



Sri S. K. Birla
Chairman Emeritus

Board of Directors

Sri Sidharth Birla
Chairman

Sri R. K. Choudhury

Dr. G. Goswami

Sri G. Momen

Sri A. C. Mukherji

Smt. Meenakshi Bangur

Sri C. L. Rathi

Managing Director

Company Secretary

Sri G. K. Sureka
Company Secretary & Executive Vice President (Legal)

Senior Executives

Digjam Division

Sri R. K. Kedia
President

Sri P. K. Das
Vice President (Exports)

Sri Virender Gupta
Vice President (Operations)

Sri Ravinder Sharma
Vice President (Sales & Marketing)

Registered Office & Digjam Division

Aerodrome Road
Jamnagar 361 006, Gujarat

Corporate Office

801, Bhikaji Cama Bhawan
11, Bhikaji Cama Place
New Delhi 110 066

Registrars & Share Transfer Agents

MCS Ltd.
77/2A, Hazra Road
Kolkata 700 029

Auditors

M/s Deloitte Haskins & Sells
'Heritage', 3rd Floor
Near Gujarat Vidhyapith
Off Ashram Road
Ahmedabad 380 014

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Sixty-first Annual General Meeting of the Members of the Company will be held on Thursday, August 25, 2011 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 audited Balance Sheet and Profit & Loss Account as at and for the period ended March 31, 2011.
2. To appoint Directors in place of Sri A. C. Mukherji and Sri G. Momen, who retire from office by rotation and being eligible, offer themselves for re-election.
3. To appoint Auditors of the Company and to fix their remuneration.

Special Business

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

4. AS AN ORDINARY RESOLUTION

"RESOLVED that Smt. Meenakshi Bangur be and is hereby appointed as a Director of the Company."

The Register of Members of the Company will remain closed from August 17, 2011 to August 25, 2011 (both days inclusive).

Registered Office:

Aerodrome Road
Jamnagar 361 006
(Gujarat)
April 28, 2011

BY ORDER OF THE BOARD

G. K. Sureka
Company Secretary

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 Company's Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat) not less than 48 hours before the time for holding the aforesaid meeting.
3. For any further information regarding the above Accounts, advance intimation be given and the Members should ensure that it reaches the Company's Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat) at least 10 days before the date of the ensuing meeting.
4. The Company has entered into necessary arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable the Shareholders to dematerialise their shareholding in the Company, for which they may contact the Depository Participants of either of the above Depositories. The shares of the Company are compulsorily required to be traded in dematerialised form by all investors w.e.f. May 8, 2000. The ISIN No. is INE471A01023.

5. The Ministry of Corporate Affairs, Government of India, pursuant to its Green Initiative in Corporate Governance, has permitted under Section 53 of the Companies Act, 1956 the service of documents including the Annual Report consisting of notice, accounts and other relevant reports through the electronic mode. The Company will henceforth e-mail the Annual Report and other documents/communications to the Shareholders at the e-mail addresses registered with the Company/received through the Depository. Shareholders holding Shares in physical form are requested to register/update their e-mail addresses with the Company's Registrars and Transfer Agents, M/s MCS Ltd., 77/2A Hazra Road, Kolkata 700 029. Shareholders holding Shares in dematerialised form are requested to register their e-mail addresses and changes therein with the concerned Depository through their Depository Participant. In absence of e-mail address, the documents will be sent in physical mode.
6. Shareholders who continue to hold Shares in physical form are requested to intimate the Company's Registrars and Transfer Agents – M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata 700 029 changes, if any, in their registered address including the PIN CODE. Members holding Shares in dematerialized form are required to get all changes in respect of their holding recorded with their Depository Participant (DP).
7. **EXPLANATORY STATEMENT** pursuant to Section 173 of the Companies Act, 1956 ('the Act')/SEBI Code for Corporate Governance:

Item No. 2:

A brief resume of the Directors offering themselves for re-election is given below:

Sri A.C. Mukherji, aged 85 years, is the past Chairman of The New India Assurance Co. Ltd. having vast knowledge and experience. Sri Mukherji is a Director on the Board of Asiatic Oxygen Ltd., Kirloskar Pneumatic Co. Ltd., Ludlow Jute and Specialties Ltd., NPR Finance Ltd., Sahara India Life Insurance Co. Ltd., U.T. Ltd., VXL Technologies Ltd. and Trans Africa Assurance Co. Ltd., Uganda.

He is the Chairman of Audit Committee and a member of the Shareholders/Investors Grievance Committee, Remuneration Committee and Committee of Directors of the Company. He is Chairman of Audit Committees of Ludlow Jute and Specialties Ltd., Kirloskar Pneumatic Co. Ltd., Sahara India Life Insurance Co. Ltd. and U.T. Ltd. and a member of Audit Committees of Asiatic Oxygen Ltd., NPR Finance Ltd. and VXL Technologies Ltd.

Sri A.C. Mukherji jointly with his wife holds 116 Equity Shares of Rs. 10/- each in the Company.

Except Sri A.C. Mukherji, no other Director is interested in the aforesaid Resolution.

Sri G. Momen, aged 78 years, is a businessman of repute and is well known in Tea Trade Industry. He holds expertise in marketing of teas for over three 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 Holdings Pvt. Ltd., White Cliff Properties Pvt. Ltd. and White Cliff Tea Pvt. Ltd. He is Director on the Boards of Apeejay Surendra Corporate Services Ltd., Apeejay Tea Ltd., Baghmari Tea Co. Ltd., Bengal Tea & Fabrics Ltd., Empire & Singlo Tea Ltd., Harrison's Malayalam Ltd., Kanco Enterprises Ltd., Scottish Assam (India) Ltd. and Williamson Magor & Co. Ltd.

He is member of Audit and Remuneration Committees of the Company. Sri Momen is a member of Remuneration Committee of Apeejay Surrendra Corporate Services Ltd. as well as of Share Sub-division and Audit Committees of Apeejay Tea Ltd. He is Chairman of Shareholders/Investors Grievance Committee and member of Audit, Remuneration and Share Transfer Committees of Bengal Tea & Fabrics Ltd. He is respectively Chairman and member of the Remuneration Committees of Harrison Malayalam Ltd. and Empire & Singlo Tea Ltd. Besides, he is also member of the Audit, Shareholders/Investors Grievance and Share Transfer Committees of Kanco Enterprises Ltd. as well as member of the Audit Committee of Scottish Assam (India) Ltd. and of Investor Grievance Committee of Williamson Magor & Co. Ltd.

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

Except Sri G. Momen, no other Director is interested in the aforesaid Resolution.

Item no. 4:

The Board of Directors had appointed Smt. Meenakshi Bangur as a Director of the Company with effect from October 28, 2010 in the casual vacancy caused by the resignation of Sri S.K. Birla. Under Section 262 of the Act, Smt. Meenakshi Bangur holds office as Director till the date upto which Sri Birla would have otherwise held office viz. till the date of the forthcoming Annual General Meeting of the Company.

The Company has received notices pursuant to Section 257 of the Act from Members alongwith deposits of Rs.500/- signifying their intention to propose the appointment of Smt. Meenakshi Bangur as a Director of the Company at the ensuing Annual General Meeting and for that purpose, to move a resolution as mentioned in the said notices.

Smt. Meenakshi Bangur, aged 26 years, is a graduate in Business Administration and a post graduate in marketing from City University, London. She is a Director on the Board of Pioneer Clothing Ltd. She is a member of Committee of Directors of the Company.

Smt. Bangur holds 324 Equity Shares of Rs. 10/- each in the Company.

Except for Smt. Meenakshi Bangur and her father, Sri Sidharth Birla, no other Director is interested in the aforesaid Resolution.

Considering the qualifications of Smt. Bangur, the Board considers that it would be in the interest of the Company to appoint her as a Director of the Company and accordingly, recommends the proposed Resolution for your approval.

Inspection of Documents

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

Registered Office:

Aerodrome Road
Jamnagar 361 006
(Gujarat)

April 28, 2011

BY ORDER OF THE BOARD

G. K. Sureka
Company Secretary

DIGJAM LIMITED

Regd. Office:
Aerodrome Road,
Jamnagar 361 006, Gujarat.



June 1, 2011

Dear Shareholder,

Welcome to the Green Initiative in Corporate Governance!

The Ministry of Corporate Affairs, Government of India vide its circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has permitted the service of various documents including the Annual Report consisting of notice, accounts and other relevant reports through the electronic mode to the e-mail addresses of the Shareholders. The paperless compliance will help to protect the environment and ensure prompt receipt of communications by you without loss in postal transit. It will also facilitate you to easily store the same for future reference.

Considering the benefits, your Company will henceforth e-mail the Annual Report and other documents/communications to the Shareholders at the e-mail addresses registered with the Company/received through the Depositories.

Shareholders holding shares in physical form are requested to complete the undernoted form to register their e-mail address and mail the same to the Company's Registrars and Transfer Agents, M/s MCS Limited, 77/2A, Hazra Road, Kolkata 700 029 and keep the same updated from time to time. Shareholders holding shares in demat form are required to register their e-mail addresses and update the same with the concerned Depository through their Depository Participant.

The documents sent through electronic mode will be displayed on Company's website: www.digjam.co.in and can be downloaded therefrom. The said documents will also be open for inspection at the Registered Office of the Company during office hours. In absence of e-mail address or if so desired, the documents will be sent in physical mode.

We at **DIGJAM LIMITED** support the Green Initiative taken by the Ministry. As a responsible citizen, we are confident that you will whole heartedly support this Green Initiative and register/update your e-mail address as above.

Thanking you,

Yours faithfully,
For **DIGJAM Limited**
G. K. Sureka
Company Secretary



Registration of e-mail address

(This form can also be downloaded from the Company's website: www.digjam.co.in)

MCS Limited
Unit: **DIGJAM Limited**
77/2A, Hazra Road
Kolkata 700 029

Date :

For service of documents including Annual Report to me/us through electronic mode, please register my/our email id as per details given below. I/We shall intimate you if there is any change in the email id.

