ARSHIYA LIMITED

(Formerly known as Arshiya International Limited)
Regd. Office: 402, Level 4, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road,
Mumbai - 400018. **CIN** L27320MH1981PLC024747, Website : www.arshiyalimited.com

To,
The Members

NOTICE OF POSTAL BALLOT
[Pursuant to section 192A of the Companies Act, 1956/Section 110 of Companies Act, 2013]

Notice is hereby given to the Members of ARSHIYA LIMITED to transact the following businesses as set out below through Postal Ballot as per the provisions under Section 192A of the Companies Act, 1956/ Section 110 of Companies Act, 2013 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force).

ITEM NO.1

INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as an ordinary resolution:

"RESOLVED THAT in accordance with the provisions of Section 16 & Section 94 of the Companies Act, 1956 and Section 13 & 61 of the Companies Act, 2013 (to the extent enacted) including any statutory modification or re-enactment thereof, for the time being in force (collectively, the "Act"), and Article 4 and other enabling provisions of the articles of association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authorities, the authorised share capital of the Company be and is hereby increased from Rs. 17,00,00,000/- (Rupees Seventeen crores only) to Rs. 42,00,00,000/- (Rupees Forty Two crores only) by creation of 12,50,00,000 (Twelve Crore Fifty Lakh only) equity shares of Rs. 2 (Rupees Two only) each and consequently the existing Clause V of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

V: The Authorised share Capital of the Company is Rs. 42,00,00,000/- (Rupees Forty Two Crores only) divided into 21,00,00,000/- (Twenty One Crores only) Equity Shares of Rs. 2/- (Rupees Two only).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to do all such acts, deeds, matters and things and settle any or all questions or matters arising with respect to the increase in authorized share capital of the Company and the amendment to the Memorandum of Association of the Company and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities, and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons."

ITEM NO. 2

ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a special resolution:

"RESOLVED THAT the pursuant to the provision of Section 31 and other applicable provision, if any, of the Companies Act 1956 and Section 14 of the Companies Act, 2013 (to the extent enacted) including any statutory modification or re-enactment thereof, for the time being in force (collectively, the "Act") the articles of association of the Company be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Article 3 of the articles of association of the Company:

3. The Authorised Share Capital of the Company is Rs. 42,00,00,000/- (Rupees Forty Two Crores only) divided into 21,00,00,000/- (Twenty One Crores only) equity shares of Rs. 2/- (Rupee Two only). The Company shall have power to increase, consolidate, sub-divide, realize or otherwise alter its share capital subject to the provisions of the Act."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the board of directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard."

ITEM No. 3

AUTHORIZATION FOR RESTRUCTURING OF DEBTS

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a special resolution:

"RESOLVED THAT subject to applicable provisions of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into with stock exchanges on which the shares of the Company are listed, the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India ("RBI") and any other regulatory authority (including but not limited to Securities and Exchange Board of India ("SEBI")), and subject to approvals, permissions, sanctions and

consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to SEBI, the Corporate Debt Restructuring Cell (the "CDR Cell"), RBI, Government of India, etc.), which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution). The Company hereby confirms and approves the corporate debt restructuring package by and between the Company and the lenders of the Company ("CDR Lenders") that is governed by the Corporate Debt Restructuring Scheme issued by the RBI and the Corporate Debt Restructuring Guidelines formulated there under, which has been approved and reviewed by the CDR cell and communicated to the Company by the Corporate Debt Restructuring Cell ("CDR Cell") vide the letter of approval dated June 29, 2013 ("CDR LOA") and modified by reviewed letter of Restructuring Package approved in the CDR system dated March 21, 2014 ("CDR RLOA"), and the Board and / or any person authorised by the Board in respect thereof from time to time, be and is hereby authorised on behalf of the Company to discuss, negotiate, amend, if required, the terms of the CDR LOA and CDR RLOA in the manner as may be approved by and between the Company and the CDR Lenders, negotiate, finalize and execute/ amend the master restructuring agreement between the Company and the CDR Lenders and other documents in pursuance of the CDR LOA, CDR RLOA and the master restructuring agreement, implement the CDR LOA, CDR RLOA and the master restructuring agreement, on the basis of the terms set out in the CDR LOA, CDR RLOA and the master restructuring agreement, as may be agreed between the respective parties, and execute the necessary documents for the same including, inter-alia, issuance of equity shares or any other securities to persons in terms of the CDR LOA, CDR RLOA and the master restructuring agreement."

