

DCS/AMAL/BW/R37/3951/2025-26

December 05, 2025

To,  
The Company Secretary,  
**Digjam Limited**  
Door No. 508/A/6, GVG Nagar,  
Pushapathur, Swaminathapuram,  
Palani Taluk, Dindigul District,  
Saminathapuram, Dindigul, Palani,  
Tamil Nadu – 642 113.

**Sub: Scheme of Arrangement between Reid & Taylor International Private Limited and Digjam Limited**

We refer to your application for Scheme of Arrangement between Reid & Taylor International Private Limited (“RTIL” or “Demerged Company”) and Digjam Limited (“Digjam” or “Resulting Company”) and their respective Creditors and Shareholders under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act 2013 and rules made thereunder filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated December 04, 2025, has inter alia given the following comment(s) on the said draft scheme of Arrangement: -

1. “The Entity shall ensure that the proposed Scheme of Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”
2. “The Entity shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.”
3. “The Entity shall ensure that additional information, if any, submitted by the listed entity after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges.”
4. “The Entity shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular(s) issued on June 20, 2023 and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.”

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5. "The Entity is advised that the information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable."
6. "The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable."
7. "The entity is advised that the details of the proposed scheme under consideration as provided by the listed entity to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."
8. "The entity is advised that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only."
9. "The entity is advised that the "Scheme" shall be acted upon subject to the listed entity complying with the relevant clauses mentioned in the scheme document."
10. "The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s)."
11. "No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
12. "The entity is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
13. "The entity is advised to comply with the all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
14. "The entity is advised to ensure that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision: -

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- i. In the interest of ensuring transparency and informed decision making by public shareholders, the entity to prominently disclose following information on the very first page of the notice convening the shareholders meeting for approval of scheme of arrangement (in bold text and highlighted for visibility) and in all the further communications to the public shareholders regarding the scheme:

"The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under:

Category	Pre-Scheme Shareholding (%)	Post-Scheme Shareholding (%)	Change (%)
<b>Promoter/Promoter Group</b>			
Digjam			
<b>Reid &amp; Taylor International Private Limited (RTIL)</b>			
<b>Total</b>			
<b>Public Shareholders</b>			
Digjam Limited			
RTIL			
<b>Total</b>			

The public shareholders may note that implementation of scheme shall result in decrease in the shareholding of public shareholders of Digjam Limited from 25 % to 5.48 %. The Public Shareholders of Digjam Limited may also note that approval to scheme of merger would also result in to them agreeing to decrease in shareholding on implementation of the scheme. Therefore, investors should read all the scheme related documents before exercising their voting rights.

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The above disclosure shall also be accompanied by a brief explanation regarding the reasons for the increase in shareholding of Promoter/Promoter Group and its impact on the public shareholders in terms of their rights and value of their holding in the Company.

- ii. Need for the merger, rationale of the scheme, synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
- iii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.
- iv. Projections considered for valuation of RTIL and Digjam along with justification for growth rate considered for valuation of RTIL and Digjam.
- v. Details of shareholders of RTIL being categorized as promoters and public, in Digjam post-scheme along with rationale for the same in the following format in compliance with SEBI ICDR Regulations, 2018 and Companies Act, 2013.
- vi. Latest financials of RTIL and Digjam not older than 6 months from the date of NOC of Stock Exchange should be updated on the Website and same also to be disclosed in the explanatory statement.

Name of the shareholder	Classification in RTIL (Promoter/ Public)	Number of shares held	Number of shares allotted as per share swap ratio	Classification in Digjam (Promoter/ Public)	Rationale for the same

- vii. Details of new shareholders being classified as Promoter/Promoter group in Digjam post-merger as specified in Para 10(G) of Schedule VI to SEBI (ICDR) Regulations, 2018.
- viii. Pre and Post scheme shareholding of RTIL and Digjam as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.

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- ix. Capital built-up of RTIL and Digjam since incorporation and last 3 years shareholding pattern filed by RTIL and Digjam with ROC.
  - x. Details of Revenue, PAT and EBIDTA of RTIL and Digjam for last 3 years.
  - xi. Value of Assets and liabilities of RTIL that are being transferred to Digjam and post-merger balance sheet of Digjam.
  - xii. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.
  - xiii. Financial implication of merger on Promoters, Public Shareholders and the companies involved, synergies between RTIL and Digjam along with inter-company transactions between them.
  - xiv. Disclose all actions taken and/or initiated against the entities involved in the scheme including its promoters/directors/KMPs and possible impact of the same on the Transferee Company to the shareholders along with its status.
  - xv. Disclose the impact on reserves of Digjam pursuant to the scheme of arrangement along with quantitative details showing the impact for both pre & post the scheme of arrangement and the same in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details.
  - xvi. The scheme shall be acted upon subject to the applicant complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document.
15. "The listed entity(ies) shall ensure that the information submitted to Stock Exchanges and SEBI, as advised by the Exchange through email dated December 05, 2025, shall form part of disclosures to the shareholders."
16. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."
17. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same."

18. "The Demerged Company and/or Resulting Company is advised to take necessary steps to complete the listing of securities and commence the trading of such securities within sixty days of receipt of the order of the Hon'ble NCLT, simultaneously on all the stock exchanges where the equity shares of the listed entity are listed."

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents/information, in accordance with the circular to SEBI/Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI/Exchange. SEBI/Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

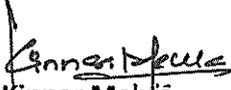
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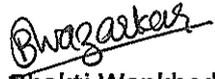
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In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

  
Kinnar Mehta  
Assistant Vice President

  
Bhakti Wankhede  
Deputy Manager

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