

FAIRNESS OPINION REPORT
ON
VALUATION OF SHARE ENTITLEMENT RATIO
FOR
SCHEME OF ARRANGEMENT
UNDER SECTION 230 - 232 OF THE COMPANIES ACT, 2013 READ WITH
COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS)
RULES, 2016
BETWEEN
REID & TAYLOR INTERNATIONAL PRIVATE LIMITED
(“RTIPL” OR “DEMERGED COMPANY”)
AND
DIGJAM LIMITED
(“DIGJAM” OR “RESULTING COMPANY”)

BY



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SEBI Registration No. INM000012243



Notice to Reader

Navigant Corporate Advisors Limited (“Navigant” / “NCAL” or “Authors of the Report”) is a SEBI registered ‘Category I’ Merchant banker in India was engaged by Board of Directors of Digjam Limited (“Digjam” or “Resulting Company”) to prepare an Independent Fairness Opinion Report (“Report”) with respect to providing an independent opinion and assessment as to fairness of Share Entitlement Ratio / Swap Ratio determined by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as “Valuer”) an Independent Valuer for the purpose of intended proposed demerger of “Textile Business” / “Demerged Undertaking” of Reid & Taylor International Private Limited (“RTIPL” or “Demerged Company”) into Digjam Limited (“Digjam” Or “Resulting Company”) pursuant to a Scheme of Arrangement under section 230 to 232 and other applicable other applicable provisions of the companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as “Scheme”). RTIPL and Digjam are collectively referred as “Companies”.

The Fairness Opinion Report (“Report”) has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Share Entitlement Ratio / Swap Ratio (hereinafter referred as Valuation Report) prepared by Valuer on an independent basis. This report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data pulled out from various websites believed to be reliable. Neither the Company nor Navigant, nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients’ use of this Report.



Date: 29.06.2025

To,
The Board of Directors,
Reid & Taylor International Private Limited
602 CTS No.261, Boston House Suren
Road, BHD, Cine Magic,
Andheri East, Mumbai - 400093

To,
The Board of Directors,
Digjam Limited
Aerodrome Road, Jamnagar,
Gujrat – 361006

Dear Members of the Board,

Engagement Background

Based on the discussions held with the Management, we understand that it is proposed to scheme of arrangement between Reid & Taylor International Private Limited (“RTIPL” or “Demerged Company”) into Digjam Limited (“DIGJAM” or “Resulting Company”) (together known as “Companies”) under the provisions of Section 230-232 of the Companies Act, 2013 and in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961. The Demerger is proposed to take effect on **1st July 2025** as defined in the Scheme of Arrangement.

In consideration for the proposed scheme of arrangement of the undertaking of Reid & Taylor International Private Limited into Digjam Limited, Equity Shares of Digjam Limited would be issued to the shareholders of Reid & Taylor International Private Limited.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated 27th June, 2025 issued by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as ‘Valuer’).

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by Digjam to give a fairness opinion (“Opinion”) on Valuation Certificate dated **27th June, 2025** issued by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as ‘Valuer’).



Background of the Companies

Reid Taylor International Private Limited (“RTIPL” or “Demerged Company”)

Reid & Taylor International Private Limited is a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 602 CTS No. 261, Boston House Suren Road, BHD. Cine Magic, Andheri (East), Mumbai – 400093. The company was incorporated on 21.02.2019 under the leadership of Sh. Hardik Bharat Patel (Currently Managing Director of the company). The Company is engaged in the business of textile manufacturing and undertaking job work services and trading activities.

The Present Issued, Subscribed and Paid-up Capital of Reid Taylor International Private Limited is ₹15,34,000 divided into 1,53,400 Equity Shares of ₹10 each.

Shareholder Pattern of Reid Taylor International Private Limited as on 26th June, 2025:

Shareholder Category	Percentage
Promoter Group	74.97%
Other Shareholders (Non-Promoter Group)	25.03%
Total	100.00%

Digjam Limited (“DIGJAM” or “Resulting Company”)

Digjam Limited was originally incorporated under the provisions of the Companies Act, 2013, on 17th June 2015 having its registered office at Aerodrome Road, Jamnagar, Gujrat, India - 361006. The Company is engaged in the business of trading in all kinds of textiles and manufacturing of high - quality woolen/worsted fabrics. The equity shares of the company are listed and traded on BSE Limited and National Stock Exchange of India Limited. The majority shareholding in the company is held by Finquest Financial Solutions Private Limited, which plays a strategic role in the company’s financial backing and growth initiatives.