Folio No.:

Name of sole/first Shareholder :

Email Id :

Signature of the sole/first Shareholder

**REPORT OF THE DIRECTORS
TO THE SHAREHOLDERS**

We present herewith our Report, along with the Audited Accounts of the Company, for the six-month period ended March 31, 2011.

REVIEW OF KEY BUSINESS MATTERS

Sales & Production both grew at an annualized rate close to 30% over the previous 18-month period. The growth was fuelled in part by positive market conditions and in part by management steps taken to increase market penetration. Strict financial discipline allowed the available resources to be used to best advantage possible, which in turn helped the Company achieve pre-interest profit margins in excess of 10%, after a considerable gap of time, which in turn led to a positive bottom line.

Management is continuously implementing initiatives towards further strengthening performance, which gives the Board sufficient confidence that, barring any unforeseen circumstances, the tempo of performance and improvements would continue.

It is heartening to note that these results were achieved despite the Company not having access to enhanced working capital banking limits while under Arcil process, and prices of wool (the principal raw material) surging by 20-50% during the period across various ranges taking them to 20-year-high levels. Sharp appreciation in the Australian Dollar (about 10% since August 2010) was also of concern since the Company's wool requirements are sourced from Australia.

Global and domestic economic cycles are here to stay but there were generally positive signs on all fronts through the year under review. Woollen worsted fabric demand was seen growing due to the global economic recovery. The management hopes to strengthen its performance on the domestic front, which is the most important segment for the Company's operations and brand exposure.

The balance loan outstanding to Asset Reconstruction Company (India) Ltd ("ARCIL") was repaid in full by the Company during the period and relevant securities released by ARCIL. Compared to its size and asset values, the Company now has very moderate levels of term debt.

FINANCIAL RESULTS

(Rs. Lacs)	March 31, 2011 (6 months)	Sept. 30, 2010 (18 months)
Working for the period yielded a Profit / (Loss) before		
Depreciation and Tax of	311.07	(892.39)
less: Depreciation	249.09	765.79
	61.98	(1658.18)
add: Exceptional Items (net)	369.89	6048.61
Profit before Tax	431.87	4390.43
less: Taxation	-	(21.54)
Profit after Tax	431.87	4411.97
add: Balance brought forward	(9341.48)	(13753.45)
Leaving a Balance of which is carried forward	(8909.61)	(9341.48)

In view of the above, the Directors do not recommend any dividend.

SHARE CAPITAL

The Company on February 28, 2011 allotted to lenders (holders of ARCIL security receipts) 39,86,645 Equity Shares of Rs. 10/- each, at a price of Rs. 12.23 per share (including premium of Rs. 2.23) as per SEBI Regulations, and 1,24,329 - 8% Non-cumulative Redeemable Preference Shares of Rs. 10/- each at par to ARCIL, aggregating to Rs. 500 lacs, as part of settlement of dues reported in previous period and in accordance with approval of shareholders under Section 81(1A) of the Companies Act, 1956 in the Annual General Meeting held on January 18, 2011.

DIRECTORS

After a tenure of over 29 years, Sri S.K. Birla decided to step down from the Board and therefore its Chairmanship; his resignation was regrettably accepted effective October 28, 2010. The Directors placed on record their sincere appreciation for the valuable services rendered by Sri S.K. Birla and his unwavering support to the Company. In recognition of this leadership role of Sri S.K. Birla, the Board has conferred on him the title of "Chairman Emeritus". Sri Sidharth Birla has since been designated as the non-executive Chairman.

In the casual vacancy caused by the resignation of Sri S.K. Birla, Smt. Meenakshi Bangur, a post-graduate in business studies from London, was appointed as a Director (representing the Promoter group) to hold office upto the forthcoming Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 proposing the appointment of Smt. Meenakshi Bangur as a Director. Sri A.C. Mukherji and Sri G. Momen, Directors, retire by rotation and being eligible offer themselves for re-election.

STATUTORY INFORMATION AND OTHER MATTERS

Our report on Corporate Governance along with the Auditors' certificate on its compliance, and the Management Discussion & Analysis Report, both required under Clause 49 of the Listing Agreement, and information required under Section 217(1)(e) of the Companies Act, 1956 ("Act") read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 form part of this report and are annexed hereto. Section 217(2A) of the Act is not applicable as there were no relevant employees during the period. The Company has not invited/accepted any Fixed Deposits and there are none outstanding on March 31, 2011. Relations with employees were cordial and we record our appreciation of the contribution made by employees during the period.

As per our governance practices, management's statement on the integrity and fair presentation of financial statements is provided to the Board as an integral part of the accounts approval process. However, pursuant to Section 217(2AA) of the Companies Act, the Directors indicate that they have taken reasonable and bonafide care that :

- a) in preparation of the annual accounts the applicable accounting standards had been followed and proper explanations relating to material departures, if any, have been furnished;
- b) such accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the period and of the profit of the Company for the period;
- c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act for safeguarding the Company's assets

and for preventing and detecting fraud and other irregularities; and

d) these accounts have been prepared on a Going Concern basis.

AUDITORS' OBSERVATIONS

Observations of the Auditors, when read together with the relevant Notes to the Accounts and Accounting Policies, are self-explanatory.

AUDITORS

The Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, retire and, being eligible, offer themselves for re-election.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

New Delhi
April 28, 2011

Sidharth Birla
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We submit herewith our Management Discussion & Analysis Report on the Company's business for the six-month period ended March 31, 2011. We have attempted to include discussions on all specified matters to the extent relevant, or within limits that in our opinion are imposed by the Company's competitive position.

COMPANY & INDUSTRY STRUCTURE

The Company operates in worsted textile segment and runs a fully equipped composite mill (ISO 9001 certified) manufacturing high quality worsted fabrics at Jamnagar, Gujarat, with normal production capacity of 5 million meters fabric per annum. The worsted industry in the country comprises of a few mills in the organized sector and a number of units in the unorganized sector.

The Company has been a notable player in this industry in India for more than 60 years. Its commitment to quality and customer orientation reflects in its strong nationally recognized and valuable brand DIGJAM, supported by an established national distribution channel. The Company has a proven track record of design and manufacture of high quality fabrics. The Company has been consistently taking steps to push forward its marketing efforts by enhancing its brand visibility, strengthening marketing organization and closer interaction with channel partners.

The Company has always laid stress on export markets and keeps on 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 received Oekotex Certification, which certifies that fabric is free from hazardous chemicals.

OPERATIONS

The global economic conditions improved during the period, after severe recession of 2009. The woollen and worsted fabrics demand was better in India as well as abroad during the period. The Company achieved higher volumes of production and sales and had better

sales realisations, compared to the last period. It achieved Net Profit (excluding exceptional income) of Rs. 62 lacs against Net Loss of Rs. 1637 lacs during the previous period.

A summary of key indicators is given below; detailed financial and physical performance may be viewed from the Balance Sheet and schedules thereto in the Annual Report.

Product : Fabrics	2010-11 (6 Months)	2009-10 (18 Months)	Change* (%)
Production (Lac Mtrs)	23.5	53.4	32.0
Sales (Lac Mtrs) :			
- Domestic	16.8	32.2	56.5
- Exports	12.6	34.7	8.7
	<u>29.4</u>	<u>66.9</u>	<u>31.7</u>
Sales (Lac Rs.)	8081	18593	30.4

(*annualized figures of 2010-11 over annualized figures of 2009-10)

The Company imports wool, its principal raw material, mainly from Australia. The wool prices have shot up by 20-50% across various microns during the period, and are now ruling at their 20-year-high levels. The wool cost got further exacerbated with appreciation of Australian Dollar by about 10% in the same period. The higher cost of wool and other inputs sharply increased the prices of our products and affected our raw material procurement and production.

Due to high competitive pressure only a part of the cost increases can be recovered from customers, thus adversely affecting the profitability of the Company in the circumstances.

With slow recovery in international economies, the Company could improve its exports marginally during the period. However, the Company's export thrust may be impeded by the global events such as economic conditions in Europe, uncertainties in the Middle East, fall-out of disasters in Japan in March 2011, etc.

The Company expects to better its overall performance with further improvements in economic conditions and expectations of less volatility in wool prices.

ENVIRONMENT & SAFETY

We are conscious of the need for 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 "Management 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
April 28, 2011

C. L. Rathi
Managing Director

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. The management and organization at DIGJAM Limited endeavours 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 7 Directors, of which 6 are non-executive. The position of the Chairman is essentially non-executive, non-managerial in character. The overall management of the Company is vested in the Managing Director, subject to general supervision, control and direction of the Board. Sri C.L. Rathi, appointed as Managing Director is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and has about 42 years of commercial and industrial experience. The day-to-day working of the plant at Jamnagar is looked after by senior and experienced officers who report to the Managing Director.

The SEBI Code requires that if the non-executive chairman is from the promoter group, at least one-half of the Board shall consist of independent directors. At the present time out of 7 Directors our Board has 4 Independent Directors, viz. Sri A.C. Mukherji (ex-CMD of New India Assurance Co.), Dr. G. Goswami (ex-Banker), Sri G. Momen (Businessman of repute) and Sri R.K. Choudhury (Senior Consultant & Advocate), ex-partner of the reputed firm of Advocates, Khaitan & Co. (who act for the Company from time to time). Sri Sidharth Birla, Chairman (MBA, B.Sc. (Hons.)) and Smt. Meenakshi Bangur (BBA, M.Sc (Management)) represent promoters. Smt. Bangur was appointed in the casual vacancy caused by the resignation of Sri S.K. Birla w.e.f. October 28, 2010, whereupon the Board has conferred upon him the title of Chairman Emeritus and made him a permanent invitee to all Board Meetings. Sri C.L. Rathi is the only Executive Director.

