,01,983 | – | 53,74,50,241 |
| **Indebtedness at the end 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 |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager from July 1, 2015 in view of Scheme of Amalgamation:* **(Rs.)**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | *Sri C. Bhaskar* | – | – | – | |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961 | <br>19,80,000<br>2,97,000<br>– | | | | <br>19,80,000<br>2,97,000<br>– |
| 2. | Stock Option | – | | | | – |
| 3. | Sweat Equity | – | | | | – |
| 4. | Commission<br>- as % of profit<br>- others, specify | – | | | | – |
| 5. | Others, please specify: | – | | | | – |
| | Total (A) | 22,77,000 | | | | 22,77,000 |
| | Ceiling as per the Act | 62,10,000 | | | | 62,10,000 |

**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<br>● Fee for attending Board/Committee meetings<br>● Commission<br>● Others, please specify | <br>–<br>–<br>– | <br>–<br>–<br>– | <br>–<br>–<br>– | <br>–<br>–<br>– | <br>–<br>–<br>– |
| | **Total (1)** | – | – | – | – | – |
| 2. | Other Non-Executive Directors<br>● Fee for attending Board/Committee meetings<br>● Commission<br>● Others, please specify | *Sri C. L. Rathi*<br>–<br>–<br>– | *Sri Sidharth Birla*<br>–<br>–<br>– | *Ms. M.Birla*<br>–<br>–<br>– | | <br>–<br>–<br>– |
| | **Total (2)** | – | – | – | | – |
| | **Total (B) = (1 + 2)** | – | – | – | | – |
| | Total Managerial Remuneration | | | | | 22,77,000 |
| | Overall Ceiling as per the Act | | | | | 62,10,000<br>(excluding sitting fees payable to Directors) |

*C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD from July 1, 2015 in view of Scheme of Amalgamation :*

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | *CEO* | *CFO Sri Satish Shah* | *CS Sri Jatin Jain From 28.01.2016* | *Total* |
| 1. | Gross salary | * | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | 9,30,060 | 65,574 | 9,95,634 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | | 1,97,610 | 7,711 | 2,05,321 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | | – | – | – |
| 2. | Stock Option | | – | – | – |
| 3. | Sweat Equity | | – | – | – |
| 4. | Commission<br>- as % of profit<br>- others, specify | | – | – | – |
| 5. | Others, please specify<br>Tax exempt medical reimbursements | | 19,950 | 4,950 | 24,900 |
| | **Total** | | 11,47,620 | 78,235 | 12,25,855 |

* 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:-

a) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this policy;

b) advising the Board on issues concerning principles for remuneration, remuneration and other terms of employment for Executive Directors & Senior Executives;

c) recommending to the Board, candidates and terms of employment for EDs and senior executives;

d) monitoring and evaluating programs for variable remuneration;

e) monitoring and evaluating the application of this Policy; and

f) monitoring and evaluating current remuneration structures and levels in the Company.

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

**4. Authority to decide on deviations from this Policy:**

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

**5. Amendment**

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

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

1. Broad understanding of the Company's business including financial, marketing, strategic plans and key issues;
2. Special skills/expertise contributing to the overall effectiveness and diversity of the Board;
3. Making measured and balanced contributions to Board discussions and deliberations after taking into consideration the interests of all stakeholders;
4. Standards of propriety;
5. Assisting the Company in implementing best Corporate Governance practices.

It is expected that while evaluating the Independent Directors on the aforesaid criteria, the Board will be able to record their relative satisfaction and also decide whether to extend or continue the term of appointment of the Independent Director. However, subject to applicable laws, the evaluation details shall be confidential.

Further, the important criteria for evaluating the Board may be:

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

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**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. 11 lacs per annum

**C. Foreign Exchange Earnings and Outgo** **(Lac Rs.)**

| | **Period ended March 31, 2016** |
|---|---|
| Total foreign exchange earned | 3,058 |
| Total foreign exchange used | 170 |

**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.

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**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:**

a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

f) measures for the benefit of armed forces veterans, war widows and their dependents;

g) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;

i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

j) rural development projects.

k) slum area development.

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

a) The ratio of the remuneration of each director to the median employee's remuneration for the financial period:

Sri C Bhaskar (Managing Director & CEO): 19:1

b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial period:

*Not relevant as this is the first accounting period of the Company.*

c) The percentage increase in the median remuneration of employees in the financial year :

*Not applicable as this is the first accounting period of the Company.*

d) The number of permanent employees on the rolls of Company: *1,016 (as on March 31, 2016)*

e) The explanation on the relationship between average increase in remuneration and Company performance:

*Not relevant as this is the first accounting period of the Company*

f) Comparison of the remuneration/each remuneration of the Key Managerial Personnel against the performance of the Company:

*Remuneration of the Key Managerial Personnel partly paid by erstwhile Digjam Limited, the then Holding Company and the Company has been detailed in item VI. A & C of the Form MGT-9: Extract of Annual Return annexed to the Directors Report. The Company reported a loss during the period.*

g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer. In case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

*The Company is in the process of being listed and hence, data of market capitalization is not available. Further, this being the first accounting period of the Company, variation in the net worth of the Company as at the close of the current financial year and previous financial year are not available.*

h) 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:

*Not applicable as this is the first accounting period of the Company.*

i) Key parameters for any variable component of remuneration availed by the directors:

*No variable component of remuneration has been paid to the Directors.*

j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the period:

*i. Sri R.K. Kedia (President & COO): 1.09 : 1*

*ii. Sri Ravinder Kr. Sharma [Vice President (Sales & Marketing)]: 1.39 : 1*

| | | |
|---|---|---|
| *iii. Sri G.K. Sureka [Exec. Vice President (Legal)]:* | *1.24 : 1* | k) If remuneration is as per the remuneration policy of the Company: *Yes* |
| *iv. Sri P.K. Das [Exec. Vice President (Exports)]:* | *1.06 : 1* | **Note:** For the above computation, leave encashment and retirement benefits are not considered as remuneration |

**Particulars of Employees pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name; Designation of the Employee; Remuneration Received (Rs.); Qualifications; Experience (years); Date of Commencement of Employment; Age (Years); Last Employment held;

Employed for the period and in receipt of remuneration in aggregate not less than Rs. 60,00,000

Nil

Employed for part of the period and in receipt of remuneration in aggregate not less than Rs. 5,00,000 p.m.

Kedia R.K.; President & Chief Operating Officer; 27,39,366; B. Text; 40; 01.05.2006; 65; Reliance Industries Ltd.

