

AVON ORGANICS LTD

CIN: L24110TG1993PLC016112

Regd. Off. : Survey No.18, Yawapur Village, Sadasivpet Mandal, Medak Dist Rict, Andhra Padesh - 502 291.

Website : www. avonorganicsltd.com • E-mail: cs_1@avonorganicsltd.com

POSTAL BALLOT NOTICE

(Pursuant to Sec.110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given, pursuant to section 110 of the Companies Act, 2013 (the "Companies Act") read with Companies (Management and Administration) Rules, 2014 (the "Rules") that Avon Organics Ltd (the "Company") is seeking consent of its members for the Special Business to be transacted through Postal Ballot for the following purpose:

SPECIAL BUSINESS

Item no. 1 – INCREASE IN THE AUTHORIZED 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, pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the authorised share capital of the Company be and is hereby increased from the existing Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten only) each to Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten only) each”.

Item no. 2 – ALTERATION OF THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION

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

“RESOLVED THAT, pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or reenactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following :

V. The authorized share capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten only) each. The Company has the power from time to time to increase or reduce its Capital and to issue any shares in original or new capital as equity or preference shares and to attach to any class or classes of such shares any preferences, rights, privileges, or any priorities in payments of dividends, or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the regulations, of the company, as far as necessary to give effect to the same and upon the sub division of a share to apportion of the right to participate in profits in any manner.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)”.

Item no. 3 – OFFER, ISSUE AND ALLOT WARRANTS ON PREFERENTIAL BASIS

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

“RESOLVED THAT in accordance with

1. the provisions of Section 62 read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Share Capital and Debentures) Rules, 2014 including any statutory modifications or re-enactments thereof for the time being in force,
2. the provisions of the Memorandum and Articles of Association of the Company,
3. the provisions of any rules/regulations/guidelines framed/issued by the Securities and Exchange Board of India ("SEBI") (including any amendments thereto or any re-enactment thereof for the time being in force),
4. the provisions of the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed.

and subject to

5. the applicable statutes, guidelines, regulations, approvals, consents, permissions, sanctions of the Central Government, the Reserve Bank of India ("RBI"), SEBI, Stock Exchanges and any other appropriate and / or concerned authorities, institutions or bodies; and
6. such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution);

consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot from time to time, in one or more tranches, not exceeding 1,50,00,000 (One Crore Fifty Lacs) Warrants on preferential basis to such persons / entities as mentioned in the explanatory statement (hereinafter referred to as the "Investors" or the "Proposed Allottees") whether they are Shareholders of the Company or not, entitling the holder of each warrant, from time to time to apply and obtain allotment of one equity share of the face value of Rs. 10/- each fully paid up against each such warrant (hereinafter referred to as warrants), in one or more tranches, in such manner, at such price and on such terms and conditions as may be determined by the Board in accordance with SEBI ICDR Regulations 2009 or other provisions at the time, provided that the minimum price of the Warrants so issued shall not be less than the price arrived at in accordance with the provisions of SEBI ICDR Regulations, 2009. In accordance with the ICDR Regulations, the "Relevant Date", for

determining the minimum price of the Equity Shares to be issued and allotted upon exercise of the right attached to the Warrants referred to above, is June 22, 2015 being the date which is 30 (Thirty) days prior to the date when the results of this postal ballot are to be announced.”

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Warrants shall be on the following terms:

- 1) In accordance with Chapter VII of SEBI ICDR Regulations, 2009, 25% of the consideration payable for the Warrants (equity shares into which they are converted), shall be paid by the proposed allottees to the Company upon issue and allotment of Warrants;
- 2) The holders of each warrant will be entitled to apply for and obtain allotment of one equity share of the face value of Rs. 10/- each of the Company against each Warrant at any time after the allotment but on or before the expiry of eighteen (18) months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/ set-off against the issue price of the resultant equity shares.
- 3) If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.
- 4) Upon receipt of the requisite payment of the remaining 75% of the consideration payable in respect of the Warrants, as above, the Board (or a committee thereof) shall allot one equity share per warrant by appropriating Rs. 10/- towards equity share capital and balance amount paid against each Warrant, towards the securities premium. The allotment shall be made only in dematerialized form.
- 5) In the event of the Company making a bonus Issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the option under the warrants, the number of shares to be allotted against such warrants shall stand augmented in the same proportion in which equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tanto.
- 6) The Warrants by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the company except as specified above.