None of the Directors except Sri Sidharth Birla and Smt. Meenakshi Bangur are related to each other or to promoters. Independent Directors play an important role in deliberations at the Board level and bring to the Company their wide experience in fields of industry, banking and finance, and law and contribute significantly to the various Board Committees. Their independent role vis-à-vis the Company allows them to add a broader perspective, help ensure that interests of all stakeholders are kept in acceptable balance and can also provide an objective view in a potential conflict of interest between stakeholders. Details are given below by category, attendance, shareholding, fees and total Directorships besides Memberships and Chairmanships of Board Committees.

Director	Category*	Board attendance**	Attendance at last AGM	B/C/Ch+	Sitting Fees Paid Rs.	No. of Shares held
Sri S. K. Birla (upto Oct 28, 2010)	P	1/1	No	5/-	10,000	37,589
Sri Sidharth Birla	P	2/2	Yes	6/-	25,000	25,000
Sri R. K. Choudhury	I	1/2	No	12/2/3	42,500	-
Dr. G. Goswami	I	2/2	No	7/5/1	87,500	-
Sri G. Momen	I	2/2	No	15/7/1	42,500	-
Sri A. C. Mukherji	I	2/2	Yes	8/4/5	92,500	116
Smt. Meenakshi Bangur (w.e.f. Oct 28, 2010)	P	1/1	No	2/-	15,000	324
Sri C. L. Rathi	E	2/2	Yes	3/1/-	-	-

* : P = Promoter, I = Independent, E = Executive.

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

+ : B = Board Memberships, 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. One-third of rotational Directors retire every year; when eligible, qualify for re-appointment. Nominee Directors 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, besides review of performance and reporting to shareholders.

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 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. The Board has also adopted Code of Conduct for Directors and Senior Executives of the Company and a declaration has been obtained from the Managing Director about its compliance.

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 quarterly financial results. 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 matter in the Agenda. Senior Officers are called to provide clarifications and make presentations whenever required. During the period, the Board met twice, i.e. on October 28, 2010 and January 29, 2011. To enable fuller attention to the affairs of the Company, the Board delegates specified matters to its committees, which also prepares 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 Code and the Companies Act, including a review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines.

The committee members are all Independent Directors collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of external auditors and their fees, payments and takes an overview of the financial reporting process to ensure that financial statements are correct, sufficient and credible. The reports of the statutory and internal auditors are 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 A.C. Mukherji (as Chairman), Dr. G. Goswami and Sri G. Momen and is mandated to meet at least four times in a year; to assess the final audited accounts and to review each quarter, the limited review report before they are put up to the Board. The committee met on October 28, 2010 and January 29, 2011 during the period attended by Sri A.C. Mukherji (2/2), Dr. G. Goswami (2/2) and Sri G. Momen (2/2). Sri G.K. Sureka, Company Secretary, acts as the Secretary to the Committee.

Remuneration Committee

The Remuneration Committee comprises of non-executive Independent Directors, namely Sri R.K. Choudhury, Sri A.C. Mukherji, Dr. G. Goswami and Sri G. Momen. During the period, the committee met on March 25, 2011 when all the committee members were present. The committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors; any compensation of non-executive Directors is a subject only for the whole Board. The Board has approved payment to each non-executive Director sitting fees of Rs.10,000 for every Board Meeting, Rs.7,500 for every Audit/Remuneration Committee meeting and Rs.5,000 for every other Committee meeting attended by him. No commission is paid to any Director. As approved by the Shareholders and the Central Government, Sri C.L. Rathi was re-appointed as Managing Director from June 1, 2009 and is being paid by way of salary Rs.2.25 lac per month w.e.f April 1, 2010 (in the salary scale of Rs. 1.75 lac to

Rs. 2.50 lac per month), housing facility/allowance upto 60% of salary and perquisites (which in aggregate fall within the overall limit laid down in Schedule XIII to the Companies Act). Details of remuneration paid to Sri C.L. Rathi are given elsewhere in this Annual Report. The term of Sri C.L. Rathi as Managing Director will be expiring on May 31, 2012. There are no severance fees, other benefits, bonus or stock options. Either party may terminate the appointment on three months' notice in writing. The Company does not have any pecuniary relationship or transactions with any non-executive Director.

Share Transfer & Shareholders/Investors Grievance Committee

The Committee reviews, records and helps expedite transfer of shares. The Company has about 87,000 shareholders and the Committee meets frequently throughout the year to minimize delays in the transfer process. Any shareholders grievance is referred to this committee in the first instance for earliest resolution of a problem. The Company Secretary, Sri G.K. Sureka is appointed as Compliance Officer under relevant regulations. This committee comprises of Sri R.K. Choudhury (Chairman), Sri A.C. Mukherji, Dr. G. Goswami, Sri C.L. Rathi, Sri U.C. Jain and Sri G.K. Sureka. 34 Complaints/queries were received during the period and have all been resolved; therefore none are pending. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2011.

Committee of Directors

A Committee of Directors comprising of Sri Sidharth Birla, Chairman, Sri R.K. Choudhury, Sri A.C. Mukherji, Smt. Meenakshi Bangur and Sri C.L. Rathi attends to matters specified and/or delegated appropriately by the Board from time to time.

SHAREHOLDER INFORMATION & RELATIONS

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

General Meetings of the Company are held at its Registered Office at Aerodrome Road, Jamnagar 361 006, Gujarat. The last 3 Annual General Meetings were held on September 26, 2008, September 16, 2009 and January 18, 2011. The next AGM shall be held at the Registered Office as per the notice in this Annual Report and Book Closure will be as per the notice. Special Resolutions were approved at the AGMs held on September 26, 2008 to amend Article 141.a of the Articles of Association of the Company to provide for appointment of one Nominee Director by Government of Gujarat, on September 16, 2009 for re-appointment of Sri C.L. Rathi as Managing Director from June 1, 2009 and approval of remuneration payable to him and on January 18, 2011 for re-organization of the Authorized Share Capital of the Company and to offer, issue and allot Equity and Preference Shares/Instruments aggregating to Rs. 5 Crores on preferential basis U/s 81(1A) of the Companies Act. The last Annual General Meeting was attended by Sri Sidharth Birla, Sri A. C. Mukherji, Chairman of the Audit Committee and Sri C. L. Rathi. 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. Dividends have not been declared over the last 3 financial years 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 Limited, 77/2A, Hazra Road, Kolkata 700 029 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). 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 Company's website is www.digjam.co.in.

No presentation has been made to institutional investors, etc. The financial period of the Company herein is from October 1, 2010 to March 31, 2011 and the next one shall be April 1, 2011 to March 31, 2012. The Company continues to upload from time to time necessary financial data on its website as well as under Corporate Filing and Dissemination System. There are no GDR/ADR, warrants or other secured convertible instruments issued or outstanding. The Company's Equity Shares are listed at National Stock Exchange of India Ltd., Mumbai (Stock Code 'DIGJAM') and Bombay Stock Exchange Ltd., Mumbai (Stock Code 503796). Company has paid the up-to-date listing fees for each of these Stock Exchanges. Equity Shares of the Company are compulsorily traded in dematerialized form since May 8, 2000. The Company has entered into agreements with NSDL and CDSL. The ISIN is INE 471A01023. As on March 31, 2011, 7,14,32,823 Equity Shares representing 98.22% of the total Equity Shares were held in dematerialized form and 12,95,473 Equity Shares representing 1.78 % were held in physical form. Pursuant to a recent amendment mandated by SEBI in the Listing Agreement of the Stock Exchanges, a listed company needs to transfer unclaimed shares issued in physical form pursuant to public/any other issue to a dematerialized Unclaimed Suspense Account. The Company's RTA has initiated steps to assess the details of the shareholders whose physical shares are still unclaimed pursuant to re-organization of its equity capital and rights issue and send reminders to such shareholders. Upon determining the final list of such unclaimed shares, the Company will take steps to dematerialize the same and publish the required details in its Annual Report. Distribution of shareholding pattern of Equity Shareholding, high/low market price data and other information is given below:

Distribution of Equity Shareholding as on March 31, 2011

Shareholding range (Nos.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	78,723	90.10	67,18,785	9.24
501 – 1000	4,426	5.07	38,04,334	5.23
1,001 - 2,000	2,053	2.35	32,73,344	4.50
2,001 - 5,000	1,332	1.52	45,45,385	6.25
5,001 - 10,000	425	0.49	32,75,338	4.50
10,001 and above	415	0.47	5,11,11,110	70.28
Total	87,374	100.00	7,27,28,296	100.00

This Statement is on the basis of the Shareholding pattern as on March 31, 2011 submitted to the Stock Exchanges.

Pattern of Equity Shareholding as on March 31, 2011

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks, FIs, Insurance Companies	57	0.07	1,31,57,980	18.09
Domestic Companies	1,010	1.16	2,86,84,830	39.44
Mutual Funds (incl. UTI)	7	0.01	3,451	0.00
Non-residents	1,927	2.20	4,55,572	0.63
Resident Individuals/others	84,373	96.56	3,04,26,463	41.84
Total	87,374	100.00	7,27,28,296	100.00

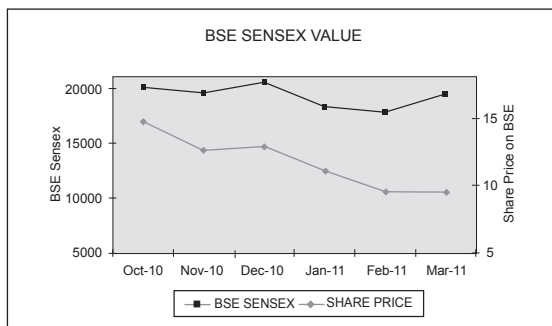
This statement is on the basis of Shareholding pattern as on March 31, 2011 submitted to the Stock Exchanges.

Aggregate of non-promoter shareholding: 66.07 %.