**Note:** i. Remuneration includes Salary, Housing, Medical Reimbursement, Leave Travel Assistance, Company's Contribution to Provident & Superannuation Funds and other perquisites, Leave encashment and commission, if any.

ii. The above appointment is non-contractual.

iii. Sri R.K. Kedia is not related to any Director of the Company.

v. No employee of the Company, in receipt of remuneration in excess of the highest paid Director, together with his spouse and dependent children holds more than 2% of the Equity Shares of the Company.

For and on behalf of the Board

New Delhi
May 18, 2016

**Sidharth Birla**
*Chairman*

**Annexure to the Directors' Report**

**From No. MR - 3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL PERIOD ENDED 31st MARCH, 2016**

*[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) incorporated on June 17, 2015. 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 period ended on 31st March, 2016, 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 including erstwhile Digjam Limited for the financial period ended on 31st March, 2016 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') to the extent applicable to the erstwhile Digjam Limited as the Company is in the process of being listed:-

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 period 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 period 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;
d) Handlooms (Reservation of Articles for Production) Act, 1985

The Company's products are exempted under Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 vide Notification no. 31/2004-Central Excise dated 9th July, 2004.

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 by the erstwhile Digjam 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 Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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:-

1. Pursuant to the Scheme of Amalgamation between erstwhile Digjam Limited (Amalgamating Company) and Digjam Textiles Limited (Amalgamated Company or the Company) sanctioned by the Hon'ble High Court of Gujarat vide Order dated February 17, 2016, the entire business and undertaking of the Amalgamating Company stands transferred to and vested in the Company as a going concern without any further act, instrument, deed or matter or thing as and from the Appointed Date viz. close of business on June 30, 2015 and the Amalgamating Company has been dissolved without winding-up on the Effective Date viz. March 17, 2016 (the date of filing of the Court Order with the Registrar of Companies, Gujarat).The Company had fixed March 31, 2016 as the Record Date for allotment of Shares in the ratio of 1:1 to the shareholders of erstwhile Digjam Limited and accordingly, the Stock Exchanges have suspended the trading in Equity Shares of erstwhile Digjam Limited wef March 30, 2016. The Company has on April 29, 2016 allotted 8,76,41,621 Equity Shares 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. The Equity Shares of the Company are to be listed under the Scheme of Amalgamation.
2. The Members have accorded their consent to the Board of Directors at the Extra-Ordinary General Meeting held on July 11, 2015 for the following: -

a. to borrow any sums of money pursuant to Section 180(1)(c) of the Companies Act, 2013 that may exceed the aggregate of paid-up share capital and free reserves of the Company provided that the total amount so borrowed and outstanding at any one time shall not exceed Rs. 250 Crores.

b. to mortgage and/or charge in terms of Section 180(1)(a) of the Companies Act, 2013, all the immovable and movable properties, present and future, pertaining to the undertaking of the Company and the whole or substantially the whole of the said undertaking with the right to takeover the management and concern of the undertaking in favour of financial institutions, banks and others to secure their respective borrowings for such amount(s) not exceeding Rs. 250 Crores in the aggregate.

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

**C S Viral Sanghavi**
Proprietor

M No. ACS 24951 CP 9035
On 10th May 2016 at Jamnagar

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF DIGJAM 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 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period17th June, 2015 (Date of Incorporation) to 31st March, 2016 ("the period"), 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.

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 and the Order under section 143 (11) of the Act.

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 we have obtained 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 31st March, 2016, and its loss and its cash flows for the period ended on that date.

**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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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, 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 – Refer Note 18 to the 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.
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)
(Partner)
(Membership No. 106189)

Place : New Delhi
Date : May 18, 2016

**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' 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 Act**

We have audited the internal financial controls over financial reporting of Digjam Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period 17th June, 2015 (Date of Incorporation) to 31st March, 2016 ("the period").

**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 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 Companies Act, 2013, 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, 2016, 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.

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

(Kartikeya Raval)
Place : New Delhi (Partner)
Date : May 18, 2016 (Membership No. 106189)

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**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 the Orders provided to us, we report that, the title deeds, comprising all the immovable properties

of land, which are freehold, are held in the name of the Company as at the balance sheet date except 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 said land is in the name of Birla VXL Limited (Digjam Woollen Mills) pending transfer in the name of the Company. |

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

(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 the CARO 2016 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 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 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 Companies Act, 2013. 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 Companies Act, 2013, 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, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

| 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 | Commissioner (Appeals) Rajkot | Oct 2009 to Sept. 2014 | 9,73,356 | 4,32,427 |
| 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) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 Companies Act, 2013 except for the approval of the Members which will be obtained at the forth coming Annual General Meeting of the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 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 Companies Act, 2013, 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 CARO 2016 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 Companies Act, 2013 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)

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

Place: New Delhi
Date : May 18, 2016

## BALANCE SHEET
## AS AT MARCH 31, 2016

| | Notes | (Rs.) As at March 31, 2016 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Shareholders' Funds** | | |
| Share Capital | 3 | **–** |
| Equity Share Capital Suspense | 3 | **87,64,16,210** |
| Preference Share Capital Suspense | 3 | **5,00,00,000** |
| Reserves and Surplus | 4 | **36,44,05,679** |
| **Non-current Liabilities** | | |
| Long Term Borrowings | 5 | **9,18,75,206** |
| Other Long Term Liabilities | 6 | **2,25,75,500** |
| Long Term Provisions – Employee benefits | | **3,54,82,229** |
| **Current Liabilities** | | |
| Short Term Borrowings | 7 | **43,95,78,462** |
| Trade Payables | 8 | |
| a. Total outstanding dues of Micro and Small Enterprises | | **–** |
| b. Total outstanding dues of creditors other than Micro and Small Enterprises | | **35,93,74,048** |
| Other Current Liabilities | 9 | **2,92,48,466** |
| Short Term Provisions | 10 | **1,85,44,301** |
| **Total** | | **2,28,75,00,101** |
| **ASSETS** | | |
| **Non-current Assets** | | |
| Fixed Assets | | |
| Tangible Assets | 11a | **1,78,23,63,322** |
| Intangible Assets | 11b | **14,64,913** |
| Long Term Loans and Advances | 12 | **44,63,114** |
| **Current Assets** | | |
| Inventories | 13 | **32,62,23,345** |
| Trade Receivables | 14 | **13,12,82,639** |
| Cash and Cash Equivalents | 15 | **1,71,65,212** |
| Short Term Loans and Advances | 16 | **1,82,55,768** |
| Other Current Assets | 17 | **62,81,788** |
| **Total** | | **2,28,75,00,101** |

