



Sri S. K. Birla
Chairman Emeritus

Board of Directors

Sri Sidharth Birla
Chairman

Sri Bharat Anand
Smt. Meenakshi Bangur
Sri G. Momen
Sri A. C. Mukherji
Sri S. Ragothaman
Sri C. L. Rathi
Sri C. Bhaskar
Managing Director & Chief Executive Officer

Company Secretary

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

Senior Executives

Sri R. K. Kedia
President & Chief Operating Officer

Sri P. K. Das
Vice President (Exports)

Sri Ravinder Sharma
Vice President (Sales & Marketing)

Registered Office & Mills

Aerodrome Road
Jamnagar 361 006, Gujarat

Registrars & Share Transfer Agents

MCS Share Transfer Agent Ltd.
12/1/5 Manoharpukur Road,
Kolkata 700 026

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-third Annual General Meeting of the Members of the Company will be held on Friday, August 23, 2013 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 Statement of Profit and Loss as at and for the year ended March 31, 2013.
2. To appoint Directors in place of Sri Sidharth Birla 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.

The Register of Members of the Company will remain closed from August 14, 2013 to August 23, 2013 (both days inclusive).

New Delhi
April 26, 2013

BY ORDER OF THE BOARD

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

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 wef 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 may 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 respective 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).

IMPORTANT NOTE

MEMBERS ARE REQUESTED TO NOTE THAT MCS SHARE TRANSFER AGENT LIMITED, KOLKATA HAVE BEEN APPOINTED AS REGISTRARS AND SHARE TRANSFER AGENTS OF THE COMPANY W.E.F. MAY 7, 2013 IN PLACE OF MCS LIMITED, BOTH FOR SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM. Their address is 12/1/5, Manoharpukur Road, Kolkata – 700 026 [Tel (033) 4072-4051 (3 lines); Fax (033) 4072-4050; Email: mcssta@rediffmail.com]. Members may communicate with the aforesaid Registrars for transfer of the Company's Shares in physical form and other matters connected with their shareholding as well as to register their e-mail address pursuant to the Green Initiative of the Ministry of Corporate Affairs, Government of India.

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 Sidharth Birla, Chairman, aged 56 years, is a Science Honours Graduate and holds a Master's degree in Business Administration from IMD, Lausanne, Switzerland and has completed OPM (Owner – President Management) programme at Harvard Business School. He has extensive experience of over 33 years in the fields of Finance, Marketing, General Management, Corporate Governance, Company Law, Strategic Issues, Corporate and Financial Structuring, Resource Mobilisation, Acquisitions and Disinvestments. He is currently the Senior Vice President of the Federation of Indian Chambers of Commerce & Industry.

Sri Sidharth Birla is Chairman of Xpro India Ltd. He is also on the Board of Alpha Capital Resources Pte. Ltd., Singapore, Birla Brothers Pvt. Ltd., Central India General Agents Ltd., iPro Capital Ltd., Soter Capital Management Pte. Ltd., Singapore, Xpro Global Ltd. and Xpro Global Pte. Ltd., Singapore. Sri Sidharth Birla is Chairman of the Committee of Directors and Member of Remuneration & Nominations Committee of our Company as well as those of Xpro India Ltd. and member of Audit Committee of Birla Brothers Pvt. Ltd. Sri Sidharth Birla is also Central Government nominee on the Central Council of the Institute of Chartered Accountants of India (now in his third term) as well as member of the Board of Governors of Birla Institute of Technology & Science, Pilani besides being Executive Committee member of Indian Chamber of Commerce, Kolkata.

Sri Sidharth Birla holds 50,000 Equity Shares in the Company.

Except Sri Sidharth Birla and his daughter, Smt. Meenakshi Bangur, no other Director is interested in the aforesaid Resolution.

Sri G. Momen, aged 80 years, is a businessman of repute and is well known in Tea trade Industry. He holds expertise in marketing of teas for over two decades and holds general expertise in marketing of products, besides expertise in packaging of teas for purposes of marketing. He is Chairman of Dover Tea Pvt. Ltd., White Cliff Construction Co. Pvt. Ltd., White Cliff Infrastructure Pvt. Ltd., White Cliff Holdings Pvt. Ltd., White Cliff Tea Pvt. Ltd., White Cliff Properties Pvt. Ltd. He is Director on the Board of Apeejay Surendra Corporate Services Ltd., Baghmari Tea Co. Ltd., Bengal Tea & Fabrics Ltd., Harrisons Malayalam Ltd., Kanco Enterprises Ltd., Kanco Tea & Industries Ltd., The Scottish Assam (I) Ltd. and Williamson Magor & Co. Ltd.

Sri G. Momen is member of Audit and Remuneration & Nominations Committees of the Company. He is Chairman of Shareholders/Investors Grievance & Remuneration Committees and member of Audit and Share Transfer Committees of Bengal Tea & Fabrics Ltd. He is Chairman of the Remuneration Committee of Harrisons Malayalam Ltd. Besides, he is also member of the Audit, Shareholders/Investors Grievance, Remuneration and Share Transfer Committees of Kanco Enterprises Ltd. as well as member of the Audit Committee of The Scottish Assam (India) Ltd. He is also member of Remuneration Committee of Apeejay Surendra Corporate Services Ltd. and Kanco Tea & Industries Ltd. Besides, he is also member of Investors 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.

Inspection of Documents

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

New Delhi
April 26, 2013

BY ORDER OF THE BOARD

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

G. K. Sureka
Company Secretary

REFUND OF UNPAID/UNCLAIMED RIGHTS ISSUE APPLICATION MONEY

Members who have not yet encashed the refund orders in respect of the excess application money for the Rights Issue of the Company made in 2006-07 are advised to immediately get in touch with the Secretarial Department of the Company at Aerodrome Road, Jamnagar 361 006 to avoid the unpaid/unclaimed refund amount outstanding for a period of seven years from February 2, 2007 being deposited in the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government U/s 205C of the Companies Act, 1956 by the due date viz. February 2, 2014. Details of such unpaid/unclaimed refund amounts are available on the Company's website at www.digjam.co.in/IEPF.aspx as well as on www.iepf.gov.in. It may be noted that no claim shall lie against the Company or the Fund in respect of such unpaid/unclaimed refund amounts transferred to the IEP Fund after seven years.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report along with the Audited Accounts of the Company for the year ended March 31, 2013.

REVIEW OF KEY BUSINESS MATTERS

Economic conditions remain subdued and stressed. The global economy is struggling to effectively recover. A number of developed economies are in various degrees of recession, and growth in many developing countries is affected by its spill-over. This is impacting consumer sentiments and demand. World growth is estimated at below 2.4% in 2012-13. Indian economic growth, decelerated to about 5%, the weakest in a decade, owing to unfavourable global and domestic factors and the slump has spread to both domestic consumption and exports. The manufacturing sector continued a sharp decline in growth to 2.7% in 2011-12 and 1.9% in 2012-13 (from 11.3% and 9.7% in 2009-10 and 2010-11 respectively). The outlook for retail goods remains uncertain at present.

Prevailing circumstances have taken a toll on the global woollen textiles industry as well, which is facing unprecedented headwinds. Domestic demand remained muted. Export markets, which form a significant part of the Company's business were also weak. While the markets remained sluggish, orders across the industry are reported to be well below normal levels and accordingly inventories of fabrics have built up within the general pipeline. In this overall depressed scenario, the Company's sales during the year at Rs. 131 Crores were about 25% lower than the Rs.174 Crores achieved in the previous year. Product costs have increased due to generally high inflation, finance cost, hikes in petroleum product prices, a firm Australian Dollar etc., all of which have a direct impact in reducing margins. Selling prices could not be raised in the above market scenario. Besides affecting the global market scenario, the Euro crisis has also resulted in strain on recoveries.

The Company has been taking measures to improve operations, trim costs and strengthen net worth and liquidity. The product range is being constantly broadened and the export base expanded particularly in Europe and Far Eastern countries. Towards the end of the year, the Company disposed off a portion of its properties where some housing is situated, and without affecting operational areas; the gain realised is being used to trim debt.

(Rs. Lacs)

FINANCIAL RESULTS

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Working for the year resulted in a Profit before Finance Cost of	23,65.32	16,95.64
less: Finance Cost	14,57.97	14,26.82
less: Depreciation	4,62.84	5,01.53
	4,44.51	<u>(2,32.71)</u>
add: Exceptional Items	-	<u>3,60.07</u>
Profit Before Tax	4,44.51	1,27.36
less: Taxation	-	-
Profit After Tax	4,44.51	1,27.36
add: Balance brought forward	(87,82.25)	<u>(89,09.61)</u>
leaving a Balance of which is carried forward	(83,37.74)	<u>(87,82.25)</u>

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

SHARE CAPITAL

As reported last year, the Company had proposed a Scheme of Arrangement in terms of Section 391 to 393 of the Companies Act, 1956 to, *inter alia*, convert Preference Share Capital aggregating to Rs. 21.62 Crores into Equity Shares at a price of Rs. 14.50 per Equity Share (including premium of Rs. 4.50 per Share); the same had been unanimously approved by Shareholders at the Meeting convened by the Hon'ble High Court of Gujarat on April 11, 2012. Subsequently, on May 4, 2012, the Hon'ble High Court sanctioned the Scheme which came into effect on May 15, 2012. On June 4, 2012, the Company allotted 1,49,13,325 Equity Shares upon conversion of Preference Share Capital (which was consequently cancelled by adjusting Rs. 14.91 Crores towards Equity Capital and Rs. 6.71 Crores towards Securities Premium). These shares have been listed on the Stock Exchanges.

DIRECTORS

Sri Sidharth Birla, Chairman and Sri G. Momen retire from the Board by rotation and, being eligible, offer themselves for re-election.