Monthly High and Low Market Price Data of Equity Shares (October, 2010 to March, 2011)

	B S E		N S E	
	High Rs.	Low Rs.	High Rs.	Low Rs.
Year 2010				
October	16.22	11.40	16.35	11.40
November	15.55	12.21	15.50	12.30
December	14.00	11.00	13.95	11.05
Year 2011				
January	13.50	11.00	13.40	10.10
February	11.70	8.02	11.35	8.25
March	10.10	8.70	10.90	9.00
During the period	16.22	8.02	16.35	8.25

Equity performance compared to BSE Sensex during October 1, 2010 to March 31, 2011



MANDATORY/NON-MANDATORY PROVISIONS

We have adopted all mandatory requirements (except where not relevant or applicable). Of the non-mandatory suggestions, we have adopted those relating to a Chairman's Office. There have been no transactions of a material nature of the Company with its promoters, Directors or the management, their subsidiaries or relatives, etc. and accordingly no potential conflict with the interests of the Company. Disclosure pursuant to regulation 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 of persons constituting "Group" include the following : Sri S.K. Birla, Smt. Sumangala Birla, Sri Sidharth Birla, Smt. Madhushree Birla, Birla Eastern Ltd., Birla Holdings Ltd., Central India General Agents Ltd., iPro Capital Ltd, Janardhan Trading Co. Ltd., Nathdwara Investment Co. Ltd., Sukriti Education Society and Sushila Birla Memorial Institute. There has been no case of non-compliance by the Company nor

any strictures or penalties imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets. 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
April 28, 2011

Sidharth Birla
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of DIGJAM Limited

We have examined the compliance of the conditions of Corporate Governance by **DIGJAM Limited** for the period ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 and Sells**
Chartered Accountants
(Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

New Delhi
April 28, 2011

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

This is to confirm that the Company has received affirmation of compliance with "Code of 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 financial period from October 1, 2010 to March 31, 2011 (6 months).

New Delhi
April 28, 2011

C. L. Rathi
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended March 31, 2011.

A. Conservation of Energy

- a. Energy conservation measures taken:

A programme for replacement of DC motors with AC motors as well as hydraulic systems with AC drives has been taken up. In the humidification plant, supply air fans are being replaced with FRP fans. The working of the air conditioning plant is being regularly monitored to control energy consumption. Steps have been taken to reduce transmission losses and maintain high power factor. The existing lighting is being replaced in phases with energy efficient 4' tube lights and where feasible, with compact fluorescent lamps.

- b. Additional Investments and proposals being implemented for reduction of consumption of energy :

The programme for replacement of DC motors with AC motors and hydraulic systems with AC drives is proposed to be continued alongwith that for replacement of supply air fans in the humidification plant. It is also proposed to identify viable processes to maximize operation thereof during off-peak hours. It is planned to continue the replacement of the existing lighting with 4' energy efficient tube lights and compact fluorescent lamps. A number of other proposals for energy conservation are under study.

- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

These measures are expected to lead to reduction in energy consumption per unit of production and bring about savings in cost of production.

- d. Total energy consumption and energy consumption per unit of production :

As per Form - A annexed.

B. Technology Absorption

- e. Efforts made in technology absorption :

As per Form - B annexed.

C. Foreign Exchange Earnings and Outgo

- f. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services ; and export plan :

The Company exports fabrics to the markets in USA/Europe and also to Far East and the Middle East. We have got our fabrics certified for Oeko-Tex Standard 100 i.e. meeting ecological standards for wearing the fabrics next to the skin to meet the ecological requirement of our buyers. We are also producing fabrics with different finishes like nano for oil and soil repellency with soft handle, teflon, bio-polishing, 100% wool washable fabrics, etc. Despite the economy being in the recovery mode in USA/Europe and the strengthening of the Indian Rupee, exports during the period have been highly encouraging.

g. Total Foreign Exchange used and earned:			
		(Lac Rs.)	
	2010-11*	2009-10#	
- Used	1997	4975	
- Earned	2494	7371	
* 6 month period # 18 month period			

**ANNEXURE
FORM - A**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

A. POWER & FUEL CONSUMPTION	2010-11*	2009-10#	
1. Electricity			
a. Purchased Units (in thousand)	8,591	26,131	
Total amount (Rs. in thousand)	52,446	1,63,185	
Avg. rate/Unit (Rs.)	6.10	6.24	
b. Own Generation			
Through Diesel Generator			
Units (in thousand)	42	166	
Units per Ltr. of Diesel Oil	2.57	2.42	
Avg. Cost/Unit (Rs.)	15.86	15.76	
2. Coal (Steam Coal and Lignite used in Boiler for steam)			
Qty. (M. Tonnes)	5,466	16,013	
Total cost (Rs. in thousand)	16,352	57,509	
Avg. rate/M. Tonne (Rs.)	2,991	3,592	

B. CONSUMPTION PER UNIT OF PRODUCTION

Products Fabric/Shawls (per Mtr.)		
- Electricity (KWH)	3.65	4.87
- Coal (Steam & Lignite Kg/Mtr.)**	2.31	2.96

* 6 month period # 18 month period
** For generation of steam.

**ANNEXURE
FORM - B**

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D carried out by the Company :
 - a. Product development by using new fibres and new processes.
 - b. New finishes.
 - c. Improvement in quality.
 - d. Process and System improvement particularly by implementing the Quality Management System IS/ISO 9001:2008.
 - e. Energy and Water conservation.
 - f. Increased productivity.

2. Benefits derived as a result of the above R&D :
 - a. Fabrics certified in accordance with Oeko-Tex Standard 100 as meeting the human ecological standards for products with direct contact to skin.
 - b. Increased variety of fabric finishes like bio-polishing, 100% wool washable fabrics and nano finished fabrics.
 - c. Improvement in quality and marketability of existing products.
 - d. Energy and water conservation.
 - e. Control of Inventory
3. Future Plan of action :
Emphasis on product development, product quality, cost reduction, energy and water conservation, improvement in process, productivity, safety and ecology.
4. Expenditure on R&D:

	2010-11*	2009-10 #	
a. Capital	-	-	
b. Recurring	9.97	25.03	
c. Total	9.97	25.03	
d. Total R&D expenditure as a percentage of total turnover	0.12%	0.13%	

* 6 month period # 18 month period

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :
Regularly in contact with Research Organizations in India and abroad, such as The Woolmark Company, Hohenstein Textile Testing Institute, Germany.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :
 - a. Better and easier availability of materials.
 - b. Improved productivity and improved machine performance resulting in saving in process cost.
 - c. Less dependence on imported items and saving of foreign exchange outgo.
 - d. Technology upgradation to meet the specifications of exportable products.
 - e. Increase in product range.
 - f. Imparting a variety of finishes to fabrics such as nano finish to all types of fabrics and washable to 100% wool fabrics.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial period) following information is being furnished :
 - a. Technology imported :)
 - b. Year of Import :)
 - c. Has Technology been fully absorbed? :)NONE
 - d. If not fully absorbed, areas where this has not taken :)
place, reasons therefor and future plans of action)

For and on behalf of the Board

New Delhi
April 28, 2011

Sidharth Birla
Chairman

AUDITORS' REPORT To the Members of DIGJAM Limited

1. We have audited the attached Balance Sheet of **DIGJAM LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) *attention is invited to Note No. 6 of Schedule 15 regarding advances of Rs. 880.63 lacs towards purchase of building, considered good by the management, on which in absence of necessary evidences, we are unable to comment upon ultimate recoverability of the same.*
 - (f) *subject to our comment in paragraph e above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

- (ii) in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins and Sells**
Chartered Accountants
(Registration No.117365W)

Gaurav J Shah
Partner

New Delhi
April 28, 2011

Membership No. 35701

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/result, clauses (xii), (xiii) and (xiv) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the period 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 explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the period by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

In respect of unsecured loans, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken loans from three Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.1,122.10 lacs and the year-end balance of such loans was Rs.1,107.10 lacs
- (b) The rate of interest of such loans is, in our opinion, *prima facie* not prejudicial to the interests of the Company. There are no other terms and conditions of such loans.
- (c) The Company is regular in repaying the principal amount and has been regular in payment of interest.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods. During the course of the audit, we have not observed any continuing failure to correct material weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in the Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where such transactions are in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in cases of certain transactions being of specialized nature, where as explained, no alternative quotations / sources are available.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period.
- (viii) In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom

Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of dispute.

In view of Interim Stay Order granted by the Hon'ble High Court of Gujarat, for assessee of the state, the Company has deposited Fringe Benefit Tax amounting to Rs. 2.54 lacs and Rs. 9.18 lacs for Assessment Year 2006-07 and 2007-08 respectively, in a separate bank account held for the purpose.

- (xi) The Company's accumulated losses at the end of the period are more than fifty percent of its net worth. The Company has not incurred cash loss during the period under report and has not incurred cash loss, after considering cash flow of exceptional items, during the immediately preceding financial period.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long-term investment.
- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) The Company did not have any outstanding debentures during the period.
- (xviii) The Company has not raised any money through a public issue during the period.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period.

For **Deloitte Haskins and Sells**
Chartered Accountants
(Registration No.117365W)

Gaurav J Shah
Partner

New Delhi
April 28, 2011

Membership No. 35701

DIGJAM LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

(Lac Rs.)