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 18, 2016

## STATEMENT OF PROFIT & LOSS
## FOR THE PERIOD 17.06.2015 TO 31.03.2016

**(Rs.)**

| | Notes | Period ended 31.03.2016 |
|---|---|---|
| **INCOME** | | |
| Revenue from Operations | 19 | **94,73,07,558** |
| Other Income | 20 | **68,13,054** |
| | | **95,41,20,612** |
| **EXPENSES** | | |
| Cost of Materials Consumed | 21 | **28,24,39,219** |
| Purchase of Stock-in-Trade | 22 | **14,41,03,354** |
| Changes in Inventories (of Finished Goods, Work-in-progress and Stock-in-trade) | 23 | **5,10,65,362** |
| Employees Benefits Expense | 24 | **18,21,27,372** |
| Finance Costs | 25 | **8,59,25,750** |
| Depreciation and Amortisation Expense | 11 | **2,17,18,257** |
| Other Expenses | 26 | **28,53,43,399** |
| | | **1,05,27,22,713** |
| **Loss before Tax** | | **(9,86,02,101)** |
| Tax Expense | | **–** |
| **Loss after Tax for the Period** | | **(9,86,02,101)** |
| **Earnings per Equity Share** | 34 | |
| (Face Value – Rs. 10) | | |
| Basic and Diluted – Rs.: | | **(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 18, 2016

## CASH FLOW STATEMENT FOR THE PERIOD 17.06.2015 TO 31.03.2016

| | | (Rs.) |
|---|---|---|
| | | **Period ended 31.03.2016** |
| **A.** | **Cash Flow from Operating Activities** | |
| | Net Loss before Tax | **(9,86,02,101)** |
| | **Adjusted for :** | |
| | Depreciation and Amortisation Expense | 2,17,18,257 |
| | Finance Costs | 8,59,25,750 |
| | Interest income | (47,43,321) |
| | Loss on sale/discard of Fixed Assets | 5,295 |
| | (Gain) on Foreign Exchange Fluctuation (unrealised) | (6,716) |
| | **Operating Profit before working capital changes** | **42,97,164** |
| | **Adjustment for decrease in operating assets** | |
| | Trade receivables | 6,66,55,954 |
| | Loans & Advances | 69,87,318 |
| | Other receivables | 39,85,084 |
| | Inventories | 8,31,26,962 |
| | **Adjustment for (decrease)/ increase in operating liabilities** | |
| | Trade Payables | (6,46,24,830) |
| | Other current liabilities | 27,50,409 |
| | **Cash generated from operations** | 10,31,78,061 |
| | Direct taxes | 3,84,834 |
| | Net Cash from Operating Activities … (A) | **10,35,62,895** |
| **B.** | **Cash Flow from Investing Activities** | |
| | Capital Expenditure on Purchase of Fixed Assets | (6,48,873) |
| | Proceeds from Sale of Fixed Assets | 38,150 |
| | Bank Balances not considered as Cash and Cash Equivalents – Matured | 30,35,636 |
| | Interest received | 47,43,321 |
| | Net Cash from Investing Activities … (B) | **71,68,234** |
| **C.** | **Cash Flow from Financing Activities** | |
| | Repayment of Long Term Borrowings | (72,67,211) |
| | Repayment of Short Term Borrowings | 2,60,02,873 |
| | Repayment of Borrowings (net) | (1,87,35,662) |
| | Interest and Financial Charges | (9,27,24,063) |
| | Proceeds from Issue of Equity Shares (refer note 1C) | 5,00,000 |
| | Net Cash (used) in Financing Activities … (C) | **(11,09,59,725)** |
| | **Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)** | (2,28,596) |
| | Cash and Cash Equivalents (Opening Balance) | – |
| | Add: Pursuant to Scheme of Amalgamation (refer note 1C) | 39,08,708 |
| | Cash and Cash Equivalents (Closing Balance) (refer note 15(A)) | 36,80,112 |

**Notes :**

1. Cash and Cash Equivalents (Refer Note No. 15A) includes foreign exchange fluctuation (unrealised) in bank balance in foreign exchange – Rs. (746)
2. Cash Flow Statement has been prepared as per the indirect method set out in Accounting Standard-3 "Cash Flow Statements".
3. For non-cash transactions relating to investing and financing activities pursuant to the Scheme refer Note 1B.
4. Cash flows have been adjusted for the balances transferred from the amalgamated company.

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 18, 2016

## 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 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 shall allot 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. Pending allotment of such shares as at March 31, 2016 (Record Date), the face value of shares to be issued has been accounted under the respective Share Capital Suspense Accounts and the share premium under Securities Premium Suspense Account. The said allotment was completed on April 29, 2016 and the Equity Shares are to be listed on BSE and NSE as provided in the Scheme.

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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the 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 period. 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 as per the terms of the lease.

**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 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 assets and liabilities as current and non-current.

**(Rs.)**

| **3. Share Capital** | **As at 31.3.2016** |
|---|---|
| **Authorised** (Refer Note No. 1D) | |
| 10,00,50,000 Equity Shares of Rs. 10 each | **100,05,00,000** |
| 25,00,000 Preference Shares of Rs. 100 each | **25,00,00,000** |
| | **125,05,00,000** |
| **Issued, Subscribed & fully paid up** | |
| Nil | **–** |

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 having a par value of Rs.10 each carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets after distribution of all preferential amounts.

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 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. 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**

**(Rs.)**

| **Shares to be issued pursuant to Scheme of Amalgamation** (Refer Note No. 1B) | |
|---|---|
| **Particulars** | **As at 31.3.2016** |
| 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** |

| **3.3 Reconciliation of number of Shares** | **As at 31.3.2016** |
|---|---|
| **Equity Shares** | |
| Number of Shares at the beginning of the period | **–** |
| Shares issued and allotted during the period on incorporation | **50,000** |
| Cancellation on account of the Scheme (refer note 3 above) | **50,000** |
| Balance at the period end | **–** |

**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%
ICICI Bank Ltd. 87,63,381 Shares; 10.00%
Birla Holdings Ltd.: 72,50,000 Shares; 8.27%
iPro Capital Ltd.: 70,00,000 Shares; 7.99%
Sukriti Education Society: 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; 100.00%

* reflects proportionate number of shares that have since been allotted on April 29, 2016 under the Scheme. Percentages have been rounded to the nearest second decimal place.

| 4. Reserves and Surplus | (Rs.)<br>As at 31.3.2016 |
|---|---|
| **Capital Reserve** (Refer Note No. 1C) | |
| Pursuant to Scheme of Amalgamation | **2,47,99,675** |
| Closing Balance | **2,47,99,675** |
| **Surplus / (Deficit)** | |
| (Loss) after tax as per the Statement of Profit and Loss | **(9,86,02,101)** |
| Closing Balance | **(9,86,02,101)** |
| **Security Premium Suspense** (Refer Note No. 1C) | **43,82,08,105** |
| **Reserve & Surplus (Total)** | **36,44,05,679** |

| 5. Long Term Borrowings | As at 31.3.2016 | (Rs.) |
|---|---|---|
| | **Non-current portion** | **Current Maturities** |
| **Secured** | | |
| Term Loans : | | |
| - Banks and Financial Institutions | **4,75,206** | **1,94,590** |
| **Unsecured** | | |
| Intercorporate Deposits | **9,14,00,000** | **–** |
| | **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 Housing Development Finance Corporation Limited total outstanding - Rs. Nil together with the right of recompense, if any, on account of settlement is secured by mortgage on specified immovable properties.