ITEM NO. 4

ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO THE PROMOTERS

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and Section 62 of the Companies Act, 2013 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to a scheme of corporate debt restructuring in terms of the Corporate Debt Restructuring Scheme notified by the Reserve Bank of India, or any modification or re-notification thereto and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, provisions of Chapter VII –"Preferential Issue" and other applicable provisions ,if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred as "ICDR Regulations"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI") and other competent authorities, and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.) and all such other approvals, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) and in terms of and furtherance to, the scheme of corporate debt restructuring ("CDR Package") by and between the Company and the lenders of the Company ("CDR Lenders") that is governed by the Corporate Debt Restructuring Scheme issued by the RBI and the Corporate Debt Restructuring Guidelines formulated thereunder, which has been approved and modified by the Corporate Debt Restructuring Empowered Group ("CDR EG") and communicated to the Company by the Corporate Debt Restructuring Cell ("CDR Cell"), the letter of approval ("CDR LOA") and modified through review letter of Restructuring Package approved in the CDR System ("CDR RLOA") and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, and subject to the execution of a master restructuring agreement by and between the Company and its CDR Lenders, the consent of the Company be and is hereby accorded to the Board, for not exceeding Rs. 122.275 Crore out of balance amount of Rs. 184.17 Crore , being the balance amount (out of total amount of Rs 221.61 Crore less Rs. 37.44 Crore brought in for conversion of warrants) required to be brought in by the promoters as per modified by reviewed letter of Restructuring Package approved in the CDR system dated March 21, 2014 in the following manner.

To offer, issue and allot, in one or more tranches, fully paid-up equity shares, at a price which shall be determined in accordance with the ICDR Regulations and applicable law, for the amount not exceeding Rs. 122.275 Crore, to the Promoters of the Company being Mr. Ajay S Mittal, Mrs. Archana A Mittal and/or any other person, as may be permitted by the CDR Package, in consideration of (a) conversion of unsecured loan given by the Promoters to the Company forming a part of the CDR Package and (b) money to be brought in by the Promoters as promoter contribution, from time to time, as per the CDR Package and also for any other amount as maybe brought in or procured by the Promoters, in accordance with their obligations under the CDR Package, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT the price of the equity shares shall be calculated in accordance with provisions of Chapter VII of the ICDR Regulations and applicable law and the Relevant Date, for determination of the Issue Price of equity shares is March 21, 2014, being the date of modification by reviewed letter of Restructuring Package approved in the CDR system by CDR Cell dated March 21, 2014."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide the allotment dates in consonance with the provision of the ICDR Regulations, the dates of the allotment agreed between the CDR Lenders, Promoters and the Company, other terms of offer, issue and allotment of the aforesaid equity shares provided that aforesaid equity shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and shall rank pari-passu with the existing equity shares of the Company in all respects and the equity shares shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution(s), the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including to seek listing of the equity shares to be issued and allotted and to modify, accept and give effect to any modifications in the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, CDR EG, RBI, the Government of India, etc.) and such other approvals and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the equity shares arising there from, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements,

applications in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors / Officials of the Company to give effect to this resolution."

5. APPROVAL FOR REAPPOINTMENT & REMUNERATION OF MR. AJAY MITTAL.

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Sections 196, 203,or such other provisions of the Companies Act 2013 as may be applicable (hereinafter referred to as "the Act", which includes any statutory modification or re-enactment thereof) and subject to approval of Central Government, if and when required, consent of the Company be and is hereby accorded for Re-appointment of Mr. Ajay S Mittal as Managing Director of the Company for a period of 5 years w.e.f 19th April, 2014, at a token remuneration of Rs. 1000/- (Rupees One Thousand Only) per annum, payable to Mr. Ajay S Mittal, Chairman & Managing Director of the Company w. e. f. 19th April, 2014 for the period of 1 year.

RESOLVED FURTHER THAT aggregate of the salary and perquisites as mentioned above, to the extent the same is taxable under the Income Tax Act, shall not exceed Rs 1000/- per annum for the first one year of the tenure of Mr. Ajay Mittal holding office as Chairman & Managing Director.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where during the currency of the tenure of appointment of the Chairman & Managing Director, the Company has no profits or the profits are inadequate, the remuneration aforementioned shall be paid to him as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration referred hereinabove."

