

**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the Third Annual General Meeting of the Members of the Company will be held on Friday, September 28, 2018 at 9.00 a.m. at Ashirwad Club Resort, Near Jamnagar - Khambhaliya By-Pass Road, Jamnagar - 361 006 (Gujarat), to transact the following business:

1. To consider and adopt the Directors' Report and the audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Auditors Report thereon.
2. To appoint a Director in place of Ms. Meenakshi Birla (DIN: 00019582), who retires by rotation and being eligible, offers herself for reappointment.

**Special Business**

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

**3. AS AN ORDINARY RESOLUTION**

**"RESOLVED** that pursuant to Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act read with the relevant Rules thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 1,00,000/- (Rupees One Lac only) plus applicable taxes and reimbursement of out of pocket expenses to M/s N.D. Birla & Co., Cost Accountants, Ahmedabad (Firm Registration No. 28) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending on March 31, 2019."

**4. AS A SPECIAL RESOLUTION**

**"RESOLVED** that pursuant to the Articles of Association of the Company and provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time including any statutory modification(s) or re-enactment thereof ('the Act') and such other approvals, as may be necessary, Sri C. Bhaskar (DIN: 00003343), be and is hereby appointed as the Managing Director & Chief Executive Officer of the Company, whose office shall not be liable to retirement by rotation under the Act for the period from January 1, 2018 to December 31, 2020, subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board and with liberty to either party to terminate the appointment on three months' notice to the other. Sri C. Bhaskar shall be paid remuneration by way of either:

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

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

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

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

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of unavailed leave at the end of the tenure."

The Register of Members of the Company will remain closed from September 21, 2018 to September 28, 2018 (both days inclusive).

New Delhi

May 24, 2018

**BY ORDER OF THE BOARD**

**JATIN JAIN**

*Company Secretary*

**Registered Office:**

Aerodrome Road,

Jamnagar 361 006

(Gujarat)

CIN: L17123GJ2015PLC083569

e-mail: cosec@digjam.co.in

Tel.: +91-288-2712972/3

Fax: +91-288-2712991

website: www.digjam.co.in

**NOTES:**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
2. The instrument appointing a proxy has to be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. For any further information regarding the above Accounts, advance intimation be given and the Members should ensure that it reaches the Company's Registered Office at Aerodrome Road, Jamnagar 361 006 (Gujarat) at least 10 days before the date of the ensuing meeting.
4. Under the Companies Act, 2013 ('the Act') and the Rules thereunder, the Company is permitted to serve on the Members documents including Annual Report and notices through, inter alia, the electronic mode. The Company may send to the Members the Annual Report and other documents/communications either physically to their registered address

## DIGJAM LIMITED

or by e-mail at the e-mail addresses registered with the Company/received through the respective Depository.

5. Pursuant to the Green Initiative of the Ministry of Corporate Affairs, request to register e-mail addresses, changes therein and in the registered addresses including PIN CODE: Members holding shares in physical form are requested to register/update their e-mail addresses/registered addresses with the Company's Registrars and Share Transfer Agents, M/s MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road, Kolkata 700 026. Members holding shares in dematerialised form are requested to register their e-mail addresses, changes therein and in their registered addresses with the concerned Depository through their Depository Participant. In absence of e-mail address, the documents will be sent in physical mode.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Share Transfer Agents.
7. Members may note that the Notice of the 3rd Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website [www.digjam.co.in](http://www.digjam.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days upto and including the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
8. **Voting through electronic means**
  - I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 3rd Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

The facility for voting either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 3rd AGM and the Members attending the same shall be able to exercise their voting rights accordingly at the AGM provided they have not already cast their vote through remote e-voting. Such Members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.
  - II. **The e-voting period commences on Tuesday, September 25, 2018 (9.00 a.m.) and ends on Thursday, September 27, 2018 (5.00 p.m.), both days inclusive.**

**During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2018, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter.

- a. The shareholder should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on "Shareholders/Members".
- c. Now, Enter your User ID:
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f. However, if you are a first time user, please follow the steps given below.

### For Members holding shares in Demat / Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to enter in the PAN field the Sequence Number (SQ) consisting of total 10 characters printed on the address label (for e.g. RA00073142). In case you have received this communication through email, the Sequence Number (SQ) is furnished therein next to your DP ID/Client ID/Folio no.</p> <p>Any person having become a shareholder after the dispatch of AGM notice would invariably have their updated PAN with the Company/ Depository in which case the Sequence Number is not required.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)#	<p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.</p> <p># If both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank Details field as mentioned in instruction (c) above.</p>

- g. After entering these details appropriately, click on "SUBMIT" tab.