	<u>Schedule</u>	<u>As at March 31, 2011</u>	<u>As at September 30, 2010</u>
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	94,36.89	90,25.79
Preference Capital Suspense Account		-	5,00.00
Reserves and Surplus	2	88.90	-
LOANS			
Secured	3	50,94.87	53,14.60
Unsecured	4	22,77.88	23,10.15
		<u>168,98.54</u>	<u>171,50.54</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	249,04.77	248,92.61
Less : Depreciation		196,55.37	194,07.57
Net Block		52,49.40	54,85.04
Capital Work-in-progress		6.36	4.47
		<u>52,55.76</u>	<u>54,89.51</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	40,11.55	38,70.32
Sundry Debtors	7	30,09.93	24,88.07
Cash & Bank Balances	8	38.85	2,12.66
Loans & Advances	9	14,01.09	13,86.56
		<u>84,61.42</u>	<u>79,57.61</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	10	53,81.88	52,52.70
Provisions	11	3,46.37	3,85.36
		<u>57,28.25</u>	<u>56,38.06</u>
NET CURRENT ASSETS		<u>27,33.17</u>	<u>23,19.55</u>
PROFIT & LOSS ACCOUNT		<u>89,09.61</u>	<u>93,41.48</u>
		<u>168,98.54</u>	<u>171,50.54</u>
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	15		

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
April 28, 2011

G. K. Sureka
Company Secretary

C. L. Rathi
Managing Director

Sidharth Birla
R. K. Choudhury A. C. Mukherji
G. Goswami Meenakshi Bangur
Directors

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2011**

	<u>Schedule</u>	2010-11 (6 Months)	2009-10 (18 Months)
(Lac Rs.)			
INCOME			
Sales		80,81.14	185,93.26
Other Income	12	41.96	1,16.54
		<u>81,23.10</u>	<u>187,09.80</u>
 EXPENDITURE			
Materials	13	36,55.42	86,00.44
Manufacturing & Other Expenses	14	36,01.99	98,76.99
Interest and Financial Charges (Net) (Note 14)		5,54.62	11,24.76
		<u>78,12.03</u>	<u>196,02.19</u>
 PROFIT/(LOSS) BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX		3,11.07	(8,92.39)
Depreciation and Amortisation		2,49.09	7,65.79
		<u>61.98</u>	<u>(16,58.18)</u>
Exceptional items (Note 15)		3,69.89	60,48.61
		<u>4,31.87</u>	<u>43,90.43</u>
PROFIT BEFORE TAX		4,31.87	43,90.43
Provision for Tax :			
- (Excess) Provision in earlier years		-	(21.54)
		<u>4,31.87</u>	<u>44,11.97</u>
NET PROFIT AFTER TAX		4,31.87	44,11.97
Balance brought forward		(93,41.48)	(137,53.45)
Balance carried to Balance Sheet		<u>(89,09.61)</u>	<u>(93,41.48)</u>
 Earnings Per Share (EPS) (Note 21)			
(Face Value of Share - Rs. 10)			
Basic & Diluted Earnings per Share - Rs.			
Before considering Exceptional Items		(0.05)	(2.79)
After considering Exceptional Items		0.48	6.01

**NOTES ON ACCOUNTS &
SIGNIFICANT ACCOUNTING POLICIES**

15

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
April 28, 2011

G. K. Sureka
Company Secretary

C. L. Rathi
Managing Director

Sidharth Birla
R. K. Choudhury A. C. Mukherji
G. Goswami Meenakshi Bangur
Directors

DIGJAM LIMITED

SCHEDULES

			March 31, 2011	(Lac Rs.) September 30, 2010
1. SHARE CAPITAL*		Par Value Rs.		
Authorised				
8,00,00,000	Equity Shares	10	80,00.00	80,00.00
25,00,000	Preference Shares	100	25,00.00	25,00.00
2,00,00,000	Preference Shares	10	20,00.00	20,00.00
			125,00.00	125,00.00
Issued				
7,27,38,045	Equity Shares (Previous period : 6,87,51,400)	10	72,73.81	68,75.14
21,50,000	Preference Shares	100	21,50.00	21,50.00
1,24,329	Preference Shares (Previous period : Nil)	10	12.43	-
			94,36.24	90,25.14
Subscribed & Paid Up				
7,27,28,296	i. Equity Shares	10	72,72.83	68,74.16
	(Previous period : 6,87,41,651)			
	Add : Forfeited Shares		1.63	1.63
			72,74.46	68,75.79
	ii. Preference Shares			
	a. 8% Cumulative Redeemable Preference Shares (redeemable on expiry of 10 years from the dates of allotment as under, with option to preference shareholders to call for redemption after 5 years from the date of allotment by giving a notice of three months.) :			
20,00,000	- Allotted on February 23, 2009	100	20,00.00	20,00.00
1,50,000	- Allotted on September 17, 2010	100	1,50.00	1,50.00
1,24,329	b. 8% Non-cumulative Redeemable Preference Shares (redeemable on expiry of 5 years from the date of allotment i.e. February 28, 2011) (Previous period : Nil)	10	12.43	-
			94,36.89	90,25.79
Subscribed and Paid up Equity Shares as above include :				
a. 9,44,084 Equity Shares issued as fully paid up Bonus Shares by way of capitalisation of reserves;				
b. 3,24,849 Equity Shares issued for consideration otherwise than in cash.				
* Refer Note 1				
2. RESERVES AND SURPLUS				
Securities Premium Reserve : #				
Balance as at October 1, 2010			-	-
Created during the period			88.90	-
Balance as at March 31, 2011			88.90	-
# Refer Note 1.a				
3. SECURED LOANS^				
Banks			44,97.48	31,87.32
Financial Institutions			5,97.39	7,27.28
ARCIL			-	14,00.00
^Refer Note 2			50,94.87	53,14.60
4. UNSECURED LOANS†				
Financial Institutions			-	3,69.89
Trade Deposits			2,03.88	2,01.26
Others			20,74.00	17,39.00
†Refer Note 2			22,77.88	23,10.15

SCHEDULES (Contd.)
5. FIXED ASSETS*

(Lac. Rs.)

	Gross Value			Depreciation & Amortisation					Net Value	
	As at Sep 30, 2010	Additions	Sale/ Adjust-ments	As at Mar 31, 2011	As at Sep 30, 2010	For the period	On Sale/ Adjust-ments	Upto Mar 31, 2011	As at Mar 31, 2011	As at Sep 30, 2010
Land	12,09.58	-	-	12,09.58	-	-	-	-	12,09.58	12,09.58
Building	26,27.21	-	-	26,27.21	15,67.64	21.59	-	15,89.23	10,37.98	10,59.57
Plant & Machinery	206,48.92	6.78	-	206,55.70	176,30.67	2,14.02	-	178,44.69	28,11.01	30,18.25
Furniture, Fitting & Equipment	2,13.81	8.98	-	2,22.79	1,48.63	5.07	-	1,53.70	69.09	65.18
Vehicles	1,14.92	-	3.60	1,11.32	52.23	4.59	1.29	55.53	55.79	62.69
Software	78.17	-	-	78.17	8.40	3.82	-	12.22	65.95	69.77
Total	248,92.61	15.76	3.60	249,04.77	194,07.57	2,49.09	1.29	196,55.37	52,49.40	54,85.04
Previous Year	<u>249,77.28</u>	<u>1,61.26</u>	<u>2,45.93</u>	<u>248,92.61</u>	<u>187,60.07</u>	<u>7,65.79</u>	<u>1,18.29</u>	<u>194,07.57</u>	<u>54,85.04</u>	

*Refer Note 3

6. INVENTORIES #

	March 31, 2011	September 30, 2010
Finished Stocks	16,33.38	13,84.81
Stock in Process	17,96.11	17,10.93
Other Stocks:		
- Raw Materials & Components	2,99.11	4,77.13
- Stores & Spare Parts	2,82.95	2,97.45
# Refer Note 4	40,11.55	38,70.32

7. SUNDRY DEBTORS

(Considered good)		
Over Six Months (Net) (Note 5)	74.03	2,42.00
Others	29,35.90	22,46.07
	30,09.93	24,88.07
Secured Debts	59.46	55.74
Unsecured Debts	29,50.47	24,32.33
	30,09.93	24,88.07

8. CASH & BANK BALANCES

Cash in hand	5.63	3.38
Balances with Scheduled Banks		
- Current Accounts	33.22	2,03.12
- Fixed Deposit Accounts	-	6.16
	38.85	2,12.66

9. LOANS & ADVANCES

(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received (Net) (Note 6)	11,58.97	11,45.50
Tax deducted at source (Net of Provision)	31.04	29.64
Deposits with Government Departments and others	2,11.08	2,11.42
	14,01.09	13,86.56

10. CURRENT LIABILITIES

Sundry Creditors (Note 7)	48,60.51	47,52.45
Interest accrued but not due on loans	5,21.37	5,00.25
	53,81.88	52,52.70

11. PROVISIONS

Fringe Benefits Tax (Net of Advance)	8.28	8.28
Retirement Benefits	3,38.09	3,77.08
	3,46.37	3,85.36

SCHEDULES (Contd.)

	2010-11 (6 Months)	(Lac Rs.) 2009-10 (18 Months)
12. OTHER INCOME		
Miscellaneous Income	40.26	1,03.96
Excess Provisions/Liabilities Written Back	1.01	12.58
Profit on Sale/discard of Fixed Assets	0.69	-
	<u>41.96</u>	<u>1,16.54</u>
13. MATERIALS		
(Increase)/Decrease in Stocks - Schedule 'A'	(3,33.75)	1,88.80
Purchase of Finished/Semi Finished Goods	8,15.35	16,19.25
Consumption of Raw Materials & Components - Schedule 'B'	31,73.82	67,92.39
	<u>36,55.42</u>	<u>86,00.44</u>
A. (INCREASE) / DECREASE IN STOCKS		
Opening Stocks :		
Finished Goods	13,84.81	16,08.12
Stock-in-Process	17,10.93	16,76.42
	<u>30,95.74</u>	<u>32,84.54</u>
Closing Stocks :		
Finished Goods	16,33.38	13,84.81
Stock-in-Process	17,96.11	17,10.93
	<u>34,29.49</u>	<u>30,95.74</u>
	<u>(3,33.75)</u>	<u>1,88.80</u>
B. CONSUMPTION OF RAW MATERIALS		
Opening Stock	4,77.13	4,21.03
Add : Purchases & expenses thereon	30,70.38	69,99.25
	<u>35,47.51</u>	<u>74,20.28</u>
Less : Sales, Returns & Transfers	74.58	1,50.76
Less : Closing Stock	2,99.11	4,77.13
	<u>3,73.69</u>	<u>6,27.89</u>
	<u>31,73.82</u>	<u>67,92.39</u>
Profit/Loss on sale of Raw Material & Stores are adjusted in their respective consumption accounts.		
14. MANUFACTURING & OTHER EXPENSES		
Manufacturing Expenses - Schedule 'A'	16,24.32	42,12.69
Personnel Expenses - Schedule 'B'	10,00.51	25,70.54
Administrative Expenses - Schedule 'C'	2,99.58	8,50.16
Selling Expenses - Schedule 'D'	6,77.58	22,43.60
	<u>36,01.99</u>	<u>98,76.99</u>

SCHEDULES (Contd.)