STATUTORY INFORMATION AND OTHER MATTERS

Our report on Corporate Governance along with Auditors' certificate on compliance, and the Managements' Discussion & Analysis Report, as 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, all 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 year. The Company has not invited/accepted any Fixed Deposits and there are none outstanding on March 31, 2013. Relations with employees were cordial and we record our appreciation of the contribution made by employees during the year.

The Company has, after the close of the year, constituted a Corporate Social Responsibility (CSR) Committee to examine and recommend to the Board the CSR activities that can be undertaken by the Company within the limited means at its disposal.

The Managing Director & Chief Executive Officer has certified as per the requirements of Clause 49(V) of the Listing Agreement, which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 217(2AA) of the Companies Act the Directors indicate that (i) in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year; (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and (iv) the directors had prepared the annual accounts on a going concern basis.

AUDITORS' OBSERVATIONS

The observations of the Auditors regarding advances towards building are explained in Note No. 11 to the Accounts; necessary legal steps have been initiated by the Company to get possession of the said building/recovery of amounts paid alongwith interest, and the advances are considered good.

AUDITORS

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

The Company had appointed M/s N.D. Birla & Co., Cost Accountants, Ahmedabad to audit the cost accounts of the Company pursuant to Section 233B of the Act. The Cost Audit Report for the year ended March 31, 2012 had been e-filed in the XBRL format by the Cost Auditor on January 28, 2013, which is well within the extended due date of February 28, 2013.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

New Delhi
April 26, 2013

Sidharth Birla
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board has always followed the principles of good governance and emphasizes transparency, integrity and accountability. We believe that good governance is voluntary, self-disciplining with the strongest impetus coming from Directors and the management itself. 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 8 Directors, of whom 7 are non-executive. The position of the Chairman is 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. Upon Sri C.L. Rathi demitting the office of Managing Director on May 31, 2012, Sri C. Bhaskar was appointed as Managing Director & Chief Executive Officer w.e.f. June 1, 2012. Sri Bhaskar holds the qualifications of B. Tech (Chem.), MIMA, PGDM (IIM-Cal) and has about 34 years of consultancy and industrial experience. The day-to-day working of the plant at Jamnagar is looked after by experienced officers reporting to the President & Chief Operating Officer of the Division, who is responsible for the overall operations of the plant and reports to the Managing Director & Chief Executive Officer.

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, out of 8 Directors, our Board has 4 Independent Directors, viz. Sri A.C. Mukherji (ex-CMD of New India Assurance Co.), Sri G. Momen (Businessman of repute), Sri S. Ragothaman (Company Director, formerly senior official at ICICI) and Sri Bharat Anand, (Advocate & Solicitor and partner of Khaitan & Co. LLP). Sri Sidharth Birla, Chairman (MBA, B.Sc. (Hons.)) and Smt. Meenakshi Bangur (BBA, M.Sc (Management)) represent promoters. The Board had conferred the title of Chairman Emeritus to the past Chairman Sri S. K. Birla and he is invited to be present at Board Meetings. Sri C.L. Rathi has been appointed as a non-executive (non-independent) director. Sri C. Bhaskar 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. The Board (excluding the director being reviewed) evaluates the individual performance of the non-executive directors and their attendance record every year. 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 Sidharth Birla	P	4/4	No	5/-/-	65,000	50,000
Sri Bharat Anand (w.e.f. April 27, 2012)	I	2/3	No	1/-/-	30,000	—
Smt. Meenakshi Bangur	P	3/4	No	2/-/-	50,000	324
Sri R.K. Choudhury (upto August 23, 2012)	I	1/2	No	—	35,000	—
Dr. G. Goswami (upto August 23, 2012)	I	2/2	No	—	95,000	—
Sri G. Momen	I	2/4	No	10/6/1	80,000	—
Sri A.C. Mukherji	I	4/4	Yes	5/3/3	1,50,000	116
Sri S. Ragothaman (w.e.f. April 27, 2012)	I	1/3	No	8/4/3	30,000	25,723
Sri C.L. Rathi (as MD upto May 31, 2012)	E/NE	4/4	Yes	1/-/1	55,000	—
Sri C. Bhaskar (as MD w.e.f. June 1, 2012)	NE/E	4/4	Yes	4/2/-	15,000	2,100

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

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

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

Appointment and remuneration of any Executive Director require approval of shareholders and such appointments are made for not more than five years. One-third of rotational Directors retire every year; when eligible, qualify for re-appointment. Nominee Directors, if any, 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 & Chief Executive Officer 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. The Board met 4 times on April 27, July 25, October 31, 2012 & January 30, 2013. To enable fuller attention to the affairs of the Company, the Board delegates specified matters to its committees, which also prepare groundwork for decision-making and reports to the Board. However, no matter is left to the final decision of any committee, which under law or the Articles may not be delegated by the Board or may require its explicit approval.

Audit Committee

The terms of reference of the Audit Committee, as specified by the Board in writing, include the whole specified in the SEBI 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 and cost 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), Sri G. Momen and Sri S. Ragothaman 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 4 times on April 27, July 24, October 29, 2012 and January 30, 2013 during the year attended by Sri A.C. Mukherji (4/4), Sri G. Momen (3/4) and Sri S. Ragothaman (1/3). Dr. G. Goswami attended 2 Committee Meetings till August 23, 2012 when he retired from the Board of Directors of the Company. Sri G.K. Sureka, Company Secretary, acts as the Secretary to the Committee.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee comprises of non-executive Directors, majority of whom are independent. Presently the committee comprises of Sri A.C. Mukherji (as Chairman), Sri Bharat Anand, Sri G. Momen (independent Directors) and Sri Sidharth Birla (non-executive Promoter Director). Sri R.K. Choudhury and Dr. G. Goswami ceased to be members of the Committee w.e.f. July 25, 2012. During the year, the Committee met on April 27, 2012 attended by Sri A.C. Mukherji and Dr. G. Goswami. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; any compensation of non-executive Directors is a subject only for the whole Board. When required, the Committee makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further Directors to strengthen the Board. The Board has approved payment to each non-executive Director sitting fees of Rs.15,000 for every Board Meeting and every Audit Committee meeting, Rs. 5,000 for every other Committee meeting attended by him. No commission is paid to any Director. The Committee is expected to meet at least once in a year. As approved by the Shareholders, Sri C. Bhaskar was appointed as Managing Director & Chief Executive Officer for the period from June 1, 2012 upto December 31, 2014 on a remuneration not exceeding Rs. 3.00 lac per month comprising of salary, allowances and benefits/perquisites including periodic increments as may be decided by the Board duly recommended by the Remuneration & Nominations Committee, which is to be regarded as the minimum remuneration payable to him in the event of inadequacy/absence of profits. The Board has decided to pay him a salary of Rs. 1,50,000 per month wef June 1, 2012 and benefits/perquisites as per the rules of the Company. There are no severance fees, other benefits, bonus or stock options. The Company does not have any pecuniary relationship or transactions with any non-executive Director; Sri Bharat Anand is a partner of Khaitan & Co. LLP, a reputed firm of Advocates, who also act for the Company from time to time and to whom the Company paid Rs. 4,24,484 during the year towards retainership, fee and reimbursement of expenses on different matters but the Board has determined that the said amount is not material to the firm's overall income and therefore would not be deemed to affect his independence.

Shareholders/Investors Grievance Committee

The Company has about 76,600 shareholders. With a view to expedite the share transfers, the Registrar and Share Transfer Agents of the Company, MCS Limited, has been authorised to effect share transfers/transmissions, etc. The committee was, therefore, empowered to oversee the performance of the Registrar and Share Transfer Agents as well as to review the redressal of shareholder and investor grievances. Any shareholder 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. During the year, the committee was reconstituted and now comprises of Sri C.L. Rathi (Chairman), Sri A.C. Mukherji and Sri C. Bhaskar while Sri R.K. Choudhury,

Dr. G. Goswami, Sri U.C. Jain and Sri G.K. Sureka have ceased to be members of the committee wef July 25, 2012. During the year, the committee met 7 times. 58 complaints/queries were received during the year and have all been resolved. No cases of physical share transfers and for dematerialization or re-materialization were pending on March 31, 2013.

Committee of Directors

The Committee of Directors was also reconstituted during the year in view of the change in the directorate of the Company and presently comprises of Sri Sidharth Birla, Chairman, Sri Bharat Anand, Smt. Meenakshi Bangur, Sri A.C. Mukherji and Sri C. Bhaskar. The committee attends to matters specified and/or delegated appropriately by the Board from time to time.

Corporate Social Responsibility ("CSR") Committee

The Board of Directors have, since the close of the year, constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of The Companies Bill, 2012, although not yet enacted, to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Sri G. Momen, as Chairman, Smt. Meenakshi Bangur and Sri C. Bhaskar as members. Sri R. K. Kedia, President & Chief Operating Officer of the Company shall be management invitee at the meetings of the CSR Committee.