RESOLVED FURTHER THAT the Board (or a committee thereof) be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon exercise of option by Warrant holder(s) or as may be necessary in accordance with the terms of the offer.

RESOLVED FURTHER THAT the equity shares allotted on exercise of warrants in terms of this resolution shall rank pari-passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs. 10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, to issue or allot the aforesaid warrants and listing of the resultant equity shares with the stock exchanges(s) as appropriate and to clarify, resolve and settle all questions difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of said warrants, the utilization of the proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they 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 authorized to delegate all or any of the powers herein conferred by above resolutions to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary to give effect to the aforesaid resolution.

Item no. 4 – CHANGE IN THE NAME OF THE COMPANY

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 13 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or amendment(s) thereto for the time being in force and the approval of the Registrar of Companies, Hyderabad granted vide SRN C54283049, the consent of the members of the Company be and is hereby accorded to change the name of the Company from “Avon Organics Limited” to “Avon Lifesciences Limited” and the existing Clause I of the Memorandum of Association of the Company be substituted by the following clause-

“I. The name of the Company is **Avon Lifesciences Limited.**”

RESOLVED FURTHER THAT consequent to the aforesaid change, the name “Avon Organics Limited” wherever appearing in the Memorandum and Articles of Association of the Company, other necessary documents and at all other places be substituted by **“Avon Lifesciences Limited”**.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).”

Item no. 5 – ADOPT NEW ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN CONFORMITY WITH THE COMPANIES ACT, 2013:

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 14 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and are hereby altered and amended by substitution of a new set of Articles of Association, a draft of which has been initiated by the Chairman and made available for inspection by the shareholders at the registered office / corporate office of the Company, which is hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the Articles contained in the existing Articles of Association.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)".

Item no. 6 – SHIFTING OF REGISTERED OFFICE OF THE COMPANY FROM SADASIVPET, STATE OF TELANGANA TO SOLAPUR, STATE OF MAHARASHTRA.

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

"RESOLVED THAT pursuant to provisions of Sections 12, 13, 110 and other applicable provisions and relevant Rules applicable, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government / any other authority as may be prescribed from time to time and subject to such permission(s), sanction(s) or approval(s) as may be required under the provisions of the said Act or under any other Law for the time being in force or any statutory modification(s) or amendment(s) thereof, the consent of the members be and is hereby accorded for shifting of Registered Office of the Company from the State of Telangana to the State of Maharashtra and that Clause II of the Memorandum of Association of the Company be substituted by the following Clause:

- II. The registered office of the Company will be situated in the State of Maharashtra. i.e. within the jurisdiction Registrar of Companies Maharashtra at Pune.

RESOLVED FURTHER THAT upon the aforesaid Resolution becoming effective, the Registered Office of the Company be shifted from Survey No.18, Yawapur Village, Sadasivpet Mandal, Medak District, Telangana - 502 291 to Unit E2, MIDC, Chincholi, Solapur, Maharashtra-413 006.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s)".

**By Order of the Board
For Avon Organics Ltd**

sd/-

**Jignesh Patel
Company Secretary**

Date: June 9, 2015

Place: Mumbai

Notes:

1. An explanatory statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 is annexed hereto.
2. The Notice is being sent to all the Members whose names appear in the Register of Members / Beneficiary Position maintained by the Depositories as on June 5, 2015.
3. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on June 5, 2015.
4. All documents referred to in the Notice are open for inspection at the Corporate Office of the Company during office hours.
5. The voting through Postal Ballot/e-voting will commence on June 22, 2015 (9.00 a.m.) and end on July 21, 2015 (5.00 p.m.).
6. A member who has not received the Postal Ballot Form may request the Company for a duplicate form. The Postal Ballot Form/duplicate Postal Ballot Form duly completed in all respects should reach the Scrutinizer before 5.00 P.M. on July 21, 2015. The Postal Ballot received after the said date will be treated as not having been received.
7. Resolutions passed by the members through Postal Ballots are deemed to have been passed effectively at a General Meeting of the Members. The Special Resolution shall be declared as passed, if the number of votes cast in favour of the Resolution is not less than three times the number of votes cast against the Resolution.
8. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate for its Members to enable them to cast their votes electronically.
9. The Board of Directors of the Company has appointed Ms. Ashwini Rajeshirke, Company Secretary in Practice, Mumbai as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of her scrutiny, the Scrutinizer will submit her report to the Chairman & Managing Director of the Company.
10. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman & Managing Director of the Company, if the result of the Postal Ballots indicates that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot will be declared on July 23, 2015, at the Corporate Office of the Company at H Wing, 4th Floor, Tex Centre, Narayan Properties, Chandivali, Off. Saki Vihar Road, Andheri (East) Mumbai 400 072, INDIA and the same shall be communicated to the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no. 1, 2 & 3

The equity shares of your Company are listed on the Bombay Stock Exchange & Calcutta Stock Exchange. To augment its long term working capital requirements, maintenance capex, investments and other general corporate purposes, the Board at its meeting held on June 9, 2015 considered and approved a preferential issue of Warrants.

Presently, the authorized share capital of your Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each. The issue of Warrants as aforesaid would require increase in the authorized capital of the Company to Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten only) each and consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

As aforesaid it is, proposed to raise further capital by way of a preferential issue of Warrants as per Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as per Section 62 and other applicable provisions of the Companies Act, 2013.

Section 62 of the Companies Act, 2013, provides, inter alia, that such Warrants may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in General Meeting.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue in accordance with the normal practice, (b) powers to issue and market any securities; and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals 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.

The Warrants of the Company to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue.

The Board believes that the preferential offer to subscribers as mentioned in the below disclosure will be in the best interest of the Company and its Members.

As required under Rule 13 (2) (d) of the (Share Capital and Debentures) Rules, 2014 of Companies Act 2013 and regulation 73(1) & (2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the other required details are furnished as under.

1) Objects of the preferential issue:

To augment its long term working capital requirements, maintenance capex, investments and other general corporate purposes.

2) Intention of the Promoters / Directors / Key management persons to subscribe to the offer:

None of the current Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential offer.

3) Relevant date with reference to which the price has been arrived at:

The "Relevant Date" in terms of the ICDR Regulations for determination of minimum price is June 22, 2015, being a date which is 30 (Thirty) days prior to the date when the results of this postal ballot are likely to be announced, i.e. July 23, 2015.

4) Terms of Issue of Warrants :

- a) The proposed allottees of Warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the price fixed per Warrant in terms of the Chapter VII of SEBI ICDR Regulations, 2009.
- b) The holders of each Warrant shall be entitled to apply for and obtain allotment of one equity share of the face value of Rs. 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of eighteen month(s) from the date of allotment, in one or more tranches. At the time of the exercise of entitlement, the Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants being so exercised to the Company, simultaneously with the allotment of equity shares of the Company pursuant to such exercise. The amount so paid will be adjusted/ set-off against the issue price of the resultant shares.
- c) In the event of entitlement attached to Warrants to subscribe for Equity Shares is not exercised within the period as mentioned above, the same shall lapse and the amount paid on the Warrants shall stand forfeited.
- d) Upon receipt of the requisite payment of the remaining 75% of the consideration payable in respect of the Warrants as above, the Board (or a Committee thereof) shall allot one Equity Share per warrant by appropriating Rs.10/- towards equity share capital and the balance amount paid against each warrant, towards the securities premium.
- e) The warrant holders shall also be entitled to any future issue of bonus / rights, if any, of Equity Shares or warrants convertible into Equity Shares or such other securities by the Company, in the same proportion and manner as any other shareholders of the Company for the time being and the Company shall reserve proportion of such entitlement for the warrant holders.
- f) The warrant by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.
- g) The Equity Shares to be issued and allotted by the Company on exercise of the Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the then existing Equity Shares of the Company and be listed on stock exchanges where the Equity Shares of the Company are listed.