	2010-11 (6 Months)	2009-10 (18 Months)
A. MANUFACTURING EXPENSES		
Processing Expenses	3,53.52	6,88.29
Power & Fuel	7,84.40	22,53.19
Repairs & Maintenance :		
- Buildings	31.40	51.52
- Plant & Machinery	1,17.91	2,95.23
- Others	7.58	30.25
Stores & Spare Parts Consumed	3,29.51	8,94.21
	<u>16,24.32</u>	<u>42,12.69</u>
B. PERSONNEL EXPENSES		
Salaries, Wages, Bonus, etc.	8,15.38	21,11.85
Contribution to Provident & Other Funds	1,04.00	1,92.88
Employees Welfare	81.13	2,65.81
	<u>10,00.51</u>	<u>25,70.54</u>
C. ADMINISTRATIVE & OTHER EXPENSES		
Directors Fees	3.15	7.31
Insurance	2.55	9.50
Loss on Sale of Fixed Assets (Net)	-	9.98
Miscellaneous Expenses	99.28	2,38.08
Professional & Legal Fees and Expenses	1,07.35	2,82.85
Rates & Taxes	8.93	33.34
Rent	21.19	55.40
Travelling Expenses	57.13	2,13.70
	<u>2,99.58</u>	<u>8,50.16</u>
D. SELLING EXPENSES		
Advertisement & Sales Promotion	3,41.01	10,74.95
Brokerage, Rebate, Discount & Commission	2,90.17	8,38.59
Freight & Other Expenses	46.40	3,30.06
	<u>6,77.58</u>	<u>22,43.60</u>

15. NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

1. The Company allotted, during the period, the following shares to Asset Reconstruction Company (India) Limited ('ARCIL') and its security receipt holders as advised by it, under the terms of settlement of debts and provided therefor under "Preference Capital Suspense Account" in the previous period:
 - a. 39,86,645 Equity Shares, of Rs. 10 each fully paid, at a premium of Rs.2.23 per Equity Share, determined as per SEBI Regulations, for aggregate value of Rs. 4,87.57 lacs. The aggregate premium amounting to Rs. 88.90 lacs has been credited to Securities Premium Reserve.
 - b. 1,24,329 - 8 % Non-cumulative Redeemable Preference Shares of Rs.10 each fully paid for aggregate nominal value of Rs.12.43 lacs.
2. i. Secured Loans:
 - a. Term Loan from bank – Rs 12,50.00 lacs (Previous period – Nil) is secured/to be secured by first charge on fixed assets of the Company at Jamnagar, DIGJAM brand and by pledge of a part of Promoters' shareholding.
 - b. Working capital borrowings from banks - Rs. 32,45.06 lacs (Previous period: Rs. 31,83.94 lacs) are secured by hypothecation of stocks and by second charge on fixed assets of Jamnagar division.
 - c. Loans from Banks for purchase of vehicles – Rs. 2.42 lacs (Previous period: Rs 3.38 lacs) are secured against the vehicles purchased out of those loans.
 - d. Loan from Housing Development Finance Corporation Limited – Rs. 77.00 lacs (Previous period: Rs. 89.00 lacs) is secured by mortgage on specified immovable properties.
 - e. Loan from Export Import Bank of India (Exim Bank) – Rs. 5,20.39 lacs (Previous period: Rs. 6,38.28 lacs) is secured by a mortgage and hypothecation, subservient to the charges in favour of term lenders/ working capital lenders, over the moveable and immoveable fixed assets of the Company situated at Jamnagar, both present and future.
- ii. Unsecured loans include the amount payable within one year – Rs 1,35.00 lacs.

SCHEDULES (Contd.)

3. Accumulated Depreciation upto March 31, 2011 (Schedule 4) includes impairment loss on Plant & Machinery - Rs. 11.85 lacs (Previous period: Rs.11.85 lacs).
4. Closing Stock of Raw Materials, Finished Goods and Stores & Spare Parts includes those in transit/bonded warehouse and/or with third parties Rs. 59.28 lacs (Previous period: Rs.1,26.79 lacs).
5. Debtors over six months are net of provision of Rs.3,58.09 lacs (Previous period: Rs.4,95.36 lacs). Bad Debts written off during the period (i) against provisions – Rs.87.06 lacs (Previous period: Rs.24.92 lacs), and (ii) charged to Profit & Loss Account for the period and included under Freight & Other Selling Expenses – Rs.1.48 lacs (Previous period: Rs. 13.76 lacs).
6. Advances are net of provision of Rs.8,79.93 lacs (Previous period – Rs.8,77.85 lacs). The advances include (i) Rs.8,80.63 lacs (Previous period: Rs.8,80.63 lacs) towards building, the physical possession of which has been arbitrarily withheld by the developer. The Company has taken necessary steps towards getting possession of the said building/recovery of amounts paid alongwith interest. Necessary recognition of interest etc., if any, will be made on settlement of the ongoing legal/arbitration proceedings. (ii) Interest-free loans to employees – Rs.4.62 lacs (Previous period: Rs.6.86 lacs), maximum amount due during the period – Rs.8.19 lacs (Previous period: Rs.11.08 lacs).
7. a. Sundry creditors include (i) Acceptances - Rs.16,47.40 lacs (Previous period: Rs.15,01.52 lacs), and (ii) Advance from Customers – Rs.2,09.98 lacs (Previous period: Rs. 1,08.00 lacs).
b. There are no dues 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, 2011, which requires disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.
8. Sales are reported net of turnover discount, returns claims and include - Job receipts and miscellaneous sales - Nil (Previous period: Rs.24.27 lacs), Export Benefits, Claims etc. - Rs.1,66.31 lacs (Previous period: Rs.4,84.22 lacs).
9. a. Remuneration of the Managing Director consists of Salaries Rs. 16.50 lacs, approximate value of perquisites Rs.0.10 lacs, contribution to PF & other funds Rs. 4.46 lacs (Previous period : Rs. 31.50 lacs, Rs. 10.98 lacs, and Rs.9.69 lacs respectively). These exclude accumulated amount of gratuity (funded through LIC fund, contributions not separately identified).
b. Commission is not payable to the Managing Director due to inadequacy of profits under Section 349 of the Companies Act, 1956 and thus computation is not given.
10. a. Foreign exchange loss (net) of Rs.6.54 lacs (Previous period: Rs.1.62.94 lacs) has been included in respective heads of the Profit and Loss Account.
b. Foreign Exchange Forward contracts taken by the Company for hedging foreign currency exposure and outstanding at the period-end: *Receivables* – EURO 3.40 lacs, USD 2.78 lacs and GBP 0.11 lacs (Previous period: 5.31 lacs, 1.88 lacs and Nil respectively). *Payables* – AUD 13.39 lacs (Previous period: Nil). The foreign currency exposures not hedged by derivative instruments as at the period-end: *Receivables* – EURO 0.24 lacs, USD – 0.74 lacs (Previous period: Nil and 0.01 lacs respectively). *Payable* – AUD 2.69 lacs, EURO 2.59 lacs, USD 1.25 lacs and GBP 0.20 lacs (Previous period: 17.01 lacs, 2.96 lacs, 1.13 lacs and 0.36 lacs respectively).
11. Payment to Auditors (Lac Rs.)

	2010-11	2009-10
a. Audit Fees	6.00	6.00
b. Taxation Matters	4.95	10.59
c. Other services	0.30	–
d. Reimbursement of expenses and Service Tax	1.72	2.66
12. The Company is lessee under various operating leases under which Rental expenses for the period were Rs 21.19 lacs (Previous period: Rs. 55.40 lacs). The Company has not executed any non-cancellable lease.
13. Research and Development expenses Rs. 9.97 lacs (Previous period: Rs. 25.03 lacs), accounted for in the respective heads of the Profit & Loss Account.
14. a. Interest and Financial Charges includes: (i) Interest: on Fixed Loans – Rs.75.91 lacs (Previous period : Rs.1,50.37 lacs); on Others - Rs.3,92.06 lacs (Previous period: Rs. 7,90.90 lacs) which is net of interest income Rs.32.42 lacs (Previous period: Rs.2,02.88 lacs)
(ii) Financial Charges: Bank Charges and Commission etc.- Rs.86.65 lacs (Previous period: Rs.1,83.49 lacs).
b. Tax deducted at source on: Processing charges - Nil, Interest Rs. 0.39 lacs, Professional/Service charges – Rs. 2.32 lacs, Commission – Nil and Contract – Rs.0.13 lacs (Previous period: Rs.0.64 lacs, Rs.11.53 lacs, Rs.1.16 lacs, Rs 2.01 lacs and Rs. 0.07 lacs respectively).
15. Exceptional items during the period include writeback of old unsecured loans and interest provision – Rs.3,69.89 lacs, and those during the previous period included - Profit on sale of inoperative land and other fixed assets (Net) - Rs.10,36.63 lacs, Profit on transfer of Long Term Investments - Rs. 58.80 lacs and Gain on settlement of loans - Rs. 49,53.18 lacs.

SCHEDULES (Contd.)

16. Employee benefits:

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 leave encashment to the employees. The details of these defined benefit plans recognised in the financial statements are as under:

(Lac Rs.)