Loans from bank for purchase of vehicles total outstanding – Rs. 6,69,795 are secured against the vehicles purchased out of those loans. The loans are repayable, in 37 equated monthly instalments, by April 2019.

Unsecured Intercorporate Deposits of Rs. 9,14,00,000 are repayable after June, 2017.

| 6. Other Long Term Liabilities | (Rs.)<br>As at 31.3.2016 |
|---|---|
| Security Deposits from Dealers and Selling Representatives | **2,25,75,500** |

| 7. Short Term Borrowings | (Rs.)<br>As at 31.3.2016 |
|---|---|
| Secured Loans from Banks | **38,46,78,462** |
| Unsecured Intercorporate Deposits | **5,49,00,000** |
| | **43,95,78,462** |

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 paripassu, and pledge of part of the promoters' shareholding in the Company.

| 8. Trade Payables | (Rs.)<br>As at 31.3.2016 |
|---|---|
| Acceptances | **14,51,85,227** |
| Others | **21,41,88,821** |
| | **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, 2016, which requires disclosure under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by auditors.

| 9. Other Current Liabilities | (Rs.)<br>As at 31.3.2016 |
|---|---|
| Current maturities of long term loans | **1,94,590** |
| Interest Accrued and due on borrowings | **28,65,107** |
| Interest accrued but not due on borrowings | **29,36,876** |
| Advance from Customers | **1,66,79,821** |
| Statutory Liabilities | **65,72,072** |
| | **2,92,48,466** |

**(Rs.)**

| **10. Short Term Provisions** | **As at 31.3.2016** |
|---|---|
| Short Term Employees Benefits | **1,77,16,775** |
| Provision for Fringe benefit tax (refer note 15) | **8,27,526** |
| | **1,85,44,301** |

**(Rs.)**

| **11. FIXED ASSETS** | **Gross Block** | | | | | **Depreciation & Amortisation** | | | | **Net Block** |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at June 17, 2015 | Acquired pursuant to Scheme of Amalgamation (Refer Note No. 1C) | Additions | Sale/ Adjust-ments | **As at March 31, 2016** | As at June 17, 2015 | For the period | On Sale/ Adjust-ments | **Up to March 31, 2016** | **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** |
| Building | – | 13,45,84,000 | – | – | **13,45,84,000** | – | 31,54,134 | – | **31,54,134** | **13,14,29,866** |
| Plant & Equipment | – | 16,37,23,000 | – | – | **16,37,23,000** | – | 1,66,00,468 | – | **1,66,00,468** | **14,71,22,532** |
| Furniture & Fixtures | – | 10,90,244 | 50,437 | – | **11,40,681** | – | 1,08,875 | – | **1,08,875** | **10,31,806** |
| Vehicles | – | 30,48,498 | – | 40,327 | **30,08,171** | – | 6,54,091 | – | **6,54,091** | **23,54,080** |
| Office Equipment | – | 19,64,832 | 5,98,437 | 3,118 | **25,60,151** | – | 7,53,247 | – | **7,53,247** | **18,06,904** |
| | – | 180,30,28,708 | 6,48,874 | 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 | – | **4,47,442** | **14,64,913** |

**(Rs.)**

| **12. Long Term Loans and Advances** | **As at 31.3.2016** |
|---|---|
| (Unsecured, considered good) | |
| Security Deposits | **22,15,800** |
| Advances to Showrooms | **14,82,314** |
| Others | **7,65,000** |
| | **44,63,114** |

**(Rs.)**

| **13. Inventories** | **As at 31.3.2016** |
|---|---|
| (Please refer Note 2.7 for accounting policy for valuation) | |
| Raw Materials* | **3,66,48,041** |
| Work-in-progress | **13,80,49,400** |
| Finished Goods | **11,47,03,560** |
| Stock-in-trade | **2,66,49,366** |
| Stores and Spares | **1,01,72,978** |
| | **32,62,23,345** |

* Includes goods in transit Rs. 1,04,45,491

**(Rs.)**

| **14. Trade Receivable** | **As at 31.3.2016** |
|---|---|
| (Secured, considered good) | |
| Outstanding for a period exceeding six months from the date they are due for payment | **69,294** |
| (Unsecured, considered good) | |
| Outstanding for a period exceeding six months from the date they are due for payment (Net)* | **11,56,775** |
| Others | **13,00,56,570** |
| | **13,12,82,639** |

* excludes doubtful receivables - Rs. 3,50,02,778 fully provided for.

| 15. Cash and Cash Equivalents | (Rs.) As at 31.3.2016 |
|---|---|
| Cash on hand | **3,09,833** |
| Balances with Banks | |
| - Current Accounts | **33,16,764** |
| - Export Earners Foreign Currency Accounts | **53,515** |
| **Total Cash & Cash Equivalents (As per AS-3 Cash Flow Statements) (A)** | **36,80,112** |
| Other Balances with Banks | |
| - Fixed Deposits in earmarked accounts Balances held as Margin Money | **1,23,10,103** |
| - Fringe Benefit Tax Account | **11,74,997** |
| **Total – Other Bank Balances (B)** | **1,34,85,100** |
| **Total Cash and Cash Equivalents (A+B)** | **1,71,65,212** |

| 16. Short Term Loans and Advances | (Rs.) As at 31.3.2016 |
|---|---|
| (Unsecured, considered good) | |
| Security Deposits | **11,93,200** |
| Balance with Government Authorities* | **20,61,808** |
| Advance Income Tax | **24,71,863** |
| Prepaid Expenses | **35,02,749** |
| Advances to Vendors | **45,46,320** |
| Advances to Showrooms | **7,65,196** |
| Interest Free Loan to Employees | **1,95,000** |
| Other Advances | **35,19,632** |
| | **1,82,55,768** |

