

DIGJAM TEXTILES LIMITED**DIGJAM**

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March 17, 2016

BSE Ltd.
Corporate Relationship Department,
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Dalal Street, Fort,
Mumbai 400 001

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

Code No. 503796**Symbol "DIGJAM"**

Dear Sir,

Sub: - Record Date for Scheme of amalgamation between Digjam Limited, the Amalgamating Company and Digjam Textiles Limited (the Amalgamated Company) and their respective Creditors and Shareholders

This is in continuation of the letter dated March 14, 2016 from Digjam Limited intimating that the Committee of Directors of the Company will meet on March 17, 2016 to fix the Record Date for allotment of Shares to the Shareholders of Digjam Limited (Amalgamating Company).

This is to confirm that the Certified Copy of the Order of the Hon'ble High Court of Gujarat sanctioning the Scheme has been filed today with the Registrar of Companies, Gujarat by both the companies and thereby, the Scheme has come into effect from today with the Appointed Date as on close of business on June 30, 2015. Consequently, Digjam Limited stands dissolved without winding-up.

Further, the Committee has fixed **March 31, 2016 as the Record Date** for determining the Shareholders of erstwhile Digjam Limited who will be entitled to be allotted shares in Digjam Textiles Limited. It may be noted that the name of the Company 'Digjam Textiles Limited' will pursuant to the sanction of the Scheme stand changed to 'Digjam Limited' upon compliance of required formalities with the Registrar of Companies, Gujarat.

Thanking you,

Yours faithfully,
For Digjam Textiles Limited
(after amalgamation of Digjam Limited)



(Jatin Jain)
Company Secretary

A detailed note on the Scheme of Amalgamation ("Scheme")

The Hon'ble High Court of Gujarat ("Hon'ble High Court"), vide its order dated February 17, 2016, has sanctioned the Scheme of Amalgamation (Scheme) among Digjam Limited ("the Company / Amalgamating Company"), Digjam Textile Limited ("Amalgamated Company") and their Creditors and Shareholders with effect from the Appointed Date as mentioned in the Scheme.

The Company obtained the certified true copy of the said order of the Hon'ble High Court on March 11, 2016. All the companies have filed the said order with the office of the Registrar of Companies, Gujarat, Ahmedabad on March 17, 2016 (Effective Date).

BUSINESS ASPECTS OF THE SCHEME

Rationale & Objective of the Scheme

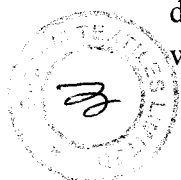
The rationale and objective of the Scheme *inter-alia* includes

- (i) Greater financial strength and flexibility for amalgamated Company.
- (ii) Opportunities to strengthen leverage for raising resources to finance business needs.
- (iii) Achieve greater efficiency in operations with optimum utilisation of resources, better administration and reduced cost.
- (iv) Optimum financial and capital structure for growth and expansion.
- (v) Better financial, business and operational prospects including efficient management cost and improved administrative control.
- (vi) Scheme shall be in beneficial interest of the Shareholders and Creditors of the Amalgamated Company.

Salient features of the Scheme

The salient features of the Scheme *inter-alia* are as under:

- (i) transfer and vesting of undertaking of Digjam Limited into Digjam Textiles Limited under Sections 391 to 394 of the Companies Act, 1956 in accordance with Section 2 (1B) of the Income Tax Act, 1961. The Equity Shares of Amalgamated Company issued, subject to applicable regulations, shall be listed and admitted to trading on NSE and BSE. As a part of consideration for the amalgamation, the Board of Directors of the Amalgamating Company has decided March 31, 2016 as the record date to ascertain the names of the shareholders of the Amalgamating Company who would be issued 1 (one) equity share having face value of Rs. 10/- each in the



Amalgamated Company for every 1 (one) equity share held by them in the Amalgamating Company. Thus, the Amalgamated Company shall issue 8,76,41,621 nos. of equity shares to the equity shareholders of the Amalgamating Company.

Share Entitlement Ratio:

As per Clause 8.1 of the Scheme:

“8,76,41,621 (Eight Crores Seventy Six Lakhs Forty One Thousand Six Hundred Twenty One Only) fully paid up equity shares of face value of INR 10 (Ten) each at a Premium of INR 5 (Five) per Equity shares of Digjam Textiles Limited “Amalgamated Company” to the equity shareholders of the Digjam Limited “Amalgamating Company” in the ratio of 1 (One) equity share in the Amalgamated Company against 1 (one) equity share held in the Amalgamating Company”

As per Clause 8.3 of the Scheme:

5,00,000 (Five Lakhs Only) 8% Non-Convertible Redeemable Preference Shares of the face value of INR 100 (Hundred) each of Digjam Textiles Limited “Amalgamated Company” to the Preference Shareholder of Digjam Limited “Amalgamating Company” in the ratio of 1 (One) Preference Share in Amalgamated Company against 1 (One) Preference Share in the Amalgamating Company. However, the Preference Shares shall not be listed.

FINANCIAL ASPECTS OF THE SCHEME

Details of Revenue, Results and Capital Employed of the Amalgamated Company and Amalgamating Company are mentioned hereunder:

The Board of Directors of Digjam Limited (Amalgamating Company) in their meeting held on 29th January, 2016, approved the financial results for the quarter ended 31st December, 2015 and Digjam Textiles Limited (Amalgamated Company) have in their meeting held on March 4, 2016, approved the audited financial results for the period ended 31st December, 2015.

The details of the Revenue, Results and Capital employed of the Amalgamated Company and the Amalgamating Company are given hereunder:



(Rs. in Lacs)

Sl.	Particulars	Digjam Limited (Amalgamating Company)		Digjam Textiles Limited (Amalgamated Company)
		Period ended 31 st December, 2015 (Limited Reviewed)	Year ended 31 st March, 2015 (Audited)	Period ended 31 st December, 2015 (Audited)
1	Total Revenue (including other income)	9,786	13,618.08	18.07
2	Total Expenditure	9,863	13,846.48	15.75
3	Profit / (Loss) from ordinary activities before finance cost and exceptional items	(77)	(228.40)	2.32
4	Finance Cost	859	1,235.33	-
5	Profit / (Loss) from ordinary activities after finance cost and exceptional items	(936)	(1,463.73)	2.32
6	Exceptional items – Gain / (Loss)	-	-	
7	Profit / (Loss) before tax	(936)	(1,463.73)	2.32
8	Tax	-	-	
9	Net Profit / (Loss) for the period	(936)	(1,463.73)	2.32
10	Capital Employed*		1,555.58	7.32

*Capital Employed = Total Assets – Current Liabilities.

For DIGJAM TEXTILES LIMITED



Company Secretary