- h. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant Company for which you choose to vote i.e. DIGJAM LIMITED.
- k. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
- p. If a Demat account holder has forgotten the changed login password then enter the User ID and image verification Code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Stores respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

▫ After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

▫ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

▫ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You can also contact the helpdesk on the toll free number: 1800-225533.

III. The voting rights of shareholders shall be in proportion to their holding of equity shares/preference shares with voting rights of the Company as on the cut-off date of September 21, 2018.

IV. The Practising Company Secretary, Sri Viral Sanghavi, Prop. Viral Sanghavi & Associates, (Membership No. 24951 & CP No. 9035) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same and thereafter, the Chairman or the person so authorised shall declare the Results of the voting forthwith.

This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to NSE and BSE immediately.

9. **EXPLANATORY STATEMENT** pursuant to Section 102 of the Companies Act, 2013 ('the Act')/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013:

**Item No. 2:** A brief resume of the Director offering herself for re-election is given below:

Ms. Meenakshi Birla, aged 33 years, is a graduate in Business Administration and is a post graduate in Marketing from Cass Business School, City University, London. Ms. Meenakshi Birla is a Director on the Boards of Holland & Sherry (India) Private Limited and iPro Capital Limited. She is Chairperson of Corporate Social Responsibility Committee and a member of Audit, Stakeholders Relationship Committee and Committee of Directors of the Company.

## DIGJAM LIMITED

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

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

**Item No. 3:** The Board of Directors on the recommendation of the Audit Committee has appointed M/s N.D. Birla & Co., Cost Accountants, as the Cost Auditors for audit of cost accounting records of the Company for the financial year 2018-19 at a remuneration of Rs. 1,00,000/- (Rupees One Lac only) besides applicable taxes and reimbursement of out of pocket expenses. In terms of the provisions of Section 148(3) of the Act read with Companies (Audit and Auditors) Rules, 2014, the Members are required to ratify the remuneration payable to the Cost Auditors and accordingly, the consent of the Members of the Company is solicited for the remuneration as set out in the Resolution in Item no. 3 which is accordingly commended for approval by the Board of Directors.

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

**Item No. 4:** Sri C. Bhaskar was appointed as Managing Director & Chief Executive Officer for the period from March 18, 2016 to December 31, 2017. The Remuneration & Nominations Committee and the Board of Directors at their respective meetings held on November 15, 2017 have unanimously approved the re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer of the Company for a period of three years with effect from January 1, 2018 on the payment of remuneration as proposed in the resolution, subject to the approval of the Members of the Company in General Meeting and other relevant approvals. Sri C. Bhaskar will continue to hold office of the Managing Director in Xpro India Limited and his aggregate remuneration shall be in accordance with and within the limits specified in Schedule V to the Act.

Sri C Bhaskar shall subject to superintendence, control and direction of the Board of Directors, be entrusted with substantial

powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time.

The Board of Directors of the Company considers that the re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer will prove beneficial to the Company and accordingly recommends the resolution, as set out at Item No. 4 of the Notice convening this meeting, for your approval.

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

Sri C Bhaskar is the member of Stakeholders Relationship Committee, Committee of Directors and Corporate Social Responsibility Committee of Xpro India Limited and of Digjam Limited. He is also the Chairman of Stakeholders Relationship Committee and member of Nomination & Remuneration Committee & Executive Committee of Kriti Industries (India) Ltd.

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

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

Except for Sri C. Bhaskar, being the appointee and his relatives to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, in the Resolution.

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

I.	General Information:																	
1.	Nature of Industry	Textiles																
2.	Date or Expected date of commencement of commercial production	The Company has under the Scheme of Amalgamation acquired wef close of business on June 30, 2015 the assets and liabilities of erstwhile Digjam Limited as a going concern which consists of a running woollen worsted textile mill.																
3.	In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus	Not applicable																
4.	Financial Performance based on given indicators	<p>The net profit after tax, net sales and foreign exchange earned through exports (FOB Value)/deemed exports for three years were as follows:</p> <p style="text-align: right;">(In Crore Rs.)</p> <table border="1"> <thead> <tr> <th>Year/Period</th> <th>Net Profit</th> <th>Revenue</th> <th>Exports</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>(9.86)</td> <td>94.73</td> <td>31.14</td> </tr> <tr> <td>2016-17</td> <td>(22.16)</td> <td>99.21</td> <td>33.80</td> </tr> <tr> <td>2017-18</td> <td>(32.11)</td> <td>59.01</td> <td>19.71</td> </tr> </tbody> </table>	Year/Period	Net Profit	Revenue	Exports	2015-16	(9.86)	94.73	31.14	2016-17	(22.16)	99.21	33.80	2017-18	(32.11)	59.01	19.71
Year/Period	Net Profit	Revenue	Exports															
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2017-18	(32.11)	59.01	19.71															