* excludes doubtful, against which full provision made – Rs.14,69,628.

| 17. Other Current Assets | (Rs.) As at 31.3.2016 |
|---|---|
| Export Benefits Receivable | **58,82,923** |
| Interest Accrued but not due (on deposits with Bank) | **3,98,865** |
| | **62,81,788** |

**18. Contingent Liabilities and Commitments** (not provided for, net of deposits)

| Contingent Liabilities | (Rs.) As at 31.3.2016 |
|---|---|
| Service Tax matters under appeal (In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote) | **1,31,22,490** |

| 19. Revenue from Operations | (Rs.) Period ended 31.3.2016 |
|---|---|
| Sale of Goods | |
| - Cloth | **91,56,96,945** |
| - Others | **1,35,64,776** |
| Sub-total | **92,92,61,721** |
| Export Incentives and Claims | **1,60,68,101** |
| Other Operating Revenue | **19,77,736** |
| **Revenue from Operations** | **94,73,07,558** |

| 20. Other Income | (Rs.) Period ended 31.3.2016 |
|---|---|
| Interest Income | **47,43,321** |
| Provisions/Liabilities no longer required written back | **2,18,444** |
| Gain on Foreign Exchange Fluctuation (Net) | **10,95,554** |
| Other Non-operating Income | **7,55,735** |
| | **68,13,054** |

| 21. Cost of Materials Consumed | (Rs.) Period ended 31.3.2016 |
|---|---|
| Inventories at the beginning of the period | – |
| Add: Acquired pursuant to the Scheme of Amalgamation (Refer Note 1C) | **6,41,27,569** |
| Add: Purchases during the period | **25,94,79,608** |
| | **32,36,07,177** |
| Less: Sales | **45,19,917** |
| | **31,90,87,260** |
| Less: Inventories at the end of the period | **3,66,48,041** |
| Cost of Raw Materials consumed | **28,24,39,219** |
| **Details of Material Consumed** | |
| Wool and Synthetic Fibers | **25,69,35,266** |
| Yarn (bought out) | **1,87,64,147** |
| Others | **67,39,806** |
| | **28,24,39,219** |

| 22. Purchase of Stock-in-Trade | (Rs.) Period ended 31.3.2016 |
|---|---|
| Cloth | **13,06,45,551** |
| Others | **1,34,57,803** |
| | **14,41,03,354** |

| 23. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (Rs.) Period ended 31.3.2016 |
|---|---|
| **Inventories at the beginning of the year (I)** | – |
| **Acquired Pursuant to Scheme of Amalgamation** (Refer Note No. 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 | **11,47,03,560** |
| Work-in-progress | **13,80,49,400** |
| Stock-in-trade | **2,66,49,366** |
| Sub-total (III) | **27,94,02,326** |
| **Net (Increase) / Decrease** | **5,10,65,362** |

| 24. Employees Benefits Expense | (Rs.) Period ended 31.3.2016 |
|---|---|
| Salaries, Wages, Bonus, etc. | **14,98,93,259** |
| Contribution to Provident & other funds | **1,86,39,480** |
| Employees Welfare expenses | **1,35,94,633** |
| | **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:

(Rs.)

| | Gratuity | Compensated Absences |
|---|---|---|
| | Period ended 31.3.2016 | Period ended 31.3.2016 |
| **a. Reconciliation of opening and closing balances of the present value of defined benefit obligation** | | |
| Obligation at the beginning of the period | – | – |
| Add: Pursuant to Scheme of amalgamation (Refer Note No. 1C) | 12,37,98,294 | 1,83,83,001 |
| Current Service Cost | 40,19,047 | 26,02,305 |
| Interest Cost | 77,43,583 | 11,49,857 |
| Actuarial (gain)/loss | (18,49,956) | (24,23,385) |
| Benefits paid | (75,52,013) | (9,26,718) |
| **Obligation at the end of the period** | **12,61,58,955** | **1,87,85,060** |
| **b. Reconciliation of opening and closing balances of fair value of plan assets** | | |
| Plan assets at the beginning of the period, at fair value | – | – |
| Add: Pursuant to Scheme of amalgamation (Refer Note No. 1C) | 9,39,50,905 | – |
| Expected Return on Plan Assets | 58,76,629 | – |
| Actuarial gain/(loss) | (5,30,510) | – |
| Contribution | – | – |
| Benefits paid | (75,52,013) | – |
| **Plan assets at the end of the period at fair value** | **9,17,45,011** | **–** |
| **c. Net Liability recognised in Balance Sheet** | | |
| Obligation at the end of the period | 12,61,58,955 | 1,87,85,060 |
| Less : Plan assets at the end of the period at fair value | (9,17,45,011) | – |
| **Liability recognised in Balance Sheet as at the end of the period as under:** | **3,44,13,944** | **1,87,85,060** |
| - Long Term Provision for Employees Benefits | 2,11,98,001 | 1,42,84,228 |
| - Short Term Provision for Employees Benefits | 1,32,15,943 | 45,00,832 |
| **d. Components of employer expense for the period** | | |
| Current service cost | 40,19,047 | 26,02,305 |
| Interest cost | 77,43,583 | 11,49,857 |
| Expected return on plan assets | (58,76,629) | – |
| Net Actuarial (gain)/loss | (13,19,446) | (24,23,385) |
| **Net cost** | **45,66,555** | **13,28,777** |
| **e. Assumptions** | % | % |
| Discount Rate (p.a.) | 8.21 | 8.21 |
| Expected Rate of Return on plan assets (p.a.) | 8.21 | – |
| Expected rate of increase in compensation levels (p.a.) | 6.00 | 6.00 |

**f.** The contribution expected to be made by the Company during the next financial year has not been ascertained.

**g.** 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. 1,30,34,064 for Provident Fund contributions, Rs.10,38,859 for Superannuation Fund contributions and 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.