6. APPROVAL FOR REAPPOINTMENT & REMUNERATION OF MRS. ARCHANA A MITTAL.

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and sections 196, 203,or such other provisions of the Companies Act 2013 as may be applicable (hereinafter referred to as "the Act", which includes any statutory modification or re-enactment thereof) and subject to approval of Central Government, if and when required, consent of the Company be and is hereby accorded for Re-appointment of Mrs. Archana A Mittal as Joint Managing Director of the Company for a period of 5 years w.e.f 19th April, 2014, at a token remuneration of Rs. 1000/- (Rupees One Thousand Only) per annum, payable to Mrs. Archana A Mittal, Joint Managing Director of the Company w. e. f. 19th April, 2014 for the period of 1 year.

RESOLVED FURTHER THAT aggregate of the salary and perquisites as mentioned above, to the extent the same is taxable under the Income Tax Act, shall not exceed Rs 1000/- per annum for the first one year of the tenure of Mrs. Archana A Mittal holding office as Joint Managing Director.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where during the currency of the tenure of appointment of the Joint Managing Director, the Company has no profits or the profits are inadequate, the remuneration aforementioned shall be paid to her as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration referred hereinabove."

By Order of the Board
For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Registered Office:
Arshiya Limited
402, Level 4, Cee Jay House,
F-Block, Shiv Sagar Estate,
Dr. Annie Basant Road,
Worli, Mumbai 400018

Date: April 02, 2014
Place: Mumbai

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts is annexed hereto.

2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on Monday, 31st March, 2014.

3. The Company has appointed Mr. Manoj Mimani, a Practicing Company Secretary, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

4. In compliance with provisions of Section 192A of the Companies Act 1956/ 110 of the Companies Act 2013, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is pleased to offer **e-voting facility** as an alternate, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form.
   E-voting is optional.

   The instructions for Shareholders for e-voting are as under:

(a) In case of Shareholders' receiving e-mail from NSDL

   (i) Open e-mail and open PDF file viz; "Arshiya info e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

   (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

   (iii) Click on Shareholder - Login

   (iv) Put user ID and password as initial password noted in step (i) above. Click Login.

   (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

   (vii) Select "EVEN" of Arshiya Limited

   (viii) Now you are ready for e-Voting as Cast Vote page opens.

   (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

   (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

   (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

   (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail : **rmimani222@gmail.com** or **arshiyainfoevoting@arshiyalimited.com** with a copy marked to **evoting@nsdl.co.in**.

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

   Initial password is provided as below/at the bottom of the Postal Ballot Form.

   (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

   (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-**voting** user manual for Shareholders available at the Downloads section of **www.evoting.nsdl.com.**

(d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

(e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

Shareholders who have registered their e-mail IDs with their Depository Participants or Company are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link www.evoting.nsdl.com or www.arshiyalimited.com or seek duplicate Postal Ballot Form from M/s Bigshare Services Pvt. Ltd, Registrar & Transfer Agent, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072, fill in the details and send the same to the Scrutinizer.

5. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

6. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.

7. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, 31st March, 2014.

8. The voting period ends on the close of Saturday, 10th May, 2014. The e-voting module shall also be disabled by NSDL for voting thereafter.

9. The Scrutinizer will submit his report to the Chairman & Managing Director or Compliance Officer of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at 402, Level 4, CeeJay House, F- Block, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Monday, 12th May, 2014 at 4.30 p.m. The result of the Postal Ballot will also be posted on the Company's website www.arshiyalimited.com and communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in one English newspaper and one Marathi newspaper. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution. The result of the Postal Ballot shall also be announced at the next Annual General Meeting of the Company.

10. The Board of Directors has appointed Mr. Rishabh Shah, Independent Director and Mr. Shyam Rathi, CFO & Compliance Officer as the persons responsible for the entire postal ballot process.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of Postal Ballot.

EXPLANATORY STATEMENT

An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of items nos. 1, 2, 3 and 4 of the notice setting out all the material facts and reasons thereto is annexed hereto.