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 January 18, 2011, August 25, 2011 and August 23, 2012. 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 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 and on August 23, 2012 for appointment of Sri C. Bhaskar as Managing Director for the period from June 1, 2012 to December 31, 2014 and approval of remuneration payable to him. The last Annual General Meeting was attended by Sri A.C. Mukherji, Chairman of the Audit Committee, Sri C.L. Rathi and Sri C. Bhaskar. The Court convened meeting of the Shareholders was held on April 11, 2012 to consider the Scheme of Arrangement U/s 391-393 for, *inter alia*, converting the outstanding Preference Share Capital into Equity Shares. 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 present financial year of the Company is from April 1 to March 31. The Company continues to upload from time to time necessary financial data on its website. There are no GDR/ADR, warrants or other secured convertible instruments issued or outstanding. The Company's Equity Shares are listed at National Stock Exchange of India Ltd., Mumbai (Stock Code 'DIGJAM') and BSE 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 INE471A01023. As on March 31, 2013, 8,65,56,916 Equity Shares representing 98.76% of the total Equity Shares were held in dematerialized form and 10,84,705 Equity Shares representing 1.24% were held in physical form. As provided in the Listing Agreement with the Stock Exchanges, the Registrars to the Company sent three reminders for the unclaimed shares issued in physical form pursuant to re-organization of equity capital and rights issue and thereafter, the Company has dematerialized the balance unclaimed shares in a separate demat account entitled 'DIGJAM Limited Unclaimed Suspense Account'. As a result during the year, 1,61,986 unclaimed equity shares of 6,654 shareholders were dematerialized and are outstanding at the end of the year. The voting rights on such shares shall remain frozen till the rightful owner claims the shares and any corporate benefits in terms of the securities accruing on such shares shall also be credited to the said demat account. Whenever the rightful owner approaches the Company, the Company shall, after proper verification, either credit the shares to the demat account of the shareholder to the extent of his entitlement or deliver the physical certificate after re-materializing the same as per the option of the shareholder.

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, 2013

Shareholding range (Nos.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	68,061	88.89	59,91,566	6.83
501 - 1000	4,153	5.43	35,72,506	4.08
1,001 - 2,000	2,082	2.72	33,37,051	3.81
2,001 - 5,000	1,327	1.73	45,60,982	5.20
5,001 - 10,000	476	0.62	36,08,193	4.12
10,001 and above	467	0.61	6,65,71,323	75.96
Total	76,566	100.00	8,76,41,621	100.00

This statement is on the basis of Shareholding pattern as on March 31, 2013 submitted to the Stock Exchanges.

Pattern of Equity Shareholding as on March 31, 2013

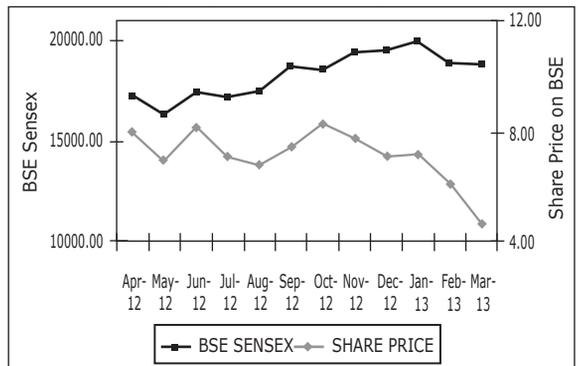
Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks, FIs,	44	0.06	1,18,31,989	13.50
Insurance Companies				
Domestic Companies	839	1.10	4,05,77,297	46.30
Mutual Funds (incl. UTI)	4	0.00	2,511	0.00
Non-residents	1,423	1.86	3,20,761	0.37
Resident Individuals/others	74,256	96.98	3,49,09,063	39.83
Total	76,566	100.00	8,76,41,621	100.00

This statement is on the basis of Shareholding pattern as on March 31, 2013 submitted to the Stock Exchanges. Aggregate of non-promoter shareholding: 58.78%

Monthly High and Low Market Price Data of Equity Shares (April 2012 to March 2013)

	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
Year 2012				
April	9.65	6.90	9.90	6.55
May	8.00	6.85	8.20	6.80
June	8.25	6.70	8.35	6.60
July	9.76	7.01	9.75	7.00
August	7.69	6.36	7.90	6.45
September	7.65	6.35	7.75	6.40
October	8.83	7.21	8.90	7.20
November	9.20	7.33	9.20	7.25
December	8.20	7.06	8.20	6.50
Year 2013				
January	8.39	6.88	8.90	6.80
February	7.44	6.00	7.40	6.00
March	6.15	4.15	6.30	4.10
During the period	9.76	4.15	9.90	4.10

Equity performance compared to BSE Sensex during April 1, 2012 to March 31, 2013



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, the Remuneration Committee and mechanism for evaluation of non-executive board members. There have been no transactions of a material nature of the Company with its promoters, Directors or the management, their subsidiaries or relatives, etc. except for transactions of routine nature as disclosed in the notes on accounts. Accordingly, there have been no potential conflict(s) with the interests of the Company. There has been no 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 26, 2013

Sidharth Birla
Chairman

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

This is to confirm that the Company has received affirmation of compliance with “Code of Conduct for Directors and Senior Executives” laid down by the Board of Directors from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the year ended March 31, 2013.

New Delhi
April 26, 2013

C. Bhaskar
Managing Director & Chief Executive Officer

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 year ended on March 31, 2013, 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 & Sells
Chartered Accountants
(Registration No. 117365W)

New Delhi,
April 26, 2013

Gaurav J Shah
Partner
Membership No. 35701

MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We submit herewith our Managements' Discussion & Analysis Report for the year ended March 31, 2013. We have included discussions on all specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's competitive position.

COMPANY & INDUSTRY STRUCTURE

The Company operates in the worsted textiles 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 of 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. The Company has a proven track record of design and manufacture of high quality fabrics. The Company consistently takes steps to push forward its marketing efforts by enhancing its brand visibility, strengthening marketing organization and closer interaction with and expansion of its channel partners.

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

OPERATIONS

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

Product : Fabrics	2012-13	2011-12
Production (Lac Mtrs)	30.0	39.7
Sales (Lac Mtrs)		
- Domestic	24.0	33.9
- Exports	16.1	21.8
	40.1	55.7
Sales (Lac Rs.)	131.40	174.00

The world economy, particularly the Euro Zone, faced varying degree of recessionary conditions. Uncertainty across the regions from the fiscal debate in the U.S., Chinese leadership transition and reforms in the Euro area continue to have a global impact. India also experienced difficult times during 2012-13. Industrial growth was tepid with economic growth decelerating to 5%, lowest in a decade, from 6.2% previous year. The downturn was aggravated by weakening domestic consumption and reduced exports. Consumer confidence remained low in the backdrop of an uncertain political situation, rising inflation, a weak currency, and a high interest rate regime. Corporate earnings across a wide spectrum appear to be significantly affected.

In this scenario, global and domestic woollen textiles markets also saw a depressed year. Production and sales volume of the Company were lower. Production costs were higher due to various factors including lower volumes, higher finance cost, hike in petroleum products prices and the high overall inflation in the country etc. Wool cost also increased due to a firm Australian Dollar. The average realisations, though overall better than those last year in some markets, were in aggregate not adequate to neutralise the cost increases as in the depressed and highly competitive markets, the Company could not pass on the higher costs to the market in the face of highly aggressive competitor pricing behavior.

The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets and products, while focusing on managing uncertainties in a proactive manner. A normal monsoon, an upturn in global trade volumes and progress on reforms are expected to boost consumer confidence and together with improvement in economic conditions and stability in wool prices and foreign exchange rates could translate into better overall performance. However, the external environment for the time being remains challenging considering the prevailing uncertain economic and political conditions, a high current account deficit, and unresolved structural issues.

During the year, the Company disposed off a part of its properties, where some housing is situated, not related to the operational area, and the proceeds thereof are being used to reduce bank and other borrowings and thereby the future interest burden.

ENVIRONMENT & SAFETY

We are fully conscious of the need for both environmentally clean and safe operations. Our policy requires all operations to be conducted in a way so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources.

HUMAN RESOURCES

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

OTHER MATTERS

There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Internal control systems are regarded as being adequate and are continuously reviewed for further improvement. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence including compliance with all relevant regulations and laws. We record our appreciation of all our sincere employees, gratefulness to our Shareholders, lenders and banks and other stakeholders, concerned Government and other authorities and our channel partners for their continued support and to customers for their reposing faith and confidence in us.

CAUTIONARY STATEMENT

Statements in this "Managements' Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. However, actual results could or may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations also include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, economic developments within India and countries with which the Company conducts business besides other factors, such as litigation and labour negotiations.

New Delhi
April 26, 2013

For and on behalf of the Management Team

C. Bhaskar
Managing Director & Chief Executive Officer

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 year ended March 31, 2013.

A. Conservation of Energy

a. Energy conservation measures taken:

A phased 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 maintain maximum power factor and to rearrange the load between the existing transformers to check transformer losses. Besides, four existing transformers (of 2.5 MVA) have been replaced by a new 2-MVA transformer (OLTC) which has helped to regulate voltage and thereby save energy and minimize breakdowns. 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 along with that for replacement of supply air fans in the humidification plant. Operation of viable processes is being maximized 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 markets in USA/Europe and also to Far East and the Middle East. Digjam fabrics are certified under Oeko-Tex Standard 100 i.e. meeting ecological standards for textiles and their chemical ingredients on health and well-being of humans. Premium fabrics with special finishes including nano for oil and soil repellency with soft handle, teflon, bio-polishing, 100% wool washable fabrics, etc. have been developed. Exports have been hit by the slow recovery in USA and the financial turmoil in Europe as well as the volatility of the Indian Rupee during the year. Intensive export efforts continue.

g. Total Foreign Exchange used and earned:

	2012-13	2011-12
- Used	2816	3216
- Earned	5756	7696

(Lac Rs.)

