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May 16, 2012

Ref. No. CL/1121

1. Bombay Stock Exchange Ltd. (022)22723719/2037/2039/2041/2061
Corporate Relationship Department, 1st Floor, 2272 3121
New Trading Ring, Rotunda Building,
P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001 Code No. 503796

2. The Manager (022) 2659 8237/8238
Listing Department, 66418124/25/26
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
C/1, Block G,
Bandra-Kurla Complex,
Bandra (E),
Mumbai 400 051 Symbol "DIGJAM"

Dear Sir,

Sub: - SCHEME OF ARRANGEMENT

- filing of certified copy of the High Court Orders with the RoC and
- fixing of Record Date for Preference Shareholders

This is with reference to the correspondence resting with our letter dtd. May 7, 2012 on the captioned subject intimating that the Hon'ble High Court of Gujarat vide the Oral Judgement dtd. May 4, 2012 has sanctioned the Scheme of Arrangement under Sections 391 to 393 of the Companies Act, 1956 between the Company and its Shareholders.

We have to inform you that the certified copy of the Orders of the Hon'ble High Court has been obtained and filed by the Company with the Registrar of Companies, Gujarat on May 15, 2012. Thus, the Scheme has come into effect on May 15, 2012.

We set out below the salient features of the Scheme: -

1. Upon the Scheme becoming effective, the nominal face value of the Cumulative and Non-cumulative Preference Shares held by the Specified Shareholders on the Record Date shall be converted into appropriate number of Equity Shares of Rs. 10/- each fully paid up, at a price of Rs. 14.50 (which includes a premium of Rs. 4.50 per Equity Shares) without any further act, instrument or deed, and the Company shall, consequent to aforesaid conversion, issue and allot in demat



form the Equity Shares (credited as fully paid up) to the Specified Shareholders in proportion to their respective holding of Preference Shares in the Company, free and clear of all liens and charges. Any fractional entitlement of Equity Share arising on such conversion will be ignored. Thereupon, the Preference Share Certificates shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date.

Upon conversion of the Preference Shares into Equity Shares on the Record Date, there would be cancellation of the Preference Share Capital of the Company and consequent reduction of the Preference Share Capital as provided in the Scheme itself.


2. Upon conversion of Preference Shares into Equity Shares, the Company shall without any further application, act or deed, credit to the Securities Premium Reserve in the accounts the amount being the difference between the aggregate paid up amount on Preference Shares and the aggregate par value of Equity Shares allotted on conversion of Preference Shares.
3. Upon cancellation and conversion of Preference Shares as above, the arrears of dividend on the Preference Shares and any other liability pertaining to the Preference Shares shall abate and there shall be no liability of the Company in respect of the Preference Shares so cancelled.
4. The Authorised Share Capital of the Company shall be reclassified into 10,00,00,000 Equity Shares of Rs. 10/- each and 25,00,000 Preference Shares of Rs. 100/- each.

Copies of the certified copy of the Orders of the Hon'ble High Court of Gujarat dtd. May 4, 2012 are being forwarded to you with the courier copy of this letter.

Accordingly, consequent upon the Scheme having come into effect and in terms of Clause 6.1 of the Scheme, the Board of Directors have decided to fix the **May 31, 2012 as the Record Date** for determining the Preference Shareholders and their shareholding in the Company to whom Equity Shares will be allotted by the Company as provided in the Scheme. It may be noted that the Preference Shares are not listed.

This is for your information and record with a request to kindly display this letter on the website of the Exchange under 'Corporate Announcements' for information of all concerned.

Thanking you,

Yours faithfully,
For DIGJAM Limited

(G.K. Sureka)
Company Secretary