Item No. 1 and 2

The authorised share capital of the Company presently stands at Rs. 17, 00,00,000/- (Rupees Seventeen Crores only) divided into 8,50,00,000 (Eight Crores Fifty Lacs only) equity shares of Rs. 2/- (Rupees Two only) each. In order to meet the future requirement of funds for Company's business, it is desirable to bring the authorised share capital of the Company in proper correlation with the magnitude of the Company's resources and size of its undertaking by increase of share capital as may be required from time to time;. It is, therefore, considered to increase the authorised share capital of the Company from Rs. 17,00,00,000/- (Rupees Seventeen Crores only) to Rs. 42,00,00,000/- (Rupees Forty Two Crores Only) divided into 21,00,00,000/- (Twenty one Crores only) Equity Shares of Rs. 2/- (Rupees Two only) each by creation of further 12,50,00,000/- (Twelve Cores Fifty Lacs only) equity shares of Rs. 2/- (Rupees Two only) each, which will rank pari-passu in all respects with the existing equity shares of the Company.

The proposed increase of the authorised share capital of the Company is required to obtain approval of its shareholders by means of an ordinary resolution to carry out amendments to the Memorandum of Association of the Company and special resolution to carry out amendments to the Articles of Association of the Company.

The Directors accordingly recommend the resolutions in Item No.1 for your approval as an ordinary resolution and Item No. 2 for your approvals as a special resolution.

None of the directors or key managerial personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their individual shareholding in the Company.

Item No. 3

The operations of the Company came under strain due to various external factors pertaining to the economy and industry, including adverse market conditions and liquidity constraints. As a result, the ability of the Company to meet its repayment obligations / liabilities under the various facilities availed by it were adversely affected and therefore the Company made a reference to corporate debt restructuring ("CDR") cell.

The Special Resolution as provided in Item No 1 proposed to be passed by the members of Arshiya Limited ("the Company") by way of a Special Resolution by postal ballot, is an authorization by the members of the Company, in terms of Regulation 10(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 to the scheme of corporate debt restructuring set out in letter of approval dated June 29, 2013 (the "CDR LOA"), and amended vide Review letter dated March 21, 2014 (the "CDR RLOA"), issued by the Corporate Debt Restructuring Cell and the Master Restructuring Agreement between the Company and the CDR Lenders (the "MRA")

The broad terms of the Company's CDR scheme includes inter alia:

a) Restructuring the existing debt facilities availed by the Company from the CDR Lenders including revision of the interest rates, principal repayment schedule and grant of certain new facilities.

b) Creating certain additional security for the facilities covered under the MRA by pledging the entire promoters' shareholding in the Company including issuance of fresh equity shares or similar issue having voting rights.

c) The Promoters are required to contribute/ infuse funds into the Company to the tune of Rs. 221.61 Crores under CDR on or before July 31, 2016 as per Reviewed Restructuring Package approved in the CDR System vide their letter dated March 21, 2014.

Accordingly, the Board recommends passing of the Special Resolution as set out at Item No.1 of the accompanying notice.

Mr. Ajay S Mittal and Mrs. Archana A Mittal, the Directors of the Company are interested in passing of the Special Resolution to the extent the equity shares or other securities are being allotted on preferential basis to the Promoter Group, in accordance with the terms of the CDR Package and Modified through Reviewed Restructuring Package approved in the CDR System of the Company approved by the CDR EG. Except Mr. Ajay S Mittal and Mrs. Archana A Mittal and to the extent indicated, none of the Directors of the Company and Key Managerial persons and their relatives, in any way, concerned or interested in passing of the said resolution.

Item No. 4

Under the CDR LOA and CDR RLOA, the Promoters and/or their relatives and friends are required to bring in or procure as promoter contribution an amount of Rs. 221.61/- Crores (Rupees Two Hundred Twenty Crores and Sixty One Lacs Only) ("Promoter Contribution"), in one or more tranches on or before July 31, 2016 and the Promoters are also obliged to bring in or procure additional funds under the shortfall undertaking, as per the CDR Guidelines.

The Promoters had already extended certain unsecured loans to the Company which also forms part of the CDR Package.

The CDR Cell has modified through Reviewed Restructuring Package approved in the CDR System vide their letter dated March 21, 2014 and directed that out of total of Rs.221.61 Crores required to be brought by Promoters under CDR Package, Rs. 37.44/- Crores be permitted for adjustment against the balance amount required to be brought in for conversion of warrants into equity shares of Rs. 2/- each at a price of Rs. 145/- per shares, out of unsecured Loans already been brought in the company by the promoters extended under the CDR Package and accordingly the promoters have requested to allot the shares on conversion of balance 53,00,000 warrants on April 01, 2014 and the Board has allotted equity shares of the company to the Promoters by converting of all the outstanding warrants into Equity Shares of Rs. 2/- each at a price of Rs. 145 per shares (the price at which these warrants were issued to the promoters earlier) on April 01, 2014.