(Rs.)

| **25. Finance Costs** | Period ended 31.3.2016 |
|---|---|
| Interest Expenses | **7,65,90,197** |
| Other Borrowing Costs | **93,35,553** |
| | **8,59,25,750** |

**26. Other Expenses**

| | (Rs.) Period ended 31.3.2016 |
|---|---|
| Stores and Spares consumed | **3,46,51,940** |
| Power and Fuel | **9,24,75,874** |
| Processing Expenses | **2,02,49,903** |
| Repairs to Building | **18,62,310** |
| Repairs to Machinery | **83,74,113** |
| Repairs (Others) | **9,48,171** |
| Insurance | **24,02,706** |
| Directors Fees including Service Tax | **12,82,821** |
| Professional & Legal Fees and Expenses@ | **1,14,54,178** |
| Payment to Auditors* | **10,61,289** |
| Rates & Taxes | **14,07,016** |
| Rent ** | **86,37,134** |
| Traveling Expenses | **87,48,166** |
| Advertisement & Sales Promotion | **4,21,44,210** |
| Brokerage, Rebate, Discount & Commission | **2,35,93,218** |
| Bad Debts written off | **25,204** |
| Loss on Sale/Discard of Fixed Assets (Net) | **5,295** |
| Freight & other Selling Expenses | **1,25,43,905** |
| Miscellaneous Expenses | **1,34,75,946** |
| | **28,53,43,399** |

| ***** Payment to Auditors | (Rs.) Period ended 31.3.2016 |
|---|---|
| As Auditors | **8,00,000** |
| For Other Services (included in Professional & Legal fees and Expenses) | **6,26,660** |
| Service Tax | **1,15,500** |
| Reimbursement of expenses | **1,45,789** |
| | **16,87,949** |

@Includes amount paid to a firm in which some of the partners of the Statutory Auditors are partners : Rs 30,000.

****** The Company is lessee under various operating leases, none of which is non-cancellable.

**27.** 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.

**28**. As on March 31, 2016 Company's current liabilities are over its current assets. The Company has taken steps to strengthen its liquidity position by infusing long term funds by way of long term loans. The Company expects to earn operating profit and a positive cash flow during the current year from the operations.

**29. Foreign Currency Transactions**

| | | (Rs.) Period ended 31.3.2016 |
|---|---|---|
| **i.** | **Value of Imports on CIF Basis** | |
| | Raw Materials | **70,59,273** |
| | Store & Spare parts (incl. Components) | **21,13,685** |
| **ii.** | **Expenditure in Foreign Currency** | |
| | Commission | **59,36,863** |
| | Traveling expenses | **13,40,655** |
| | Others | **5,82,705** |
| **iii.** | **Earnings in Foreign Exchange** | |
| | Export (including Deemed) of goods (on FOB basis) | **31,13,99,867** |

**30. 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 – 8,558, Rs. 6,45,477, USD – 200, Rs. 13,266 and GBP – 50, Rs. 4,780

Payables : EURO – 57,254, Rs. 43,20,991, USD – 90,490, Rs. 59,97,716

**31. Value of Consumables**

| | (Rs.) Period ended 31.3.2016 | |
|---|---|---|
| | **Rs.** | **%** |
| **Raw Material** | | |
| Imported | **3,03,51,712** | **10.75** |
| Indigenous | **25,20,87,507** | **89.25** |
| | **28,24,39,219** | **100.00** |

| | | (Rs.)<br>Period ended<br>31.3.2016 |
|---|---|---|
| | Rs. | % |
| **Spares and Components** | | |
| Imported | **34,13,598** | **9.85** |
| Indigenous | **3,12,38,342** | **90.15** |
| | **3,46,51,940** | **100.00** |

**32. 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.)<br>Period ended<br>31.3.2016 |
|---|---|
| **Revenue** | |
| Within India | **64,54,24,592** |
| Outside India (excluding Deemed Exports) | **30,86,96,020** |
| Total | **95,41,20,612** |
| **Carrying amount of Assets** | |
| Within India | **2,25,69,77,420** |
| Outside India | **3,05,22,681** |
| Total | **2,28,75,00,101** |
| **Additions to Fixed Assets** | |
| Within India (Including pursuant to Scheme of Amalgamation Refer Note No. 1C) | **1,80,55,89,937** |
| Outside India | **–** |
| Total | **1,80,55,89,937** |

**33. Related Party Disclosures**
(in terms of AS 18)

**i.** Key Managerial Personnel:

Sri C. Bhaskar (Managing Director & Chief Executive Officer) - Remuneration – Rs.25,14,600.

The above remuneration is for the period from the close of business as on June 30, 2015 (Appointed Date) upto March 17, 2016 Rs. 23,82,684 as Managing Director of erstwhile Digjam Limited (Amalgamating Company) in accordance with the Special Resolution approved at the Extra-Ordinary General Meeting of the Amalgamating Company held on March 25, 2015 and Rs. 1,31,916 for the period from March 18, 2016 as per approval of the Board of Directors in accordance with Section II Part II of Schedule V of the Companies Act, 2013 subject to approval of the Members at the forthcoming Annual General Meeting as provided in Section 196(4) of the Companies Act, 2013.

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) – transferred pursuant to Scheme of Amalgamation (Refer Note 1C) – Rs. 2,50,00,000, aggregate of Short Term Deposits taken from them from time to time – Rs. Nil; Deposits repaid from time to time – Rs. 2,50,00,000. Interest expense (gross) on above Deposits – Rs. 28,72,429 and Expenses reimbursed – Rs. 7,39,784. Maximum outstanding balance (credit) during the period – Rs. 2,62,04,823. Outstanding balance as at March 31, 2016 – Rs. Nil.

**34. Earnings Per Share**
(in terms of AS 20)

| | | Period ended<br>31.3.2016 |
|---|---|---|
| (Loss)/Profit after Tax | Rs. | **(9,86,02,101)** |
| (Loss)/Profit pertaining to equity shareholders | Rs. | **(9,86,02,101)** |
| Number of Equity Shares* | Nos. | **8,76,41,621** |
| Nominal value per Equity Share | Rs. | **10** |
| **Basic & Diluted Earnings per share:** | Rs. | **(1.13)** |

***Note :** For the purpose of calculating Earnings Per Share, the Equity Shares to be 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 thereunder.

**35.** The Company was incorporated on June 17, 2015 and hence, previous year's figures are not given.

**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 18, 2016

**Jatin Jain**
*Company Secretary*

Dear Shareholders,

The attached Coupons will entitle you to purchase cloth of the available varieties of **DIGJAM** upto Rs. 3,000/- at prevailing selling rates less 15% discount plus other local taxes wherever applicable from any of our EXCLUSIVE SHOWROOMS/RETAIL SHOPS AND MILLS AUTHORISED RETAIL DEALERS FROM JULY 1, 2016 TO JUNE 30, 2017. Validity period of the Coupons will not be extended for any reason whatsoever. We regret our inability to issue duplicates for lost, defaced or torn Coupons.

The Coupons are valid for Cash Purchases only and credit cards will not be accepted.

The Coupons cannot be clubbed with any other ongoing discount scheme in a shop.

Coupons may be utilized at the earliest and not till the last day of the validity to avoid rush and disappointment in not getting the desired varieties.