**ANNEXURE
FORM - A**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY:**

A. POWER & FUEL CONSUMPTION

	2012-13	2011-12
1. Electricity		
a. Purchased Units (in thousand)	14,360	17,728
Total amount (Rs. in thousand)	1,02,637	1,15,026
Avg. rate/Unit (Rs.)	7.15	6.49
b. Own Generation		
Through Diesel Generator Units (in thousand)	33	49
Units per Ltr. of Diesel Oil	2.51	2.93
Avg. Cost/Unit (Rs.)	19.52	15.59
2. Coal (Steam Coal and Lignite used in Boiler for steam)		
Qty. (M. Tonnes)	10,525	10,904
Total cost (Rs. in thousand)	39,602	35,331
Avg. rate/M. Tonne (Rs.)	3,763	3,240

B. CONSUMPTION PER UNIT OF PRODUCTION

	2012-13	2011-12
Products Fabric/Shawls (per Mtr.)		
- Electricity (KWH)	4.78	4.47
- Coal (Steam & Lignite Kg/Mtr.)*	3.50	2.74

* 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:

	2012-13	2011-12
		(Lac Rs.)
a. Capital	-	-
b. Recurring	14.61	14.34
c. Total	14.61	14.34
d. Total R&D expenditure as a percentage of total turnover	0.11%	0.08%

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 and cool touch finishes 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?
 - d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action

NONE

For and on behalf of the Board

New Delhi
April 26, 2013

Sidharth Birla
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIGJAM LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of **DIGJAM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is drawn to Note 11 to the financial statements which describes the dispute with regard to possession of property. In the absence of necessary evidence, we are unable to comment upon the ultimate recoverability of Capital Advances given by the Company towards purchase thereof carried in the Balance Sheet at Rs. 8,80,62,934 (As at 31st March, 2012: Rs. 8,80,62,934), which are considered good by the management.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Gaurav J Shah
Partner

Membership No. 35701

New Delhi
April 26, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed of during the year, 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 year 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 four companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.17,79,00,000 and the year-end balance of such loans was Rs.15,49,00,000.
- (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 in respect of which we are therefore, unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the internal audit functions carried out during the year 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 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 in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of any disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved Rs.
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	18.04.2006 to 31.7.2006	11,74,484/-

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 lakhs and Rs.9.18 lakhs 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 year are more than fifty per-cent of its net worth. The Company has not incurred cash loss during the year under report and 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 year 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 year.
- (xviii) The Company has not raised any money through a public issue during the year.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

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

Gaurav J Shah
Partner
 Membership No. 35701

New Delhi
 April 26, 2013

DIGJAM LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

		(Rs.)	
	Notes	As at March 31, 2013	As at March 31, 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	87,65,79,070	94,36,89,110
Reserves and Surplus	3	(75,77,73,703)	(86,93,34,771)
Non-current Liabilities			
Long Term Borrowings	4	21,83,63,453	30,00,84,550
Other Long Term Liabilities	5	2,02,37,490	2,06,11,200
Long Term Provisions (Employees benefits)		3,97,85,861	3,00,03,622
Current Liabilities			
Short Term Borrowings	6	48,99,09,230	47,39,71,217
Trade Payables	7	21,23,03,583	31,05,23,546
Other Current Liabilities	8	24,43,96,397	28,03,42,892
Short Term Provisions	9	1,57,44,959	1,63,02,922
Total		<u>135,95,46,340</u>	<u>150,61,94,288</u>
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets			
Tangible Assets	10a	39,17,05,601	47,30,82,460
Intangible Assets	10b	43,79,830	50,32,456
Capital Work-in-progress		-	16,52,050
Long Term Loans and Advances	11	9,67,62,355	9,62,72,243
Current Assets			
Inventories	12	41,74,80,104	45,38,66,660
Trade Receivables	13	25,16,83,151	42,35,02,905
Cash and Cash Equivalents	14	1,18,03,813	1,65,98,155
Short Term Loans and Advances	15	1,84,83,415	1,52,09,962
Other Current Assets	16	16,72,48,071	2,09,77,397
Total		<u>135,95,46,340</u>	<u>150,61,94,288</u>
Significant Accounting Policies	1		

Accompanying notes form integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

Sidharth Birla
Chairman

Gaurav J. Shah
Partner
Membership No. 35701

G. K. Sureka
Company Secretary

Sunil Gupta
Assistant Vice President
(Finance)

C. Bhaskar
Managing Director &
Chief Executive Officer

New Delhi
April 26, 2013

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2013**

	Notes	<u>2012 - 13</u>	(Rs.) <u>2011 - 12</u>
INCOME			
Revenue from operations	18	136,20,62,064	180,92,65,634
Less : Excise Duty		3,67,993	6,06,912
Revenue from operations (Net)		136,16,94,071	180,86,58,722
Other Income	19	18,03,68,994	77,39,256
		154,20,63,065	181,63,97,978
EXPENSES			
Cost of Materials Consumed	20	47,38,34,428	73,81,74,772
Purchase of Trading Goods	21	13,90,28,108	22,29,40,399
Changes in Inventories (of Finished Goods, Work-in-progress and Stock-in-trade)	22	2,59,60,752	(4,33,51,478)
Employees Benefits Expenses	23	20,98,78,638	21,95,62,770
Finance Cost	24	14,57,97,039	14,26,81,886
Other Expenses	25	45,68,28,988	50,95,07,273
		145,13,27,953	178,95,15,622
Profit before Depreciation and Tax		9,07,35,112	2,68,82,356
Depreciation and Amortisation	10	4,62,84,084	5,01,53,418
Profit/(Loss) before Exceptional Items and Tax		4,44,51,028	(2,32,71,062)
Exceptional Items	26	-	3,60,07,255
Profit Before Tax		4,44,51,028	1,27,36,193
Tax Expense		-	-
Profit After Tax for the year		4,44,51,028	1,27,36,193
Earnings per Equity Share	34		
(Face Value – Rs 10)			
Basic and Diluted Earnings per Share – Rs. :			
Before considering Exceptional Items		0.49	(0.59)
After considering Exceptional Items		0.49	(0.10)
Significant Accounting Policies	1		

Accompanying notes form integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

Sidharth Birla
Chairman

Gaurav J. Shah
Partner
Membership No. 35701

G. K. Sureka
Company Secretary

Sunil Gupta
Assistant Vice President
(Finance)

C. Bhaskar
Managing Director &
Chief Executive Officer

New Delhi
April 26, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-13	(Rs.) 2011-12
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax and Exceptional items	4,44,51,028	(2,32,71,062)
Adjusted for :		
Depreciation and Amortisation	4,62,84,084	5,01,53,418
Interest and Finance Charges	14,57,97,039	14,26,81,886
Interest income	(1,03,90,515)	(80,34,979)
(Profit)/Loss on sale/discard of Fixed Assets	(16,99,75,879)	3,11,323
Foreign Exchange Fluctuation (unrealised)	39,921	1,14,442
Operating Profit before working capital changes	5,62,05,678	16,19,55,028
Adjusted for :		
Decrease/(Increase) in Trade and other Receivables	17,31,35,602	(11,66,73,344)
Decrease/(Increase) in Inventories	3,63,86,556	(5,27,11,216)
Increase/(Decrease) in Trade Payables and other Liabilities	(10,67,60,612)	5,24,01,823
Cash generated from operations	15,89,67,224	4,49,72,291
Direct taxes	22,276	1,72,409
Net Cash from Operating Activities ... (A)	15,89,89,500	4,51,44,700
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(23,75,799)	(56,21,830)
Sale of Fixed Assets	5,82,49,129	9,66,000
Interest received	1,03,90,515	80,34,979
Net Cash from Investing Activities ... (B)	6,62,63,845	33,79,149
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (net)	(8,49,11,821)	11,49,19,224
Interest and Financial Charges	(14,51,35,866)	(15,07,30,072)
Net Cash (used) in Financing Activities ... (C)	(23,00,47,687)	(3,58,10,848)
Net increase/(decrease) in Cash or Cash Equivalents (A+B+C)	(47,94,342)	1,27,13,001
Cash and Cash Equivalents (Opening Balance)*	1,65,98,155	38,85,154
Cash and Cash Equivalents (Closing Balance)*	1,18,03,813	1,65,98,155

* Refer Note 14

Notes :

- Figures in brackets represent outflow.
- Cash and Cash Equivalents includes Cash on hand, Balances with Banks and foreign exchange fluctuation (unrealised) in bank balance in foreign exchange - Rs 2,065 (Previous year: Rs. 14,178)

As per our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

Sidharth Birla
Chairman

Gaurav J. Shah
Partner
Membership No. 35701

G. K. Sureka
Company Secretary

Sunil Gupta
Assistant Vice President
(Finance)

C. Bhaskar
Managing Director &
Chief Executive Officer

New Delhi
April 26, 2013

Notes to the Financial Statements

1. Significant Accounting Policies

1.1 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, in material respects, with the generally accepted accounting principles in India), the applicable Accounting Standards as notified under the Companies (Accounting Standards) Rules 2006 ("AS") 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. Where it is not possible to determine the quantum of accrual with reasonable certainty e.g. insurance and other claims, refund of custom/excise duty etc., these continue to be accounted for on settlement basis.

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, taxes, incidental expenses related to acquisition/installation, adjusted for revaluation, if any.

1.4 Depreciation and Amortisation

Depreciation is charged under Straight Line Method in accordance with the rates and manner specified in Schedule XIV of the Companies Act, 1956. 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.

1.5 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.

1.6 Investments

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

1.7 Inventories

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

1.8 Revenue Recognition

Sales are recognised on transfer of significant risks and rewards of the ownership of the goods to the buyer and are reported net of turnover/trade discounts, returns and claims. Revenue from job work or services are accounted as and when incurred.

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

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

1.9 Employee Benefits

Contributions to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to a government administered Provident Fund and to recognised trust respectively, and are charged to the Profit and Loss account as incurred. The Company has no further obligations beyond its 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 actuarial valuations based on projected unit credit method, as at the balance sheet date.

1.10 Borrowing cost

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

1.11 Research & Development Expenditure

Research and Development expenses of revenue nature are charged to the Profit and 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.

