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CIN No : L99999GJ1982PLC005253

Date : February 13, 2016

Dear Sir,

Re: Company's Rights Issue

We are sending this communication with regard to the Company's Rights Issue which closed on December 2, 2015.

At the outset we would like to express our sincere thanks to the shareholders /investors who participated in the Issue and also to the Lead Manager, Registrar and Bankers to the Issue. We have not been able to complete Post Rights Issue Formalities of allotment /refund etc., due to factors beyond our control. In connection with the said Rights Issue, we wish to inform our shareholders/investors, Bankers to the Issue, ASBA banks and all other related agencies, as under:

1. In terms of a Letter of Offer dated 28.10.2015, Ashima's Rights Issue of 8,00,58,089 Equity Shares opened on November 18, 2015 and closed on December 2, 2015.
2. On 3.12.2015, HDFC Bank Ltd. (who had filed a recovery application being OA No. 105 /2005 –as disclosed at Sr. 5 on Page 103 of the said Letter of Offer) filed an Interim application **No.887/2015** seeking inter alia attachment from funds collected in the rights Issue account of the Company. On the same day, the Hon'ble Debt recovery Tribunal –II, Mumbai ("DRT") passed an order of status quo. The relevant portion of said Roznama read as under:

".....

heard on Ex. 55.

Status quo to be maintained till 17-12-15 on the amount deposited with the Respondent No. 1 and 2 pertaining to the "Ashima Limited-Right Issue" mentioned in the letter of offer dated 28-10-2015, which is the amount collected from the Investors against shares. Defendant No. 2 shall not withdraw any amount from that account and the Respondent Nos. 1. (ICICI Bank Ltd) @ 2. (Yes Bank Ltd) are also restrained from releasing any amount in deposit till further orders.

Adj. for compliance/order on Ex. 36/Hg on Ex. 31 & 34/EA of Defs. 17-12-15"

3. The said Order not only restrained Ashima to withdraw the amount but also restrained the Bankers to the Issue (namely ICICI bank & Yes Bank) from **releasing any amount**, clearly implying

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thereby that the Bankers to the Issue cannot release refunds and the Registrar to the Issue cannot release instructions to unblock funds under ASBA, for refund to the shareholders/ investors.

4. Since 3.12.2015 till date the company has been promptly taking all the necessary steps to protect the interest of shareholders and investors in the rights issue of the company by adopting all the legal recourse available to the Company. On account of matter being sub-judice, the Company cannot proceed further for post issue formalities of allotment /refund etc.
5. The object of the Rights Issue was to part-finance the funding requirements of a Scheme of Arrangement for debt settlement with secured creditors ("the Scheme").The company and the management is committed to implement the said Scheme as approved by the Hon'ble High Court enabling it to protect the interest of all the stake holders to make the company debt free over a period of time.
6. The Company has been sending updates on this matter by way of disclosures to the BSE Limited and NSE and also placing the same on its website www.ashima.in. All stakeholders are therefore requested to visit www.bseindia.com or www.nseindia.com or the Company's web site for regular updates in this matter.

We appreciate your support and cooperation in this regard.

Thanking you in anticipation

For Ashima Limited


Company Secretary