5.	Foreign Investments or collaborations, if any.	Nil								
<b>II. Information about Appointee:</b>										
1.	Background details	Sri C Bhaskar, B.Tech. (Chem.) with distinction, and a post-graduate from Indian Institute of Management, Calcutta, aged about 63 years, has extensive experience of 39 years in Consulting, Industry, Business and Financial Management including 5 years with Tata Sons Limited/Tata Economic Consultancy Services and 34 years with the businesses of Xpro India Limited. He has worked in areas of Corporate and Business planning, Market Research, Asset Revaluation, Diversification/ Mergers/Acquisition/Disinvestment, Marketing, Operations and Factory Management, and as Divisional/Business Head. He has attended management development programmes at the Indian School of Business and other Institutions.								
2.	Past remuneration	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Financial Year/Period</th> <th style="text-align: right;">Remuneration (Rs. In lacs)</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td style="text-align: right;">25.15</td> </tr> <tr> <td>2016-17</td> <td style="text-align: right;">35.62</td> </tr> <tr> <td>2017-18</td> <td style="text-align: right;">37.34</td> </tr> </tbody> </table>	Financial Year/Period	Remuneration (Rs. In lacs)	2015-16	25.15	2016-17	35.62	2017-18	37.34
Financial Year/Period	Remuneration (Rs. In lacs)									
2015-16	25.15									
2016-17	35.62									
2017-18	37.34									
3.	Recognition or Awards	Fellow of the Indian Plastics Institute; Past President and Member of the Executive Committee of Organisation of Plastics Processors of India; Member of the National Executive Committee & Chairman of Proplast Committee, Plastindia; Former Vice President of All India Plastic Manufacturers Association.								
4.	Job Profile and his suitability	Sri C. Bhaskar has been appointed as Managing Director & Chief Executive Officer subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be conferred upon him from time to time by the Board. Considering his background and experience, he is eminently suitable to hold the position of Managing Director in the Company.								
5.	Remuneration proposed	As per details contained in the Notice for the Meeting.								
6.	Comparative remuneration with respect to industry, etc.	The proposed remuneration is well within the remuneration payable to the Directorial personnel holding similar stature/position in the Industry.								
7.	Any Pecuniary Relationship	None except the remuneration as Managing Director.								
<b>III. Other Information:</b>										
1.	Reasons for loss or inadequate profits	The Company operates a worsted textile composite mill at Jamnagar where high quality worsted fabrics are manufactured. The fabrics are marketed by the Company internationally and within the country under the well-known brand 'DIGJAM'. In the recent past, erstwhile Digjam Limited had to face substantial challenges arising out of economic slowdown in its key export destinations Europe and USA and also due to corporate restructuring by a few major US customers besides the downtrend in the demand cycle. This has been compounded by increased competition from China. These operational challenges resulted in significant losses. A Scheme of Amalgamation was undertaken whereby erstwhile Digjam Limited amalgamated into the Company with a view to provide financial strength and flexibility for the Company towards improved overall shareholder value and help to improve its economic and competitive position. Despite resource constraints, steps are being taken to strengthen the marketing organisation and channels, improving the product mix with premium varieties as well as enhancing volumes through outsourcing. Various possibilities are being explored to infuse the funds through disposal of surplus assets to reduce debts and meet operational requirements of the Company to address working capital constraints.								
2.	Steps taken/proposed to be taken for improvement									
3.	Expected increase in Productivity/Profits									

## DIGJAM LIMITED

### Disclosures:

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

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

### 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  
May 24, 2018

**Registered Office:**  
Aerodrome Road,  
Jamnagar 361 006  
(Gujarat)  
CIN: L17123GJ2015PLC083569

**BY ORDER OF THE BOARD**

**JATIN JAIN**  
Company Secretary  
e-mail: cosec@digjam.co.in  
Tel.: +91-288-2712972/3  
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