1.12 Leases

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as expense in the Profit and Loss account as per the terms of the lease.

1.13 Taxation

Tax liability is estimated considering the provisions of the Income Tax Act, 1961. Deferred tax is 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 is recognised and carried forward only when there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

1.14 Government grants

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

1.15 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.

1.16 Foreign Currency Transactions and Forward Contracts

Foreign currency transactions, on initial recognition, are recorded by applying to the foreign currency amount the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate and non-monetary items carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Premium paid/received on a foreign currency forward contract is recognised as income/expenditure over the life of the contract.

2. SHARE CAPITAL

2.1 Schedule	Par Value	As at 31.3.2013	(Rs.)	
			As at 31.3.2012	
	Rs.			
Authorised				
10,00,00,000	Equity Shares (Previous year: 8,00,00,000)	10	100,00,00,000	80,00,00,000
25,00,000	Preference Shares (Previous year: 25,00,000)	100	25,00,00,000	25,00,00,000
-	Preference Shares (Previous year: 2,00,00,000)	10	-	20,00,00,000
			125,00,00,000	125,00,00,000
Issued				
8,76,51,370	Equity Shares (Previous year: 7,27,38,045)	10	87,65,13,700	72,73,80,450
-	Preference Shares (Previous year: 21,50,000)	100	-	21,50,00,000
-	Preference Shares (Previous year: 1,24,329)	10	-	12,43,290
			87,65,13,700	94,36,23,740
Subscribed & fully paid				
8,76,41,621	i. Equity Shares (Previous year: 7,27,28,296) Add: Forfeited Shares	10	87,64,16,210	72,72,82,960
			1,62,860	1,62,860
			87,65,79,070	72,74,45,820
	ii. 8% Cumulative Redeemable Preference Shares:			
-	- Allotted on February 23, 2009 (Previous year: 20,00,000)	100	-	20,00,00,000
-	- Allotted on September 17, 2010 (Previous year: 1,50,000)	100	-	1,50,00,000
-	iii. 8% Non-cumulative Redeemable Preference Shares allotted on February 28, 2011 (Previous year: 1,24,329)	10	-	12,43,290
			87,65,79,070	94,36,89,110

2.2 Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

2.3 Pursuant to sanction of the Scheme of Arrangement vide Order dated May 4, 2012 by the Hon'ble High Court of Gujarat, the Company has, on June 4, 2012, allotted 1,49,13,325 Equity Shares of Rs. 10/- each at a price of Rs. 14.50 (including premium of Rs. 4.50) per Equity Share for Rs.21,62,43,290, being the aggregate paid-up amount on Preference Shares thereby converted and cancelled and adjusted the said amount towards Equity Capital Rs.14,91,33,250 and Securities Premium Rs. 6,71,10,040. Upon the Scheme being effective, the Authorised Share Capital of the Company stood reclassified as above.

2.4 Reconciliation of number of Shares

	Equity Shares of Rs 10 each	Rs.	8% Cumulative Preference Shares of Rs.100 each	Rs.	8% Non- cumulative Preference Shares of Rs.10 each	Rs.
As at March 31, 2011 as well as March 31, 2012	7,27,28,296	72,72,82,960	21,50,000	21,50,00,000	1,24,329	12,43,290
Issued and Allotted/(cancelled) during the year (as per Note 2.3 above)	1,49,13,325	14,91,33,250	(21,50,000)	(21,50,00,000)	(1,24,329)	(12,43,290)
As at March 31, 2013	8,76,41,621	87,64,16,210	-	-	-	-

2.5 Shareholders holding more than 5% shares in the Company

	As at 31.3.2013		As at 31.3.2012	
	No. of Shares	% holding	No. of Shares	% holding
i. Equity Shares of Rs 10 each				
Central India General Agents Ltd.	1,50,72,413	17.20	1,09,00,000	14.99
ICICI Bank Ltd.	91,77,381	10.47	93,87,053	12.91
Birla Holdings Ltd.	72,32,413	8.25	28,60,000	3.93
iPro Capital Ltd.	60,34,482	6.89	50,00,000	6.87
Sukriti Education Society	48,09,881	5.49	30,00,000	4.12
ii. 8% Cumulative Redeemable Preference Shares of Rs.100 each #				
Birla Holdings Ltd.	-	-	6,34,000	29.49
Central India General Agents Ltd.	-	-	6,05,000	28.14
Astra Merchandising Pvt. Ltd.	-	-	4,00,000	18.60
Sukriti Education Society	-	-	2,50,000	11.63
iPro Capital Ltd.	-	-	1,50,000	6.98
iii. 8% Non-cumulative Redeemable Preference Shares of Rs. 10 each #				
Sukriti Education Society	-	-	1,24,329	100.00

(Rs.)

3. Reserves and Surplus

	As at 31.3.2011	Addition during the previous year	As at 31.3.2012	Addition during the year	As at 31.3.2013
Securities Premium Reserve	88,90,218	-	88,90,218	6,71,10,040#	7,60,00,258
Surplus	(89,09,61,182)	1,27,36,193*	(87,82,24,989)	4,44,51,028*	(83,37,73,961)
	(88,20,70,964)	1,27,36,193	(86,93,34,771)	11,15,61,068	(75,77,73,703)

Please refer Note 2.3

*as per the Statement of Profit and Loss

(Rs.)

4. Long Term Borrowings

	As at 31.3.2013		As at 31.3.2012	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
Secured				
Term Loans :				
- Banks	1,29,63,194	3,14,42,784	9,44,05,978	3,14,96,124
- Financial Institutions	5,00,259	72,78,313	77,78,572	2,59,80,000
Unsecured				
Intercorporate Deposits	20,49,00,000	-	19,79,00,000	-
	21,83,63,453	3,87,21,097	30,00,84,550	5,74,76,124

Note: Amount stated in "Current Maturities" above include amounts disclosed under the head "Other Current Liabilities" (Refer Note 8)

Loan from a bank [total outstanding - Rs. 4,37,50,000 (Previous year: Rs. 12,50,00,000)] is secured by first charge on the fixed assets of the Company at Jamnagar, DIGJAM brand and by pledge of part of the promoters' shareholding in the Company. The balance loan, after prepayment of Rs. 5,00,00,000 during the year is now repayable in quarterly instalments by September, 2014.

Loans from banks for purchase of vehicles [total outstanding - Rs. 6,55,978 (Previous year: Rs. 9,02,102)] are secured against the vehicles purchased out of those loans. The loans are repayable, in equated monthly instalments, by March, 2016.

Loan from Housing Development Finance Corporation Limited [total outstanding - Rs. 29,00,259 (Previous year: Rs. 53,00,259)] is secured by mortgage on specified immovable properties. The loan is repayable, in monthly instalments, by June, 2014.

Loan from Export Import Bank of India [total outstanding - Rs. 48,78,313 (Previous year: Rs. 2,84,58,313)] is secured by a mortgage and hypothecation, subservient to the charges in favour of term lenders/ working capital lenders, over the moveable and immovable fixed assets of the Company situated at Jamnagar, both present and future. The loan is repayable, in quarterly instalments, by July, 2013.

Unsecured Intercorporate Deposits of Rs. 18,99,00,000 (Previous year: Rs. 19,79,00,000) are repayable by July, 2014 and Rs. 1,50,00,000 (Previous year: Nil) thereafter.

5. Other Long Term Liabilities

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Trade Deposits	2,02,37,490	2,06,11,200
	<u>2,02,37,490</u>	<u>2,06,11,200</u>

6. Short Term Borrowings

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Secured Loans from Banks	44,50,09,230	41,90,71,217
Unsecured Intercorporate Deposits *	4,49,00,000	5,49,00,000
	<u>48,99,09,230</u>	<u>47,39,71,217</u>

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

* includes from a related party - Rs. 4,00,00,000 (Previous year: Rs. 5,00,00,000)

7. Trade Payables

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Acceptances	15,25,36,266	22,08,58,792
Others	5,97,67,317	8,96,64,754
	<u>21,23,03,583</u>	<u>31,05,23,546</u>

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, 2013, which requires disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

8. Other Current Liabilities

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Current maturities of long term loans	3,87,21,097	5,74,76,124
Interest accrued but not due on borrowings	87,42,526	80,81,353
Advance from Customers	2,34,66,295	2,07,46,228
Employees benefits liabilities	2,14,67,083	2,11,59,898
Liabilities for Selling expenses	10,94,70,152	12,20,59,859
Utility expenses payable	-	92,04,454
Unclaimed rights Issue - excess application money refund	1,33,309	1,33,369
Others	4,23,95,935	4,14,81,607
	<u>24,43,96,397</u>	<u>28,03,42,892</u>

9. Short Term Provisions

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Short Term Employees Benefits	1,49,17,433	1,54,75,396
Provision for Fringe benefit tax	8,27,526	8,27,526
	<u>1,57,44,959</u>	<u>1,63,02,922</u>

(Rs.)