As per modified through Reviewed Restructuring Package approved in the CDR System vide their letter dated March 21, 2014 the promoters shall subscribe to, and the Board will offer, issue and allot, in one or more tranches, subject to receipt of regulatory approvals, if any and extent required, fully paid- up equity shares of the Company, having face value of Rs. 2/- (Rupees Two Only) each, at a price determined in accordance with the ICDR Regulations or applicable law, for the amount not exceeding the balance amount of Rs. 184.17 Crore. (Rs. 221.61 Crore minus Rs.37.44 Crore) to the Promoters of the Company to the extent permissible under the Law, in consideration of (a) conversion of unsecured loan given by the Promoters to the Company forming a part of the CDR Package and (b) money to be brought in by the Promoters as promoter Contribution under and towards CDR Package , from time to time, also for any other amount as may brought in or procured by the Promoters, in accordance with their obligations under the CDR Package. The promoters has intended to do to the extent maximum permissible limit under clause 40 (A) of listing agreement and pledged all their voting shares capital in the company in favor of the CDR lenders as per CDR Package approved by CDR EG. Any excess amount over permissible limit under Clause 40 (A) of listing agreement will continue to remain in the company as unsecured loans and may be eligible to convert into equity shares at a future date on desire of promoters of the company under the CDR package, subject to the fresh approval of the shareholders.

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of Chapter VII –"Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), as amended from time to time:

A. OBJECT OF THE PREFERENTIAL ISSUE:

The object of the issue is restructuring of various liabilities of the Company as per CDR LOA and CDR RLOA approved by the CDR EG and to make allotments of equity shares to the Promoters as envisaged in the CDR Package and modification by reviewed letter of Restructuring Package approved in the CDR system by CDR Cell and as Securités Pledged with CDR Landers

B. PROPOSAL OF THE PROMOTERS, DIRECTORS AND KEY MANAGEMENT PERSONS OF THE COMPANY TO SUBSCRIBE TO THE PROPOSED PREFERENTIAL OFFER:

The existing Promoters of the Company being Mr. Ajay S Mittal and Mrs. Archana A Mittal and any other person as may be permitted under the CDR Package and will subscribe to the proposed preferential offer. Except the above, none of the directors or key management persons intends to subscribe to the equity shares.

C. SHAREHOLDING PATTERN BEFORE AND AFTER THE PREFERENTIAL ISSUE:

Category	Pre-Issue Equity Holdings		Allotment of equity shares under CDR Package	Post-Issue Equity Holdings *	
	No. of Shares	% of Share Holding		No. of Shares	% of Share Holding
1) Promoter Holdings					
a. Indian Promoters	33370225	46.07	83750000	117120225	74.99
b. Foreign Promoters	0	0.00	0	0	0.00
Sub-total	**33370225**	**46.07**	**83750000**	**117120225**	**74.99**
2) Non-Promoters Holding					
a. Resident Indians (Individuals)	18448509	25.47	0	18448509	11.81
b. Bodies Corporate	13228674	18.26	0	13228674	8.47
c. NRI/FN/FII/NRR/OCB	7028667	9.70	0	7028667	4.50
d. Others	353397	0.49	0	353397	0.23
Sub-Total	**39059247**	**53.93**	**0**	**39059247**	**25.01**
Total	***72429472***	***100.00***	***83750000***	***156179472***	***100.00***

**** Assuming entire 83750000 equity shares will be allotted***

Note: (1) The post issue capital has been provided considering all the allotments proposed under this Postal Ballot Notice.

D. PROPOSED TIME WITHIN WHICH THE PREFERENTIAL ISSUE SHALL BE COMPLETED:

The Company will issue and allot securities to the Promoters within the time limit specified under the ICDR Regulations.

E. IDENTITY OF THE PROPOSED ALLOTTEES, THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THEM

Identity of Proposed allottees	Pre-Holding		No. of equity shares proposed to be issued	Post- Holding *	
	Shares	%		Shares	%
Mr. Ajay S Mittal	9900000	13.67	8660937	18560937	11.88
Mrs. Archana A Mittal	23470225	32.40	75089063	98559288	63.11

**** Assuming entire 83750000 equity shares will be allotted***

Note: (1) The post issue capital has been provided considering all the allotments proposed under this Postal Ballot Notice.