The Present Issued, Subscribed and Paid-up Capital of Digjam Limited is ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹10 each

Shareholder Pattern of Digjam Limited as on 26th June, 2025:

Shareholder Category	Percentage
Promoter and Group	75.00%
Other Shareholders (Non-Promoter Group)	25.00%
Total	100.00%



Transaction Overview and Rational

- Both the Companies involved in this Scheme are part of the Finquest Group (“Group”).
- Further, the Resulting Company and the Demerged Undertaking i.e., Textile Business Undertaking of the Demerged Company are engaged in similar business activities.
- The Group intends to consolidate the textile business of the Demerged Company and the Resulting Company through a Scheme of Arrangement which would be in the interest of both the Companies, their shareholders and other stakeholders, inter alia, on account of the following reasons:
 - (i) The Board of Directors of both the Companies intend to bring the ‘Textile Business’ of the Demerged Company and the Resulting Company under one entity, since they recognize the fact that combining both the business divisions will enable the Resulting Company to optimize the utilization of the specialized skills and knowledge, cash flow profiles, and operational and training requirement. In this scenario, the Board of Directors of both the Companies are of the view that it would be better to demerge the ‘Textile Business’ of the Demerged Company into the Resulting Company and additionally take advantage of the economies arising out of integration of the business under one entity.
 - (ii) This arrangement will help in optimal utilization of resources, operations on economies of scale, achieve cost savings, reduction in multiplicity of legal and regulatory compliances, and would aid rationalization, simplify business process and optimize resources and administrative expenses and provide focused leadership and management attention on the textile business activity of the group and to bring about operation synergies in the business operations.
 - (iii) Overall, the Scheme of Arrangement is intended to consolidate group business and operations to enable better and more efficient management, control and running of its various businesses and offering opportunities to the management of both the companies to vigorously pursue growth and expansion. The Scheme of Arrangement will lead to the emergence of a fully integrated single entity positioned to provide more extensive and integrated services in the textile sector.



- (iv) The Scheme of Arrangement would result in enhanced potential for increase in revenues and profits over time for the Resulting company and its members. The demerger would provide synergistic linkages besides economies in costs and other benefits resulting from the economies of scale, by combining the businesses (including specific industry expertise thereto) and thus contribute to the profitability over time of the Resulting company by rationalization of management and administrative structure.
- (v) Further, pursuant to the demerger, the shareholders of the Demerged Company will be allotted shares of the Resulting Company which will be subsequently listed, thus, increasing the long-term value for all the shareholders of the Demerged Company.

The Scheme shall be beneficial and be in the best interest of the shareholders, creditors and other stakeholders of both the Demerged Company and the Resulting Company. The Scheme shall not be in any manner prejudicial to the interest of concerned members, creditors and stakeholders. In view of the aforesaid, the Board of Directors of the Companies have considered and proposed this Scheme and matters incidental thereto pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Information relied upon:

We have prepared the fairness opinion report on the basis of the information provided to us and inter alia the following:

- Share Entitlement Ratio report dated **27.06.2025** issued by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as 'Valuer');
- Other information and explanations as provided by the management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the valuation report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. We understand that the Company has carried independent valuation of the asset of the Company title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.



Valuation Approaches and Methodologies:

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of Reid & Taylor International Private Limited (“RTIPL” or “Demerged Company”) into Digjam Limited (“DIGJAM” or “Resulting Company”) are discussed hereunder:

The valuation of Demerged Business - Reid Taylor International Private Limited and Digjam Limited with its basis is given below-

A. Demerged Business of Reid Taylor International Private Limited: -

A. Discounted Cash Flow (DCF) Method:

Valuer has informed that, the Discounted Cash Flow (DCF) Method has been used to calculate the valuation of the company, given its forward-looking approach and its ability to reflect the intrinsic value based on future cash flows. This method effectively captures the underlying fundamental drivers of the business, including the cost of equity, weighted average cost of capital (WACC), growth rate, and reinvestment rate, making it a robust tool for estimating long-term value.

Other valuation methods, while simpler to apply, can produce distorted results in situations where the sector as a whole is under- or overvalued. In the current context, Reid & Taylor International Private Limited is in a growth phase, with free cash flows projected to rise significantly as the company scales. Accordingly, the DCF method has been applied as it appropriately captures the company’s future growth potential and overall economic value.

B. Net Asset Value (NAV) Method:

Valuer has informed that, Net Asset Value method is a historic figure which shows the results achieved on a particular date. Based on our discussions with the Company, we were informed that the Company is in a growth phase and has significant positive cash flows foreseeable for the future. Keeping in view the above facts valuer has not assigned any weight to Net Asset Value method.



C. Market Approach:

Valuer has informed that, the Market Price Method is generally used to derive valuation based on the trading prices of peer companies in the same line of business. However, this method is not applicable in the present case, as Reid & Taylor International Private Limited is an unlisted company, and there are no directly comparable listed peer companies available in India operating in a similar line of business. Due to the absence of relevant market data and suitable listed comparable, this method has not been considered for the valuation.