10. FIXED ASSETS

	Gross Value				Depreciation & Amortisation				Net Value	
	As at Mar 31, 2012	Additions	Sale/ Adjustments	As at Mar 31, 2013	As at Mar 31, 2012	For the year	On Sale/ Adjustments	Upto Mar 31, 2013	As at Mar 31, 2013	As at Mar 31, 2012
10. a. Tangible Assets										
Land	12,09,58,484	-	3,09,80,930	8,99,77,554	-	-	-	-	8,99,77,554	12,09,58,484
Building	26,27,19,893	99,200	2,13,34,686	24,14,84,407	16,31,19,286	39,85,912	1,45,74,738	15,25,30,460	8,89,53,947	9,96,00,607
Plant & Equipment	206,04,55,971	17,20,446	31,65,099	205,90,11,318	182,01,07,362	3,86,60,304	27,40,481	185,60,27,185	20,29,84,133	24,03,48,609
Furniture & Fixtures	99,95,548	1,77,766	6,91,132	94,82,182	84,60,464	1,85,085	4,90,835	81,54,714	13,27,468	15,35,084
Vehicles	1,07,23,606	-	15,93,192	91,30,414	55,14,310	9,94,041	11,14,841	53,93,510	37,36,904	52,09,296
Office Equipments	1,17,74,686	11,05,382	16,51,776	1,12,28,292	63,44,306	8,81,061	7,22,670	65,02,697	47,25,595	54,30,380
	247,66,28,188	31,02,794	5,94,16,815	242,03,14,167	200,35,45,728	4,47,06,403	1,96,43,565	202,86,08,566	39,17,05,601	47,30,82,460
Previous year	248,26,59,115	46,05,999	1,06,36,926	247,66,28,188	196,43,15,401	4,85,89,930	93,59,603	200,35,45,728	47,30,82,460	
10. b. Intangible Assets										
Software	78,17,440	9,25,055	-	87,42,495	27,84,984	15,77,681	-	43,62,665	43,79,830	50,32,456
Previous year	78,17,440	-	-	78,17,440	12,21,496	15,63,488	-	27,84,984	50,32,456	

Accumulated Depreciation of Tangible Assets upto March 31, 2013 includes impairment loss on Plant & Equipment - Rs. 11,85,412 (Previous year: Rs. 11,85,412).

11. Long Term Loans and Advances

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
(Unsecured, considered good)		
Capital Advances *	8,80,62,934	8,80,62,934
Security Deposits	35,48,589	44,39,239
Others	51,50,832	37,70,070
	<u>9,67,62,355</u>	<u>9,62,72,243</u>

* The Capital Advances include Rs. 8,80,62,934 (Previous year: Rs. 8,80,62,934) towards building, the physical possession of which has been arbitrarily withheld by the developer. The Company has taken necessary legal steps to get the 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.

12. Inventories

(Rs.)

(Please refer Note 1.7 for accounting policy for valuation)	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
Raw Materials *	3,21,23,986	4,33,41,007
Work- in- progress	19,64,19,748	22,17,71,427
Finished Goods	13,99,44,833	13,77,33,030
Stock-in-trade	2,39,75,957	2,67,96,833
Stores and Spares	2,50,15,580	2,42,24,363
	<u>41,74,80,104</u>	<u>45,38,66,660</u>

* includes materials in-transit - Rs 53,30,767 (Previous year : Rs 2,93,69,543)

13. Trade Receivable

(Rs.)

	<u>As at 31.3.2013</u>	<u>As at 31.3.2012</u>
(Secured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	67,24,000	68,78,000
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment (Net)*	20,14,152	6,12,440
Others **	24,29,44,999	41,60,12,465
	<u>25,16,83,151</u>	<u>42,35,02,905</u>

* excludes doubtful debts - Rs. 1,73,00,466 fully provided (Previous year: Rs. 2,59,24,870).

** excludes doubtful debts - Rs. 2,07,11,004 fully provided (Previous year: Nil).

14. Cash and Cash Equivalents

(Rs.)

	As at 31.3.2013	As at 31.3.2012
Balances with Banks *	1,13,85,643	1,62,51,009
Cash on hand	4,18,170	3,47,146
	<u>1,18,03,813</u>	<u>1,65,98,155</u>

* Balances with banks include:

- (i) Held in fixed deposits as margin money - Rs 88,68,383 (Previous year: Rs 1,36,61,260)
(ii) Earmarked account for unclaimed Rights Issue - excess application money refundable Rs 1,33,309 (Previous year : Rs 1,33,369).

15. Short Term Loans and Advances

(Rs.)

	As at 31.3.2013	As at 31.3.2012
(Unsecured, considered good)*		
Security Deposits	10,39,800	16,05,750
Advance Income Tax (Net of Provision)	29,08,734	29,31,010
Prepaid Expenses	37,70,619	21,09,558
Other Advances **	1,07,64,262	85,63,644
	<u>1,84,83,415</u>	<u>1,52,09,962</u>

* exclude doubtful advances, against which provision made - Rs 2,08,362 (Previous year: Rs 5,58,465). Doubtful advances (i) written off against provisions - Nil (Previous year: Rs 8,74,34,588) (ii) written back (Net) – Rs 2,37,603 (Previous year: Nil)

** include interest free loans to employees - Rs 14,46,604 (Previous year: Rs 7,43,787). Maximum outstanding balance of such loans during the year - Rs 15,77,931 (Previous year: Rs 14,92,614).

16. Other Current Assets

(Rs.)

	As at 31.3.2013	As at 31.3.2012
Receivable against sale of fixed assets	15,15,00,000	-
Receivables from Government Authorities	1,44,70,454	1,93,61,920
Interest Accrued on deposits	5,18,782	6,42,375
Others	7,58,835	9,73,102
	<u>16,72,48,071</u>	<u>2,09,77,397</u>

17. Contingent Liabilities and Commitments

(not provided for)

(Rs.)

	As at 31.3.2013	As at 31.3.2012
Contingent Liabilities		
Income Tax/Service Tax matters under appeal	11,74,484	8,39,512
Commitments		
Estimated amount of contracts remaining to be executed on capital account (Net of Advances)	76,21,471	-

18. Revenue from Operations

(Rs.)

	2012-13	2011-12
Sale of Goods		
- Cloth	129,97,41,729	171,96,62,525
- Others	1,42,54,382	2,03,29,692
Sub-total	131,39,96,111	173,99,92,217
Export Incentives and Claims	3,26,23,578	3,82,94,581
Other Operating Revenue	1,54,42,375	3,09,78,836
Revenue from Operations	136,20,62,064	180,92,65,634
Less : Excise Duty	3,67,993	6,06,912
Revenue from Operations (Net)	<u>136,16,94,071</u>	<u>180,86,58,722</u>

19. Other Income

(Rs.)

	2012-13	2011-12
Interest Income	1,03,90,515	80,34,979
Profit/(loss) on sale/discard of Fixed Assets (Net)*	16,99,75,879	(3,11,323)
Other Non-operating Income	2,600	15,600
	<u>18,03,68,994</u>	<u>77,39,256</u>

* includes profit of Rs 16,37,59,122 from sale of fixed assets (in the nature of surplus properties).

20. Cost of Materials Consumed	(Rs.)	
	2012-13	2011-12
Wool and Synthetic Fibers	43,57,57,130	71,43,89,218
Yarn (bought out)	2,96,43,943	1,58,82,461
Others	84,33,355	79,03,093
	47,38,34,428	73,81,74,772
21. Purchase of Trading Goods	(Rs.)	
	2012-13	2011-12
Cloth	13,32,67,197	21,29,24,777
Others	57,60,911	1,00,15,622
	13,90,28,108	22,29,40,399
22. Changes in Inventories	(Rs.)	
	2012-13	2011-12
Opening Stock:		
Finished Goods	13,77,33,030	13,83,94,030
Work-in-progress	22,17,71,427	17,96,11,159
Stock-in-trade	2,67,96,833	2,49,44,623
Sub-total (I)	38,63,01,290	34,29,49,812
Closing Stock:		
Finished Goods	13,99,44,833	13,77,33,030
Work-in-progress	19,64,19,748	22,17,71,427
Stock-in-trade	2,39,75,957	2,67,96,833
Sub-total (II)	36,03,40,538	38,63,01,290
Total (I-II)	2,59,60,752	(4,33,51,478)
23. Employees Benefits Expenses	(Rs.)	
	2012-13	2011-12
Salaries, Wages, Bonus, etc.	16,24,43,380	16,70,45,306
Contribution to Provident & other funds	3,08,52,812	3,44,48,255
Employees Welfare expenses	1,65,82,446	1,80,69,209
	20,98,78,638	21,95,62,770

Defined benefits plans: The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per the IRDA Regulations. The Company also provides leave encashment to the employees. The details of these defined benefit plans recognised in the financial statements are as under:

	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
a. Reconciliation of opening and closing balances of the present value of defined benefit obligation				
Obligation at the beginning of the year	12,02,87,469	10,55,12,725	1,81,85,640	1,68,27,227
Current Service Cost	65,37,417	60,41,972	26,57,514	27,07,782
Interest Cost	1,02,24,435	42,66,154	15,45,779	6,80,369
Actuarial (gain)/loss	21,21,210	1,36,91,323	(13,03,366)	(4,07,332)
Benefits paid	(1,08,91,085)	(92,24,705)	(42,48,783)	(16,22,406)
Obligation at the end of the year	12,82,79,446	12,02,87,469	1,68,36,784	1,81,85,640
b. Reconciliation of opening and closing balances of fair value of plan assets				
Plan assets at the beginning of the year, at fair value	9,29,94,092	8,85,30,674	-	-
Expected Return on Plan Assets	79,04,498	35,79,526	-	-
Actuarial gain/(loss)	(6,49,549)	46,36,914	-	-
Contribution	10,54,980	54,71,683	-	-
Benefits paid	(1,08,91,085)	(92,24,705)	-	-
Plan assets at the end of the year at fair value	9,04,12,936	9,29,94,092	-	-

(Rs.)