	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
a. Reconciliation of opening and closing balances of the present value of defined benefit obligation				
Obligation at the beginning of the period	10,32.83	10,94.95	1,70.10	1,69.15
Current Service Cost	28.10	84.67	25.70	36.11
Interest Cost	41.76	1,22.88	6.88	18.99
Actuarial (gain)/loss	(17.78)	(1,59.41)	(10.38)	(1.74)
Benefits paid	(29.79)	(1,10.26)	(24.03)	(52.41)
Obligation at the end of the period	10,55.12	10,32.83	1,68.27	1,70.10
b. Reconciliation of opening and closing balances of fair value of plan assets				
Plan assets at the beginning of the period, at fair value	8,25.85	7,84.98	–	–
Expected Return on Plan Assets	33.39	92.39	–	–
Actuarial gain/(loss)	5.85	16.28	–	–
Contribution	50.00	42.46	–	–
Benefits paid	(29.79)	(1,10.26)	–	–
Plan assets at the end of the period, at fair value	8,85.30	8,25.85	–	–
c. Net Liability recognised in Balance Sheet				
Obligation at the end of the period	10,55.12	10,32.83	1,68.27	1,70.10
Less : Plan assets at the end of the period, at fair value	8,85.30	8,25.85	–	–
Liability recognised in Balance Sheet as at 31.3.2011	1,69.82	2,06.98	1,68.27	1,70.10
d. Components of employer expense for the period				
Current service cost	28.10	84.67	25.70	36.11
Interest cost	41.76	1,22.88	6.88	18.99
Expected return on plan assets	(33.39)	(92.39)	–	–
Net Actuarial (gain)/loss	(23.63)	(1,75.69)	(10.38)	(1.74)
Net cost	12.84	(60.53)	22.20	53.36
e. Assumptions				
	%	%	%	%
Discount Rate (p.a.)	8.25	8.25	8.25	8.25
Expected Rate of Return on plan assets (p.a.)	8.25	8.25	–	–
Expected Rate of increase in compensation levels (p.a.)	6.50	6.50	6.50	6.50
f. Experience History				
	2010-11	2009-10	2008-09	2007-08
Gratuity				
Defined Benefit Obligation at the end of the period	10,55.12	10,32.83	10,94.95	9,81.35
Plan Assets at the end of the period	8,85.30	8,25.85	7,84.98	6,94.82
Funded Status - Surplus/(Deficit)	(1,69.82)	(2,06.98)	(3,09.97)	(2,86.53)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(26.46)	(93.76)	36.59	19.94
Experience Adjustment on Plan Assets - Gain/(Loss)	5.85	13.96	10.57	(4.17)
Leave Encashment				
Defined Benefit Obligation at the end of the period	1,68.27	1,70.10	1,69.15	1,50.84
Funded Status - Surplus/(Deficit)	(1,68.27)	(1,70.10)	(1,69.15)	(1,50.84)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(12.29)	0.69	15.50	1.61
g. The contribution expected to be made by the Company during the next financial year has not been ascertained.				

SCHEDULES (Contd.)

17. 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.

18. STATISTICAL DATA :

A. Installed Capacity*	Units	March 31, 2011	September 30, 2010
Worsted Spindles	Nos.	14,800	14,800
Looms	Nos.	98	98
Wool Combing (per annum)	Kg.	13,05,000	13,05,000

*Installed Capacities are as certified by the Management

None of the products are covered under current IDR licensing norms. Hence, "Licensed Capacity" not reported.

B. Production	Units	2010-11	2009-10
Cloth	Metres	23,51,699	53,38,020
Blankets & Shawls etc.	Pieces	4,921	23,958
Yarn for sale	Kg.	3,803	11,175

In view of the exemption under Notification No S.O.301 (E) dated February 8, 2011 issued by Government of India, Ministry of Corporate Affairs, the information in respect of turnover, purchases, raw materials, opening and closing stocks have not been given.

Details of Consumables	2010-11		2009-10	
	Lac Rs.	%	Lac Rs.	%
C. i Raw Materials				
- Imported Origin	18,15.49	57.20	43,47.24	64.00
- Indigenous	13,58.33	42.80	24,45.15	36.00
	<u>31,73.82</u>	<u>100.00</u>	<u>67,92.39</u>	<u>100.00</u>
C. ii Spare parts & Components				
- Imported Origin	63.47	19.26	55.63	6.22
- Indigenous	2,66.04	80.74	8,38.58	93.78
	<u>3,29.51</u>	<u>100.00</u>	<u>8,94.21</u>	<u>100.00</u>

(Lac Rs.)

Foreign Currency Transactions

	2010-11	2009-10
D. i. Imports (CIF Value)		
- Raw Materials	17,32.46	40,31.62
- Store & Spare parts (incl. Components)	49.25	1,17.32
- Finished Goods	-	1,12.56
D. ii. Expenditure		
- Travelling	4.18	55.38
- Others	2,10.73	6,58.34
D. iii Earnings		
- Exports (FOB Value)	24,93.76	73,71.27

19. CONTINGENT LIABILITIES NOT PROVIDED FOR

	March 31, 2011	September 30, 2010
i. Claims against the Company not acknowledged as debts	-	1.13
ii. Income Tax / Wealth Tax/ Sales Tax etc. matters pending in appeals	-	4.73
iii. Arrears of Cumulative Preference Shares dividend - including Dividend Distribution Tax - Rs. 55.59 lacs (Previous period : Rs.42.67 lacs)	3,98.25	2,99.57

20. RELATED PARTY DISCLOSURES

[in terms of Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India (ICAI)]

The Company has identified Sri C. L. Rathi, Managing Director, as a related party, being key managerial personnel. Besides remuneration, the details of which are set out in Note No. 9(a), there was no other transaction with him.

SCHEDULES (Contd.)
21. EARNINGS PER SHARE (EPS) (in terms of AS 20 issued by the ICAI)

Particulars		2010-11	2009-10
Profit after Tax	Lac Rs.	4,31.87	44,11.97
Preference dividend (including Dividend Distribution Tax) for the period	Lac Rs.	(99.68)	(2,80.59)
Profit pertaining to equity shareholders	Lac Rs.	3,32.19	41,31.38
Profit/(Loss) pertaining to equity shareholders (without considering Exceptional items)	Lac Rs.	(37.70)	(19,17.23)
Number of Equity Shares (Weighted Average)	Nos.	6,94,42,600	6,87,41,651
Nominal Value per Equity Share	Rs.	10	10
Basic & Diluted Earnings per share :			
Before considering Exceptional Items	Rs.	(0.05)	(2.79)
After considering Exceptional Items	Rs.	0.48	6.01

22. SEGMENT INFORMATION

The Company operates in a single business segment as Primary Segment i.e. "Textiles" in terms of AS 17 issued by the ICAI. The information on Secondary segments based on location of customers are as under :

		2010-11	2009-10
			(Lac Rs.)
Segment Revenue		53,98.94	101,09.85
Within India		27,24.16	85,99.95
Outside India		81,23.10	187,09.80
Carrying amount of Segment Assets			
Within India		132,78.29	129,62.59
Outside India		4,07.86	4,48.74
Total		136,86.15	134,11.33
Addition to Fixed Assets			
Within India		17.64	1,37.19
Outside India		-	-
Total		17.64	1,37.19

23. These financial statements have been prepared for the Company's accounting period of six months from October 1,2010 to March 31,2011, whereas previous period was for eighteen months from April 1,2009 to September 30,2010. Hence the figures for the current period are not comparable with the figures for the previous period.

24. Previous period's figures have been rearranged/regrouped as necessary.

25. SIGNIFICANT ACCOUNTING POLICIES
a. Basis of Preparation of Financial Statements

The financial statements have been prepared on a going concern basis under the historical cost convention, except in case of certain fixed assets which are re-valued, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the Company.

The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. Whenever it is not possible to determine the quantum of all accruals with reasonable certainty e.g. insurance and other claims, refund of duties etc., these continue to be accounted for on settlement basis.

b. Sales

Sales are reported net of turnover/trade discounts, returns and claims. Rebate/discount other than usual allowances accounted for as and when incurred.

c. Fixed Assets

Tangible and intangible assets are stated at cost of acquisition inclusive of freight, duties, taxes, roll over charges of forward contracts on foreign currency loans & incidental expenses related to acquisition/installation, adjusted by revaluation of Land, Building and Plant & Machineries in 1997-98.

d. Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

e. Depreciation and Amortisation

Depreciation, including on assets acquired under finance lease after January 1, 2002, charged under Straight Line Method in accordance with the rates and manner specified in Schedule XIV of the Companies Act, 1956.

DIGJAM LIMITED

SCHEDULES (Contd.)

Depreciation in respect of increase in value of assets due to revaluation is provided on Straight Line Method over the remaining life of assets as estimated by the valuers.

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.

f. Foreign Currency Translation

Transactions denominated in foreign currencies normally recorded at exchange rate prevailing at time of transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts translated at year end rates and those covered by forward exchange contracts translated at rate at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.

Any income or expenses on account of exchange difference either on settlement or on translation are recognised in the Profit and Loss Account.

Fixed assets of foreign offices translated at the original rates consistent with the historical cost concept. Revenue items of foreign offices translated at the average rate of exchange prevailing during the year and resultant net effect considered in the Profit and Loss account.

g. Treatment of Expenditure during construction period

Expenditure during construction/erection period allocated to the respective assets on completion of such construction or erection. Interest on borrowings as allocated by management for new/expansion projects calculated in proportion to the purpose for which such funds are allocated and capitalised accordingly.

h. Investments

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

j. Valuation of Inventories

Inventories valued at lower of cost or net realisable value, except waste, scrap & by-products valued at net realisable value. Cost computed on weighted average basis. Finished goods & Process stock include cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

k. Borrowing cost

Borrowing cost relating to (i) funds borrowed for acquisition of fixed assets are capitalised upto the date the assets are put to use, and (ii) funds borrowed for other purposes are charged to Profit & Loss Account.

l. Taxation

Tax liability estimated considering the provisions of the Income Tax Act, 1961. Deferred tax recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. On prudent basis, Deferred tax asset recognised and carried forward to the extent only when there is reasonable certainty that the assets will be adjusted in future.

m. Inter Divisional Transfers

Transfer of Fixed Assets made at cost and others at realisable value.

n. Employee Benefits

Contributions to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to a government administered Provident Fund and an LIC administered fund respectively, and are charged to the Profit and Loss account as incurred. The Company has no further obligations beyond its monthly contributions to these funds.