Yours faithfully,
**Jatin Jain**
*Company Secretary*
**DIGJAM Limited**

May 18, 2016

## *EXCLUSIVE SHOWROOMS / RETAIL SHOPS @ MILLS AUTHORISED RETAIL DEALERS

**AHMEDABAD**
* Digjam Retail Showroom, Gheekanta Crossing, Relief Road
* Digjam Retail Showroom, 1-2, Agrawal Avenue, C.G. Road, Navrangpura
* Digjam Retail Showroom, Swagat Complex, Kankaria Maninagar Road
* Digjam Shop-in-Shop, India Colony Road, Bapunagar

**AMBALA CITY**
@ R. Kansra & Co., New Wholesale Cloth Market

**AMRAVATI**
@ Raj Rasik, Jaistambh Chowk

**AMRITSAR**
@ Khanna Textiles, 89, 1st Floor, Katra Jaimal Singh

**ARRAH**
* Digjam Shop-in-Shop, Bangla Prasad Harkhen Kumar, Gopali Chowk
* Digjam Shop-in-Shop, Nagarmal Sheonarain & Co., Chowk

**ASANSOL**
@ Mohan Cloth Stores, G. T. Road

**AURANGABAD**
* Digjam Retail Showroom, AMC Shopping Centre, Kranti Chowk

**BANGALORE**
@ Abhishek Fashions, # 402 Rajshri Market, Avenue Road

**BAREILLY**
@ Novelty Centre, Punjabi Market

**BATHINDA**
@ Lakshmi Emporio, Mall Road

**BHAVNAGAR**
* Digjam Shop-in-Shop, Plot No. 19, Vaghawadi Road

**BHOPAL**
@ Guide Collection, T. T. Nagar

**BHUBNESHWAR**
* Digjam Shop-in-Shop, Kalamandir, Market Building

**BIKANER**
@ J. P. & Company, Near Head Post Office

**BILASPUR (CHHATTISGARH)**
* Digjam Retail Showroom, L-10, Shriram New Cloth Market, Agrasen Chowk

**CHANDIGARH**
@ Bombay Textile Agency, SCO 9, Sector-17E

**CHAMBA (H.P.)**
@ Sham Lal & Sons, Digra Bazar

**CHENNAI**
* Digjam Retail Showroom, No. C-47, IInd Avenue, Anna Nagar
* Digjam Shop-in-Shop, Iswaryam Textile & Readymade, Pondy Bazar, T. Nagar

@ Pothy's Textiles, 15 Nageshwara Rao Road, South Usman Road, Panagal Park

**COIMBATORE**
* Digjam Retail Showroom, Zimson Shopping Arcade, 84 Cross Cut Road, Gandhipuram

@ Pothy's Textiles, 400, Oppanakara Street

**CUTTACK**
* Digjam Shop-in-Shop, Rajhans, Mangla Bag

**DELHI**
* Digjam Retail Showroom, P-6/90, Connaught Circus, Madras Hotel Block

@ Sri Ram & Son, Clock Tower, Chandni Chowk
@ Sachdeva's Attire, 821-23, Rishi Nagar, Rani Bagh, Main Market
@ Mamta Cloth Emporium, 194 Sarojini Nagar
@ AAR Corporation, 362, Ground Floor, Kucha Ghasi Ram, Chandni Chowk
@ Velvet Home, 163, Katra Nawab, Chandni Chowk
@ Tericot Emporium, 415, Teliwara, Shahadara

**DEHRADUN**
@ Bhoja Bros., Palton Bazar
@ Darshan Lal & Sons,Palton Bazar

**DIBRUGARH**
@ Mohan's, Kedia Market
@ Rajendra Stores, H. S. Road

**DURG**
* Digjam Retail Showroom, Marwari School Road, Motipara

**FARIDABAD**
@ V. I. P. Textiles, 1F, 39 NIT

**GAYA**
* Dalmia Brothers, Digjam Shop-in-Shop, 12 K. P. Road

**GORAKHPUR**
@ Harnarain Ram Kishan, Golghar

**GUWAHATI**
@ R. D. Stores, Bapu Bazar
@ Gentlemen, Shoppers Point, H. B. Road

**HAMIRPUR (H.P.)**
@ Puri Cloth House, Main Bazar

**HAZARIBAGH**
* Digjam Shop-in-Shop, Swadeshi Vastralaya, Main Road

**HISAR**
@ Ganga Sons, 36, Arya Samaj Market

**HUBLI**
@ Vanesons, Koppikara Road

**HYDERABAD/SECUNDERABAD**
* Digjam Retail Showroom, Park Lane
* Digjam Retail Showroom, 16-11-477/1/A Shop,#1, 2 & 3, Sai Towers, Dilsukhnagar

**IMPHAL**
@ Brojen Cloth House, Thangal Bazar

**JABALPUR**
* Digjam Retail Showroom, Gorakhpur Bazar

**JAIPUR**
@ Babulal Suresh Kumar, 18, Dara Market
@ Brijlal Ramgopal, Manak Chowk
@ Gopiram Devilal, 189 Johari Bazaar
@ Rishi Textiles, Chaura Rasta

CUT HERE

**DIGJAM LIMITED**

DIGJAM
it's who you are

| Valid from 1.7.2016 to 30.6.2017 | Rs. 1000/- | 15% DISCOUNT |
|---|---|---|
| Coupon A No. | | |

CUT HERE

**DIGJAM LIMITED**

DIGJAM
it's who you are

| Valid from 1.7.2016 to 30.6.2017 | Rs. 1000/- | 15% DISCOUNT |
|---|---|---|
| Coupon B No. | | |

CUT HERE

**DIGJAM LIMITED**

DIGJAM
it's who you are

| Valid from 1.7.2016 to 30.6.2017 | Rs. 1000/- | 15% DISCOUNT |
|---|---|---|
| Coupon C No. | | |

Retail Shop .....

C/Memo No. ..... Date .....

Amount Rs. .....

Retail Shop .....

C/Memo No. ..... Date .....

Amount Rs. .....

Retail Shop .....

C/Memo No. ..... Date .....

Amount Rs. .....

