

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. Rath
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

	March 31, 2013	March 31, 2012
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	(2,32.71)
add: Exceptional Items	—	3,60.07
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)	(89,09.61)
leaving a Balance of which is carried forward	(83,37.74)	(87,82.25)

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 w.e.f. 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. Rath (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. Rath 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.

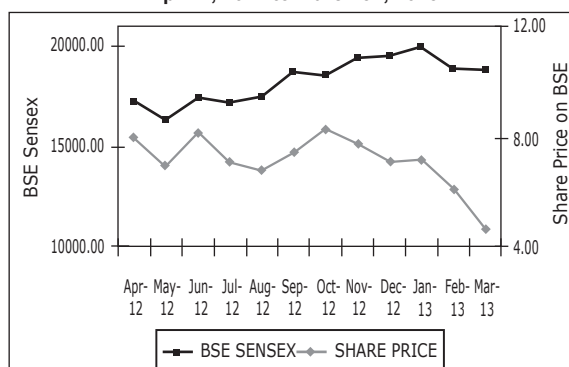
Pattern of Equity Shareholding as on March 31, 2013

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)**

	B S E		N S E	
	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