	Gratuity		Leave Encashment		
	2012-13	2011-12	2012-13	2011-12	
c. Net Liability recognised in Balance Sheet					
Obligation at the end of the year	12,82,79,446	12,02,87,469	1,68,36,784	1,81,85,640	
Less : Plan assets at the end of the year at fair value	9,04,12,936	9,29,94,092	-	-	
Liability recognised in Balance Sheet as at the end of the year as under:	3,78,66,510	2,72,93,377	1,68,36,784	1,81,85,640	
- Long Term Provision for Employees Benefits	2,55,30,319	1,36,85,931	1,42,55,542	1,63,17,690	
- Short Term Provision for Employees Benefits	1,23,36,191	1,36,07,446	25,81,242	18,67,950	
d. Components of employer expense for the year					
Current service cost	65,37,417	60,41,972	26,57,514	27,07,782	
Interest cost	1,02,24,435	42,66,154	15,45,779	6,80,369	
Expected return on plan assets	(79,04,498)	(35,79,526)	-	-	
Net Actuarial (gain)/loss	27,70,759	90,54,409	(13,03,366)	(4,07,332)	
Net cost	1,16,28,113	1,57,83,009	28,99,927	29,80,819	
e. Assumptions					
Discount Rate (p.a.)	8.00	8.50	8.00	8.50	
Expected Rate of Return on plan assets (p.a.)	8.50	8.50	-	-	
Expected rate of increase in compensation levels (p.a.)	6.00	6.50	6.00	6.50	
f. Experience History	2012-13	2011-12	2010-11	2009-10	2008-09
Gratuity					
Defined Benefit Obligation at the end of the year/period	12,82,79,446	12,02,87,469	10,55,12,725	10,32,83,264	10,94,94,452
Plan Assets at the end of the year/period	9,04,12,936	9,29,94,092	8,85,30,674	8,25,85,699	7,84,98,011
Funded Status - Surplus/(Deficit)	(3,78,66,510)	(2,72,93,377)	(1,69,82,051)	(2,06,97,565)	(3,09,96,441)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(23,89,461)	1,71,47,943	(26,46,396)	(93,75,944)	36,59,385
Experience Adjustment on Plan Assets Gain/(Loss)	(6,49,549)	46,36,914	5,84,773	13,96,031	10,56,686
Leave Encashment					
Defined Benefit Obligation at the end of the year/period	1,68,36,784	1,81,85,640	1,68,27,227	1,70,10,731	1,69,15,384
Funded Status - Surplus/(Deficit)	(1,68,36,784)	(1,81,85,640)	(1,68,27,227)	(1,70,10,731)	(1,69,15,384)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(19,18,640)	18,812	(12,29,182)	69,089	15,49,845

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

24. Finance Cost

(Rs.)

	2012-13	2011-12
Interest Expenses	13,16,78,171	12,76,60,784
Other Finance Charges	1,41,18,868	1,50,21,102
	14,57,97,039	14,26,81,886

25. Other Expenses

(Rs.)

	2012-13	2011-12
Stores and Spares consumed	5,96,63,729	6,58,10,886
Power and Fuel	14,30,56,442	16,62,15,887
Processing Expenses	2,50,66,175	4,69,33,259
Repairs to Building	36,56,400	40,21,741
Repairs to Machinery	1,67,38,830	2,36,74,599
Repairs (Others)	19,06,964	11,21,060
Insurance	29,01,405	12,96,293
Directors Fees	6,05,000	7,90,000
Professional & Legal Fees and Expenses	2,03,31,148	2,28,98,776

(continued on next page)

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(Rs.)

	<u>2012-13</u>	<u>2011-12</u>
Payment to Auditors *	16,82,957	21,96,425
Rates & Taxes	32,38,304	14,91,852
Rent **	31,89,916	42,10,085
Travelling Expenses	1,39,60,132	1,32,37,222
Advertisement & Sales Promotion	7,16,49,509	7,25,79,349
Brokerage, Rebate, Discount & Commission	3,46,88,054	5,24,47,098
Bad debts written off	86,91,590	64,27,391
Provision for Doubtful Debts Written Back	(86,24,404)	(98,84,048)
Provision for Doubtful Debts	2,07,11,004	-
Freight & other Selling Expenses	1,39,68,658	1,70,02,054
Miscellaneous Expenses	1,97,47,175	1,70,37,344
	<u>45,68,28,988</u>	<u>50,95,07,273</u>
* Payment to Auditors		
As Auditors	8,00,000	8,00,000
For Taxation matters	5,25,000	9,50,000
For other services	81,000	32,500
Reimbursement of expenses and Service Tax	2,76,957	4,13,925
	<u>16,82,957</u>	<u>21,96,425</u>

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

26. Exceptional Items during the previous year was on account of gain of Rs 3,60,07,255 on settlement of interest liability on term loan from a financial institution.
27. In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax asset has not been recognised.

28. Foreign Currency Transactions

(Rs.)

	<u>2012-13</u>	<u>2011-12</u>
i. Value of imports on CIF basis		
Raw Materials	24,21,29,865	27,59,12,247
Store & Spare parts (incl. Components)	75,51,590	71,88,242
ii. Expenditure in foreign currency		
Professional and Consultancy fees	48,21,147	82,32,067
Travelling expenses	26,55,949	21,70,823
Others	2,44,57,222	2,81,11,317
iii. Earnings in foreign exchange		
Export (including Deemed) of goods (on FOB basis)	57,55,89,859	76,95,99,106

29. Foreign Exchange Exposure

- i. The outstanding foreign exchange exposures hedged under forward contracts:
 Receivables: EURO – 6,216 (Previous year: 9,98,106), USD - 92,721 (Previous year: 8,62,362) and GBP – 18,220 (Previous year : Nil).
 Payable: AUD - 9,23,546 (Previous year: 8,57,303) and USD - Nil (Previous year: 2,53,558)
- ii. The foreign exchange exposures not covered-
 Receivables: EURO – 90 (Previous year: 1,29,536), USD – 50,055 (Previous year: 2,20,169) and GBP – 50 (Previous year : 5,604).
 Payables: AUD – Nil (Previous year: 10,87,657), EURO – 2,47,783 (Previous year : 1,63,234), USD – 92,409 (Previous year: 2,53,076) and GBP – 12,428 (Previous year: 6,455).

30. Foreign Exchange loss (net) of Rs. 1,40,33,024 (Previous year: Rs. 96,66,382) has been included in respective heads of the Statement of Profit and Loss.

31. Value of consumables

	<u>2012-13</u>		<u>2011-12</u>	
	Rs.	%	Rs.	%
Raw Material				
Imported origin	27,58,64,406	58.22	41,82,73,859	56.66
Indigenous	19,79,70,022	41.78	31,99,00,913	43.34
	<u>47,38,34,428</u>	<u>100.00</u>	<u>73,81,74,772</u>	<u>100.00</u>
Spares and Components				
Imported origin	1,02,17,689	17.13	1,31,92,253	20.05
Indigenous	4,94,46,040	82.87	5,26,18,634	79.95
	<u>5,96,63,729</u>	<u>100.00</u>	<u>6,58,10,887</u>	<u>100.00</u>

32. Segment Information

(in terms of AS 17)

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

	2012-13	2011-12
		(Rs.)
Revenue		
Within India	111,79,92,351	127,24,93,342
Outside India (excluding Deemed Exports)	42,40,70,714	54,39,04,636
Total	154,20,63,065	181,63,97,978
Carrying amount of Assets		
Within India	130,86,44,847	137,61,67,932
Outside India	5,09,01,493	13,00,26,356
Total	135,95,46,340	150,61,94,288
Addition to Fixed Assets		
Within India	23,75,799	56,21,830
Outside India	-	-
Total	23,75,799	56,21,830

33. Related party disclosures

(in terms of AS 18)

i. Key Managerial Personnel:

- Sri C. L. Rathi (Managing Director upto May 31, 2012) - Remuneration – Rs. 33,22,708 (including retirement benefits Rs. 27,12,856) (Previous year: Rs. 35,17,846), and
- Sri C. Bhaskar (Managing Director & Chief Executive Officer from June 1, 2012 onwards) - Remuneration - Rs. 19,08,176 (Previous year: Nil)

The above remuneration exclude gratuity funded through LIC, and leave obligation for which contribution/provision are not separately identified. There was no other transaction with them during the aforesaid tenure.

- Xpro India Ltd.(a company where common management may be deemed to exist) - aggregate of Short Term Deposits taken from them from time to time - Rs. 10,50,00,000 (Previous year: Rs. 10,00,00,000); Deposits repaid from time to time – Rs. 11,50,00,000 (Previous year: Rs. 6,00,00,000). Interest expense (gross) on above Deposits - Rs. 75,85,927 (Previous year: Rs. 25,52,338) and Expenses reimbursed – Rs. 38,944 (Previous year: Rs. 3,36,945). Settlement of other liability – Rs. 22,10,455 (Previous year: Nil). Maximum outstanding balance (credit) during the year – Rs. 5,84,42,988 (Previous year: Rs. 5,22,10,455). Outstanding balance (credit) as at March 31, 2013 – Rs. 4,00,00,000 (Previous year: Rs. 5,22,10,455).

34. Earnings per share

(in terms of AS 20)

	2012-13	2011-12
Profit after Tax	Rs. 4,44,51,028	1,27,36,193
Preference dividend (including Dividend Distribution tax) for the year	Rs. (24,23,773)	(1,99,90,270)
Profit/(loss) pertaining to equity shareholders	Rs. 4,20,27,255	(72,54,077)
Profit/(loss) pertaining to equity shareholders (before considering Exceptional items)	Rs. 4,20,27,255	(4,32,61,332)
Number of Equity Shares (Weighted Average)	Nos. 8,58,43,850	7,27,28,296
Nominal value per Equity Share	Rs. 10	10
Basic & Diluted Earnings per share:		
Before considering Exceptional items	Rs. 0.49	(0.59)
After considering Exceptional items	Rs. 0.49	(0.10)

35. The previous year's figures have been regrouped/reclassified as necessary.

As per our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

Sidharth Birla
Chairman

Gaurav J. Shah
Partner
Membership No. 35701

G. K. Sureka
Company Secretary

Sunil Gupta
Assistant Vice President
(Finance)

C. Bhaskar
Managing Director &
Chief Executive Officer

New Delhi
April 26, 2013

Dear Shareholders,

The attached Coupons will entitle you to purchase cloth of the available varieties of **DIGJAM** upto Rs. 3,000/- at prevailing selling rates less 15% discount plus other local taxes wherever applicable from any of our **EXCLUSIVE SHOWROOMS/RETAIL SHOPS AND MILLS AUTHORISED RETAIL DEALERS FROM JULY 1, 2013 TO JUNE 30, 2014**. Validity period of the Coupons will not be extended for any reason whatsoever. We regret our inability to issue duplicates for lost, defaced or torn Coupons.