CUT HERE

CUT HERE

# DIGJAM

**it's who you are**

**JALGAON**
@ Navjeevan Collections, 278, Navipeth
@ Suresh Collection, A. Kelkar Market

**JAMNAGAR**
⁑ Digjam Retail Showroom, Summair Club Road
⁑ Digjam Retail Showroom, At Mill's Gate, Aerodrome Road
@ Satyam Fabrics, Near DSP Bungalow
@ Maheshwari Trading Co., Opp. Old Railway Station

**JAMMU**
@ Pushap Cloth House, 29 Raghunath Bazar

**JAMSHEDPUR**
⁑ Digjam Shop-in-Shop, Dongrsidas Biharilal, Bistopur

**JAUNPUR**
⁑ Digjam Shop-in-Shop, Jalaluddin Jamaluddin, Kaseri Bazar

**JODHPUR**
@ Joharmal Amarmal, Inside Sojati Gate, Near Pokaran House

**KANPUR**
⁑ Digjam Shop-in-Shop, Rajkamal's, 7-8 PPN Market
⁑ Digjam Shop-in-Shop, Kamal Store, 65-66, Naveen Market
⁑ Digjam Shop-in-Shop,Shivam Textiles, C/o. U.P. Handlooms Showroom, Elgin Mill, VIP Road
@ V. K. Enterprises, 49/8-9 General Ganj
@ Selection House, 12 Naveen Market

**KOLKATA**
@ Saharsh, 105, Park Street

**KORBA**
⁑ Digjam Shop-in-Shop, Delite Cloth Centre, Main Road
@ Bhawani Bazar, Jamnipali
@ Shriram Vastralaya, Hiranand Complex, Power House Road

**KOTA**
@ Luhadia Textiles, #86-87, New Cloth Market, Geeta Bhavan Road

**KOTTAYAM**
@ Seemati, K. K. Road

**LATUR**
@ Ishwarprasad Omprakash Daga, Cloth Lane

**LUCKNOW**
⁑ Digjam Shop-in-Shop, H. Sugnamal & Co., 36-Aminabad
@ Garha Bhandar, Aminuddaula Park, Aminabad
@ Motiani, 133/299 Ganesh Ganj
@ Namaskar Textiles, Kanpur Road, Alambagh

**LUDHIANA**
@ Bombay Stores, Surya Tower, The Mall
@ Cheap Cloth House, Ghumar Mandi

**MADHEPURA**
⁑ Digjam Shop-in-Shop, Tulsi, Main Road

**MADURAI**
@ Pothy's Textiles, 159 Mella Masi Street
@ Rajmahal Textiles, Venkala Kadai Street

**MEERUT CANTT**
@ Rattan Cloth Store, Abu Lane
@ Pindi Woollens, Sadar Chowk

**MUMBAI**
@ Babubhai Jagjivandas at
- Prarthana Samaj
- Broadway Shopping Centre, Dadar TT
- Sector 17, Vashi
- Mulund

@ Madhav's Fabrics, Rizvi Mahal, Waterfield Road, Bandra (W)
@ Rainbow Textorium, Swapna Purti Building, Jerbai Wadia Road, Parel TT

**MUZAFFARNAGAR**
⁑ Digjam Shop-in-Shop, Diwan Chandra Mahendrakumar, Opp. Gate Anand Bhawaxi, Roorkee Road

**NAGPUR**
⁑ Digjam Retail Showroom, Mahajan Market, Sitabuldi
@ Udaya, Itwari Shahid Chowk

**NASHIK**
⁑ Digjam Retail Showroom, Opp. Vijan Hospital, College Road

**NELLORE**
@ Modern Fabs, Trunk Road

**OOTY**
@ Rajhans, Commercial Road
@ Vardhaman, 23, Commercial Road

**PATNA**
@ Bansal Textiles, Opp. Convent School, Bankipur
@ Kripashree, Ashiana Nagar
@ Shree Shankar Vastralaya, New Market

**PUNE**
@ Bharat Woollen House, Seva Sadan Building, Laxmi Road
@ Chandulal Dahyabhai, 561 - Centre Street
@ J. C. Retail Pvt. Ltd., Unit - 2, Kunte Chowk, Laxmi Road
@ Men's Avenue, Sadashiv Peth

**PONDICHERRY**
@ Pothy's Textiles, 400, Anna Salai

**RAIPUR**
⁑ Digjam Retail Showroom, Jeevan Bima Marg, Pandri
@ Mahendra & Co., Malviya Road

**RAJAHMUNDRY**
@ Sri Devi Sons, Main Road

**RANCHI**
⁑ Digjam Shop-in-Shop, Big Shop, GEL Church Complex, Main Road
@ Ved Textiles, Main Road

**ROORKEE**
@ Atam Parkash and Sons, B T Road

**ROURKELA**
@ Indera Plaza, Bisra Road

**SALEM**
⁑ Digjam Retail Showroom, 6-Bazar Street

**SATARA**
@ Darshan Suiting Shirting, 110 Rajpath

**SHILLONG**
@ Roopkala, Umsohsun Road

**SHIMLA**
@ Rajpal Brothers, 95, Lower Bazar
@ Tandon Cloth House, 76, Lower Bazar

**SILIGURI**
@ Prince Textiles, Hill Cart Road

**SURAT**
@ Bhagwandas & Co., Lal Gate, Kanpith
@ Teenager's Textorium, Soni Falia

**THANE**
@ Janta Fashion, Near Prabhat Talkies, Station Road
@ New Mumbai Cutpiece House, Manpada Road, Dombivali

**TIRUNELVELI**
@ Pothy's Textiles, No. 3 North Car Street

**TRIVANDRUM**
@ Pothy's Textiles, M. G. Road, Kalahshetram, Cetikulamgara, Vangiyoor (Post)

**UDHAMPUR (J&K)**
@ Bombay Cloth House, Main Bazar

**VADODARA**
⁑ Digjam Retail Showroom, A/33, Windsor Plaza, Near Express Hotel, R. C. Dutt Road
⁑ Digjam Retail Showroom, Opp. Govt. Press, Kothi Road, Anandpura

**VARANASI**
⁑ Digjam Shop-in-Shop, Jalan's, Kabira Complex, Durga Kund Road

**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: U17123GJ2015PLC083569; 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 **First** Annual General Meeting of the Company to be held on **Friday**, **September 23, 2016** 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 | | 7 | | 8 | | 9 | | 10 | | 11 | | 12 | | 13 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Signed this ..... day of ..... 2016

..... Signature of Shareholder

Affix Revenue Stamp

..... 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)

**1ST ANNUAL GENERAL MEETING ON FRIDAY SEPTEMBER 23, 2016 AT 10.00 A.M. OF**

# DIGJAM LIMITED

*(formerly Digjam Textiles Limited)*

CIN: U17123GJ2015PLC083569; 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 .....

Printed by Sunshine Graphics, 91-33-6500 4155

*If undelivered, please return to :*

**DIGJAM LIMITED**
*(formerly Digjam Textiles Limited)*

Aerodrome Road,
Jamnagar 361 006 (Gujarat)
INDIA