F. NO CHANGE IN CONTROL

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed Preferential Allotment.

G. UNDERTAKING TO RE-COMPUTED PRICE AND LOCK-IN TILL THE RECOMPUTED PRICE IS PAID

This is not applicable to the present case.

H. CERTIFICATE FROM STATUTORY AUDITORS

The a copy of the Statutory Auditors' Certificate certifying that the proposed preferential issue is being made in accordance with the requirement of SEBI (ICDR) Regulations will be made available for inspection at the Registered Office of the Company during normal business hours on any working day except Public Holidays upto last date of receiving Postal Ballot Forms i.e. 10th May, 2014

I. PRICING

The equity shares of Rs. 2/- each will be issued at a price of Rs. 14.60 being the minimum price calculated in accordance with Regulations 76 of the SEBI (ICDR) Regulations as amended for Preferential Issue except as mentioned in the Resolution.

J. RELEVANT DATE

The 'Relevant Date'for the purpose of calculating the price of the equity shares is March 21, 2014 i.e. date of the modified approval of the Company's Corporate Debt Restructuring Scheme.

K. LOCK-IN PERIOD

The securities allotted to Promoters shall be locked in as per the provisions of ICDR Regulations.

The consent of the Members is sought for the issue of equity shares, in terms of Section 81(1A) of the Companies Act, 1956, and all other applicable provisions of the Companies Act, 1956, Section 62 and all other applicable sections of Companies Act, 2013, and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

The Board recommends passing of the Special Resolution set out in Item No.2 of the accompanying notice.

None of the Directors of the Company except Mr. Ajay S Mittal and Mrs. Archana A Mittal, to the extent their holding in the company and who are also allottees in this resolution, and Key managerial persons and their relatives are concerned or interested in the said Resolution.

ITEM NO. 5

The members are informed that earlier Mr. Ajay S Mittal was re-appointed as Managing Director for a period of 5 years with effect from 19th April, 2009 by the Board at its meeting held on 30th January, 2009 and hence the said term is expiring on 18th April, 2014. The shareholders of the company had at the Annual General Meeting held on 18th September, 2009 approved the said appointment which was modified subsequently with requisite approvals of shareholders.

The members are further informed that Mr. Ajay S Mittal has shown willingness for his re-appointment at a token remuneration of Rs. 1,000/- per annum (all inclusive except official expenses incurred in capacity of employee of a company) in view of present downturn in economy and prevailing circumstances, for the first year. The Board of Directors have approved his said re-appointment as Managing Director for period of 5 years w.e.f. 19th April, 2014, at their meeting held on 2nd April, 2014 at a token remuneration of Rs. 1,000/- per annum.

The Board recommends passing of the Special Resolution set out in Item No.5 of the accompanying notice.

None of the Directors and Key managerial persons of the Company and their relatives are concerned or interested in the said Resolution except Mr. Ajay S Mittal and Mrs. Archana A Mittal.

ITEM NO. 6

The members are informed that Mrs. Archana S Mittal was appointed as Whole-time Director (Re-designated as Joint Managing Director w.e.f. 23rd April, 2010) for a period of 5 years with effect from 19th April, 2009 by the Board at its meeting held on 30th January, 2009 and hence her said term of appointment is expiring on 18th April, 2014. The shareholders of the company had at the Annual General Meeting held on 18th September, 2009 approved the said appointment which was modified subsequently with requisite approvals of shareholders.

The members are further informed that Mrs. Archana S Mittal has shown willingness for her re-appointment at a token remuneration of Rs. 1,000/- per annum (all inclusive except official expenses incurred in capacity of employee of a company) in view of present downturn in economy and prevailing circumstances, for the first year. The Board of Directors have approved her said re-appointment as Joint Managing Director for period of 5 years w.e.f. 19th April, 2014, at their meeting held on 2nd April, 2014 at a token remuneration of Rs. 1,000/- per annum.

The Board recommends passing of the Special Resolution set out in Item No.6 of the accompanying notice.

None of the Directors and Key managerial persons of the Company and their relatives are concerned or interested in the said Resolution except Mr. Ajay S Mittal and Mrs. Archana A Mittal.

By Order of the Board
For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Date: 2nd April, 2014
Place: Mumbai