Final Value per share arrived by valuer for Demerged Undertaking of Reid Taylor International Private Limited: -

Particulars	Value per share (a)	Weights assigned (b)	(a) X (b)
Valuation as per DCF	26548.44	I	26,548.44
Valuation as per NAV	--	--	--
Valuation as per market comparable	--	--	--
Final Value per share			26,548.44

B. Digjam Limited: -

I. Valuation Method:

I. Discounted Cash Flow (DCF) Method:

Valuer has informed that, the Discounted Cash Flow (DCF) Method has been applied with a 50% weightage in the valuation of the company, given its forward-looking approach and its ability to capture the intrinsic value based on projected future cash flows. This method effectively incorporates the key fundamental drivers of valuation, such as the cost of equity, weighted average cost of capital (WACC), growth rate, and reinvestment rate, making it a robust tool for assessing long-term value.

Although other valuation methods are simpler to implement, they may lead to distorted outcomes, especially when the sector is broadly under- or overvalued. In the current context, Reid & Taylor International Private Limited is in a growth phase, with free cash flows anticipated to rise significantly as the company scales its operations. Accordingly, a 50% weightage has been assigned to the DCF method, as it appropriately captures the company's future growth potential and underlying economic value.



2. Net Asset Value (NAV) Method:

Valuer has informed that, Net Asset Value method is a historic figure which shows the results achieved on a particular date. Based on our discussions with the Company, valuer was informed that the Company is in a growth phase and has significant positive cash flows foreseeable for the future. Keeping in view the above facts we have not assigned any weight to Net Asset Value method.

3. Market Approach:

Valuer has informed that, the Market Price Method is commonly used to derive valuation by referencing the trading prices of peer companies operating in a similar line of business. In the case of Digjam Limited, since the company is listed, this method is considered appropriate and relevant. The availability of market data allows for a valuation that reflects investor sentiment, market conditions, and perceived future prospects. Accordingly, the Market Price Method has been applied with a 50% weightage in the overall valuation of Digjam Limited, as it provides a fair indication of value based on the company's current market performance and publicly available trading information.

Final Value per share arrived by valuer for Digjam Limited: -

Particulars	Value per share (a)	Weights assigned (b)	(a) X (b)
Valuation as per DCF	59.92	0.50	29.96
Valuation as per NAV	12.24	0.00	0.00
Valuation as per market comparable	54.31	0.50	27.16
Final Value per share			57.12

Conclusion ratio:

Particulars	Value
A. Price Per Share for business undertaking of Reid Taylor International Private Limited	26,548.44
B. Per Share Price of Digjam Limited	57.12
C. Entitlement Ratio (A/B)	464.81
Number of Shares of Digjam Limited to be issued against 100 Equity Shares (C*100)	46,481



Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have reviewed:

- A) Draft Scheme Document
- B) Valuation Report dated **27.06.2025** issued by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229.
- C) Audited financial statements of Digjam and RTIPL for the period ended 31st March, 2025.
- D) Projected financials of Digjam and RTIPL for the period 01st April, 2026 till 31st March 2030.
- E) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations;

This opinion is intended only for the sole use and information of Digjam and RTIPL in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals, and for no other purpose.

We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either Digjam and RTIPL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Navigant has relied on the Valuation Certificate for the proposed "Scheme of Arrangement" of Digjam and RTIPL their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant's work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the General Meeting of the shareholders of Digjam and RTIPL, to the Stock Exchanges, NCLT, and to the Registrar of Companies or any other appropriate authority.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies.



The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between Digjam and RTIPL their respective shareholders and Creditors, if any and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

Our opinion is based on the estimates of future financial performance as projected by the Company Management / valuer, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections as projected by the management / valuer for their working purposes, should not be construed or taken as our being associated with or a party to such projections.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on Digjam and RTIPL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals.

We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which Digjam and RTIPL and/or their associates/ subsidiaries, are or may be party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon valuation work carried out by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as 'Valuer') we are of the opinion that the purpose of the proposed Arrangement of Digjam and RTIPL is fair, from a financial point of view.

The fairness of the Proposed Arrangement is tested by:

- (1) Considering whether the Valuation methods adopted by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as 'Valuer') depict a correct picture on the value of shares of all companies;
- (2) Calculating the fair market value of companies;
- (3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Scheme of Arrangement of Digjam and RTIPL.

The rationale for Share Entitlement Ratio as explained above, as assumed by CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as 'Valuer') is justified. We are in opinion that, CA Archit Gupta Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2020/13229 (referred to as 'Valuer') has fairly estimated the fair value of companies and has covered all the aspects required for the valuation exercise.

This being best of professional understanding, we hereby sign the Fairness Opinion report on valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director
Date: 29.06.2025
Place: Mumbai