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

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

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

Yours faithfully,

G. K. Sureka

Company Secretary
DIGJAM Limited

April 26, 2013

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

ABOHR

@ New Wearwell Emporium, Bhagat Singh Chowk

AHMEDNAGAR

@ Kohinoor Cloth Stores, Mahatma Gandhi Road

AHMEDABAD

* Digjam Retail Showroom, Gheekanta Crossing, Relief Road

* Digjam Retail Showroom, 1-2, Agrawal Avenue, C. G. Road, Navrangpura

* Digjam Retail Showroom, Swagat Complex, Kankaria Maninagar Road

* Digjam Retail Showroom, India Colony Road, Bapunagar

* Digjam Shop-in-Shop, India Colony Road, Bapunagar

ALLAHABAD

@ A to Z, 5-A, Sardar Patel Marg

AMBALA CITY

@ R. Kansra & Co., New Wholesale Cloth Market

AMRAVATI

@ Raj Rasik, Jaistambh Chowk

AMRITSAR

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

ANANTAPUR

@ Gokul Textile Showroom, 14/3 Subhash Road

ARRAH

* Digjam Shop-in-Shop, Bangla Prasad Harkhen Kumar, Gopali Chowk

* Digjam Shop-in-Shop, Nagarmal Sheonarain & Co., Chowk

ASANSOL

@ Mohan Cloth Stores, G. T. Road

AURANGABAD

* Digjam Retail Showroom, AMC Shopping Centre, Kranti Chowk

BANGALORE

@ Abhishek Fashions, # 402 Rajshri Market, Avenue Road

BAREILLY

@ Novelty Centre, Punjabi Market

BATHINDA

@ Lakshmi Emporium, Mall Road

BHAVNAGAR

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

BHOPAL

@ Guide Collection, T. T. Nagar

BHUBNESHWAR

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

BIKANER

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

BILASPUR (CHHATTISGARH)

* Digjam Retail Showroom, L-10, Shriram New Cloth Market, Agrasen Chowk

CHANDIGARH

@ Bombay Textile Agency, Sector-17E

CHAMBA (H.P.)

@ Sham Lal & Sons, Dogra Bazar

CHENNAI

* Digjam Retail Showroom, No. C-47, IInd Avenue, Anna Nagar

* Digjam Shop-in-Shop, Iswaryam Textile & Readymade, Pondy Bazar, T. Nagar

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

COIMBATORE

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

@ Pothy's Textiles, 400, Oppanakara Street

CUTTACK

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

DELHI

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

@ Sri Ram & Son, 751, Chandni Chowk, Opp. Town Hall

@ Sachdeva's Attire, 821-23, Rishi Nagar, Rani Bagh, Main Market

@ Mamta Cloth Emporium, 194 Sarojini Nagar

@ AAR Corporation, 373, 1st Floor, Kucha Ghasi Ram, Chandni Chowk

@ Velvet Home, 163, Katra Nawab, Chandni Chowk

@ Tericot Emporium, 415, Teeliwara, Shahadara

DEHRADUN

@ Bhoja Bros., Palton Bazar

@ Darshan Lal & Sons, Palton Bazar

DIBRUGARH

@ Mohan's, Kedia Market

@ Rajendra Stores, H. S. Road

DURG

* Digjam Retail Showroom, Marwari School Road, Motipara

FARIDABAD

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

GAYA

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

GORAKHPUR

@ Hamarain Ram Kishan, Golghar

GUWAHATI

@ R. D. Stores, Bapu Bazar

@ Gentlemen, A. C. Market

HAMIRPUR (H.P.)

@ Puri Cloth House, Main Bazar

HAZARIBAGH

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

HISAR

@ Ganga Sons, 36, Arya Samaj Market

HUBLI

@ Vanesons, Koppikara Road

HYDERABAD/SECUNDERABAD

* Digjam Retail Showroom, Park Lane

* Digjam Retail Showroom, Shop 1, 2 & 3, Sai Towers, Dilukhnagar

* Digjam Retail Showroom, Plot No. 136, Hill Colony, Vanasthalipuram

* Digjam Retail Showroom, H. No. 1-1975/1/1, Plot No. - 1C, 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

CUT HERE

CUT HERE

DIGJAM LIMITED

DIGJAM

it's who you are

Valid from
1.7.2013 to
30.6.2014

Rs. 1000

15%
DISCOUNT

Coupon A No.

DIGJAM LIMITED

DIGJAM

it's who you are

Valid from
1.7.2013 to
30.6.2014

Rs. 1000

15%
DISCOUNT

Coupon B No.

DIGJAM LIMITED

DIGJAM

it's who you are

Valid from
1.7.2013 to
30.6.2014

Rs. 1000

15%
DISCOUNT

Coupon C No.

DIGJAM

it's who you are

Retail Shop

C/Memo No. Date

Amount Rs.

Retail Shop

C/Memo No. Date

Amount Rs.

Retail Shop

C/Memo No. Date

Amount Rs.

CUT HERE -

@ Brijlal Ramgopal, Manak Chowk
@ Gopiram Devial, 189 Johari Bazaar
@ 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, Dongrsidas Biharilal, Bistopur
JAUNPUR
* Digjam Shop-in-Shop, Jalaluddin Jamaluddin,
Kaseri Bazar
JODHPUR
@ Joharmal Amarmal, Inside Sojati Gate,
Near Pokaran House
KANPUR
* Digjam Shop-in-Shop, Rajkamal's, 7-8 PPN Market
* Digjam Shop-in-Shop, Kamal Store, 65-66, Naveen Market
* Digjam Shop-in-Shop, Shivam Textiles, C/o. U.P.
Handlooms Showroom, Elgin Mill, VIP Road
@ Thakur Das Latwala, 49/4 General Ganj
@ V. K. Enterprises, 49/8-9 General Ganj
@ Selection House, 12 Naveen Market
KOLKATA
* Kalakriti Arts Pvt. Ltd.
P-19, CIT Road, Scheme VII M, Kankurgachi
@ Saharsh, 105, Park Street
@ R. Rajpuria & Co., 95 Park Street
KORBA
* Digjam Shop-in-Shop, Delite Cloth Centre, Main Road
@ Bhawani Bazar, Jammipali
@ 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
@ 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, Tulsi, Main Road
MADURAI
@ Pothy's Textiles, 159 Mella Masi Street
@ Rajmahal Textiles, Venkala Kadai Street
MEERUT CANTT
@ Rattan Cloth Store, Abu Lane
@ Pindi Woollens, Sadar Chowk
MUMBAI
@ Babubhai Jagjivandas at
- Parthana 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 Purti Building,
Jerbai Wadia Road, Parel TT
MUZAFFARNAGAR
* Digjam Shop-in-Shop, Diwan Chandra Mahendrakumar,
Opp. Gate Anand Bhawan, Roorkee Road

NAGPUR

* Digjam Retail Showroom, Mahajan Market, Sitabuldi
@ 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

@ Bansal Textiles, Opp. Convert School, Bankipur
@ Kripashree, Ashiana Nagar

@ Shree Shanker Vastralaya, Station Road

PUNE

@ Bharat Woollen House, Seva Sadan Building,
Laxmi Road
@ Chandulal Dahyabhai, 561-Centre Street
@ J. C. Retail Pvt. Ltd., 607 Sadashiv Peth, Kunte Chowk,
Laxmi Road

@ Men's Avenue, Sadashiv Peth

PONDICHERY

@ Pothy's Textiles, 400, Anna Salai

RAIPUR

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

RAJAHMUNDRY

@ Sri Devi Sons, Main Road

RANCHI

* Digjam Shop-in-Shop, Big Shop, GEL Church Complex,
Main Road

@ Ved Textiles, Main Road

ROORKEE

@ Atam Parkash and Sons, B. T. Road

ROURKELA

@ Indera Plaza, Bisra Road

SALEM

* Digjam Retail Showroom, 6-Bazar Street

SATARA

@ Darshan Suiting Shirting, 110 Rajpath

SHILLONG

@ Roopkala, Umsohsun Road

SHIMLA

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

SILIGURI

@ Prince Textiles, Hill Cart Road

SURAT

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

THANE

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

TIRUNELVELI

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

TRIVANDRUM

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

UDHAMPUR (J&K)

@ Bombay Cloth House, Main Bazar

VADODARA

* Digjam Retail Showroom, A/33, Windsor Plaza,
Near Express Hotel, R. C. Dutt Road

* Digjam Retail Showroom, Opp. Govt. Press,
Kothi Road, Anandpura

VARANASI

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

VISAKHAPATNAM

* Digjam Retail Showroom, 30-15-34/2, Dabagarden

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

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 him of 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 Friday, August 23, 2013 at 10.00 a.m. and at any adjournment thereof.

As Witness my/our hand/hands this.....day of2013.

Signature



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 Friday, August 23, 2013 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

If undelivered, please return to :

DIGJAM LIMITED

Aerodrome Road,
Jamnagar 361 006 (Gujarat)
INDIA