Provision for gratuity, under a LIC administered fund, and leave encashment, which are in the nature of defined benefit plans, are provided based on valuations, as at the balance sheet date, made by independent actuaries.

Termination benefits are recognised as expense as and when incurred.

p. Research & Development Expenditure

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

q. Leases

Lease rentals are expensed with reference to lease terms.

r. Government grants

Project capital subsidy credited to capital reserve & other government grants including export incentives credited to Profit and Loss account or deducted from related expenses.

s. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement 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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Signatures to Schedules 1 to 15 inclusive

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
April 28, 2011

G. K. Sureka
Company Secretary

C. L. Rathi
Managing Director

Sidharth Birla
R. K. Choudhury A. C. Mukherji
G. Goswami Meenakshi Bangur
Directors

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2011

	2010-11	2009-10
	(6 Months)	(18 Months)
		(Lac Rs.)
A. Cash Flow from Operating Activities		
Net profit/(loss) before tax and Exceptional items	61.98	(16,58.18)
Adjusted for :		
Depreciation and Amortisation	2,49.09	7,65.79
Interest and Financial Charges	5,87.04	13,27.64
Interest income	(32.42)	(2,02.88)
Loss /(Profit) on Sale/Discard of Fixed Assets	(0.69)	9.98
Foreign Exchange Fluctuation (unrealised)	2.74	56.32
Operating Profit before working capital changes	8,67.74	2,98.67
Adjusted for :		
Trade and Other Receivables	(5,34.24)	5,88.39
Inventories	(1,41.23)	1,14.53
Trade Payables and other Liabilities	65.59	1,46.52
Cash generated from operations	2,57.86	11,48.11
Direct taxes	(1.40)	1,08.75
Net Cash from/(used) in Operating Activities ... (A)	2,56.46	12,56.86
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17.64)	(1,37.19)
Sale of Fixed Assets	3.00	11,54.30
Sale of Investments	-	5,00.00
Interest received	32.42	2,02.88
Net Cash from/(used) in Investing Activities ... (B)	17.78	17,19.99
C. Cash Flow from Financing Activities		
Proceeds from Capital and Premium (Refer Schedule 15, Note 1)	-	6,50.00
Proceeds from/(Repayment of) borrowings (net)	1,17.88	(21,82.94)
Interest and Financial Charges	(5,65.93)	(12,91.91)
Net Cash from/(used) in Financing Activities ... (C)	(4,48.05)	(28,24.85)
Net increase/(decrease) in Cash or Cash Equivalents (A+B+C)	(1,73.81)	1,52.00
Cash and Cash Equivalents (Opening Balance)*	2,12.66	60.66
Cash and Cash Equivalents (Closing Balance)*	38.85	2,12.66
*Refer Schedule 8		

Notes :

1. Figures in brackets represent outflow.
2. Cash and Cash Equivalents includes Cash in hand and Balances with Scheduled Banks and foreign exchange fluctuation (unrealised) in bank balance in foreign exchange - Rs. 0.04 lacs (Previous period : Rs. 0.17 lacs)

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
April 28, 2011

G. K. Sureka
Company Secretary

C. L. Rathi
Managing Director

Sidharth Birla
R. K. Choudhury A. C. Mukherji
G. Goswami Meenakshi Bangur
Directors

DIGJAM LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	00753	State Code	04
Balance Sheet Date	31-03-2011		

II. Capital raised during the period (Amount in Rs. Thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement (Allotment against Preference Capital Suspense Account)	41110

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

Total Liabilities	1689854	Total Assets	1689854
Sources of funds			
Paid-up Capital	943689	Secured Loans	509487
Reserves and Surplus	8890	Unsecured Loans	227788
Applications of funds			
Net Fixed Assets	525576	Accumulated Losses	890961
Net Current Assets	273317		

IV. Performance of Company (Amount in Rs. Thousand)

Turnover (including Other Income and Exceptional Items)	849299	Total Expenditure	806112
Profit/(Loss) before tax	43187	Profit/(Loss) after Tax	43187
Earning per Share (Rs.)	0.48	Dividend Rate %	Nil

V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code (ITC Code)	51123000
Product Description	WOVEN FABRIC OF COMBED WOOL OR COMBED FINE ANIMAL HAIR MIXED MAINLY OR SOLELY WITH MANMADE STAPLE FIBRE
Item Code (ITC Code)	51072003
Product Description	WOOLLEN AND WORSTED WEAVING YARN
Item Code (ITC Code)	62031100
Product Description	MEN'S AND LADIES GARMENTS

New Delhi
April 28, 2011

G. K. Sureka
Company Secretary

C. L. Rathi
Managing Director

Sidharth Birla
R. K. Choudhury A. C. Mukherji
G. Goswami Meenakshi Bangur
Directors

HYDERABAD/SECUNDERABAD

- * Digjam Retail Showroom, Park Lane
- * Digjam Retail Showroom, Shop 1, 2 & 3, Sai Towers, Dilukhnagar
- * Digjam Retail Showroom, Plot No. 136, Hill Colony, Vanasthalipuram
- * Digjam Retail Showroom, H. No. 1-19-75/1/1, Plot No.-1 C, Laxmi Puram, Dr. A. S. Rao Nagar

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 Bazar
- @ Rishi Textiles, Chaura Rasta

JALGAON

- @ Navjeevan Collections, 114 Navi Peth
- @ 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 Pura

JAMSHEDPUR

- * Digjam Shop-in-Shop, Paradise Fabrics, 58/59 Kamani Centre, 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
- @ Thakur Das Latwala, 49/4 General Ganj
- @ V. K. Enterprises, 49/8-9 General Ganj
- @ Selection House, 12 Naveen Market

KOLKATA

- * Digjam Retail Showroom, 54, J. L. Nehru Road
- @ Saharsh, 105, Park Street
- @ R. Rajpuria & Co., 95 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, Bazaz Khana

KOTTAYAM

- @ Seemati, K. K. Road

LATUR

- @ Ishwarprasad Omprakash Daga, Cloth Lane

LUCKNOW

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

LUDHIANA

- * Digjam Retail Showroom, Chandan Tower, Gurudev Nagar, Pakhowal Road
- @ Bombay Stores, Surya Tower, The Mall
- @ Cheap Cloth House, Ghumar Mandi

MADHEPURA

- * Digjam Shop-in-Shop, Tulsii, Main Road

MADURAI

- @ Pothy's Textiles, 159 Mella Masi Street
- @ Rajmahal Textiles, Venkata 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)

@ Rahul Agasti, G-1 Aryston Centre, Juhu

@ Rainbow Textorium, Swapna Puri Building, Jerbai Wadia Road, Parel TT

MUZAFFARNAGAR

- * Digjam Shop-in-Shop, Diwan Chandra Mahendra Kumar, Opp: Gate Anand Bhawan, Roorkee Road

NAGPUR

- * Digjam Retail Showroom, Mahajan Market, Sitabuli
- @ Udaya, Itwari Shahid Chowk

NASIK

- * Digjam Retail Showroom, Opp. Vijan Hospital, College Road

NELLORE

- @ Modern Fabs, Trunk Road

OOTY

- @ Rajhans, Commercial Road
- @ Vardhaman, 23, Commercial Road

PATNA

- @ Kripashree, Ashiana Nagar
- @ Shree Shanker Vastralaya, Station Road

PUNE

- @ Bharat Woollen House, Seva Sadan Building, Laxmi Road
- @ Chandulal Dahyabhai, 561-Centre Street
- @ Jaihind Collections, Kunte Chowk, Laxmi Road
- @ Men's Avenue, Sadashiv Peth

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

- @ New Mumbai Cutpiece House, Manpada Road, Dombivali

TIRUNELVELI

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

UDHAMPUR (J&K)

- @ Bombay Cloth House, Main Bazar

VADODARA

- * Digjam Retail Showroom, A/33, Windsor Plaza, Nr. 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

VISAKHAPATNAM

- * Digjam Retail Showroom, 30-15-34/2, Dabagarden
- * Digjam Retail Showroom, Door # 30-15-123, Potluri Mansions, Dabagarden

Retail Shop

C/Memo No. Date

Amount Rs.

Retail Shop

C/Memo No. Date

Amount Rs.

Retail Shop

C/Memo No. Date

Amount Rs.

DIGJAM LIMITED

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

PROXY FORM

Proxy No.	
No. of Shares	

Folio No.	
DP ID No.	
Client ID No.	

I/We.....of..... being
a Member/Members of **DIGJAM LIMITED**, Aerodrome Road, Jamnagar 361 006 (Gujarat),do hereby appoint
.....of.....
or failing himof
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting
of the Company to be held on Thursday, August 25, 2011 at 10.00 a.m. and at any adjournment thereof.

As Witness my/our hand/hands this.....day of2011.

Signature

Affix
Revenue
Stamp

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

CUT HERE

DIGJAM LIMITED

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

ATTENDANCE SLIP

PLEASE SIGN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, August 25, 2011 at 10.00 a.m. at Aerodrome Road, Jamnagar 361 006 (Gujarat).

FOLIO NO. / DP ID NO. & CLIENT ID NO.

NO. OF SHARES

NAME OF THE MEMBER(S)

SIGNATURE OF THE MEMBER(S) OR PROXY

BOOK - POST

Printed by Sunshine Graphics, 2360 6538

If undelivered, please return to :

DIGJAM LIMITED
Aerodrome Road,
Jamnagar 361 006 (Gujarat)
INDIA