5) Lock in period:

The equity shares arising out of the exercise of the right attached to the Warrants allotted on a preferential basis to the proposed allottees shall be subject to the Lock-in periods as applicable in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

6) The class or classes of subscribers to whom the Warrants is proposed to be issued:

The allotment is proposed to be made to the Proposed Allottees as mentioned at point no.(8) below

7) Under subscription if any:

Any of the Warrants issue as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/ investor, on the same terms and conditions.

8) The Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees is as follows:

Sr No	Name of the Proposed Allottee (s)	Natural person who ultimately controls the Proposed Allottee(s)	Maximum no. of equity shares	Value in Rs. (Approx.)	Pre-Issue shareholding		Post-Issue shareholding	
					No. of shares	%	No. of shares	%
1	Gautam Ashra	--N.a--	937500	Will be as per the price determined as on Relevant Date in accordance with the ICDR Regulations and applicable law	31275	0.14%	968775	2.58%
2	Shibroor N Kamath	--N.a--	937500		1513	0.01%	939013	2.50%
3	Pinky Punamiya	--N.a--	100000		33450	0.15%	133450	0.36%
4	Dhanpat M Kothari	--N.a--	100000		0	0.00%	100000	0.27%
5	Deepashree Vemuri	--N.a--	1000000		0	0.00%	1000000	2.67%
6	Kishore Sethiya	--N.a--	100000		0	0.00%	100000	0.27%
7	Neel Sethiya	--N.a--	100000		0	0.00%	100000	0.27%
8	Mahendra G Mehta HUF	Mahendra G Mehta	100000		0	0.00%	100000	0.27%
9	Sanjay Punamiya	--N.a--	100000		14047	0.06%	114047	0.30%
10	Rakhi M Mehta	--N.a--	100000		0	0.00%	100000	0.27%
11	Jayantilal G Mehta HUF	Jayantilal G Mehta	100000		0	0.00%	100000	0.27%
12	Jayantilal G Mehta	--N.a--	125000		0	0.00%	125000	0.33%
13	Meena J Mehta	--N.a--	100000		0	0.00%	100000	0.27%
14	Ramesh G Mehta	--N.a--	400000		0	0.00%	400000	1.07%
15	Seema R Mehta	--N.a--	300000		0	0.00%	300000	0.80%
16	Meeta P Jain	--N.a--	100000		1000	0.00%	101000	0.27%
17	Madanlal Suthar	--N.a--	100000		0	0.00%	100000	0.27%
18	Indarjit S Chauhan	--N.a--	100000		0	0.00%	100000	0.27%
19	Sushma Punamiya	--N.a--	100000		14000	0.06%	114000	0.30%
20	Nikhilesh Traders LLP	Rajesh R Kanse & Nutan D Chedda	1600000		0	0.00%	1600000	4.27%
21	Kabeelon Sales Corp LLP	Paresh R Gharat & Ajay M Shah	1200000		0	0.00%	1200000	3.20%
22	Picasu Synthetics LLP	Mahadev P Gaikwad & Arvind Solkar	1500000		0	0.00%	1500000	4.00%
23	Zahera Traders LLP	Shyam S Kadam & Naresh S Rao	1500000		0	0.00%	1500000	4.00%
24	Arman Multi Tradesales LLP	Mahesh H Jogadia & Shridhar K Sudarshan	1500000		0	0.00%	1500000	4.00%
25	Harpreet Commosales LLP	Nathuram T Palkar & Nikhil P Pednekar	1400000		0	0.00%	1400000	3.73%
26	Bhagyashri Commosales LLP	Sajid N Sayed & Rakesh G Naik	1300000		0	0.00%	1300000	3.47%

9) Proposed time within which the allotment shall be completed

The Company will issue and allot equity shares to Proposed Allottees within the time limit specified under the ICDR Regulations or any longer time limit as may be permitted under the ICDR Regulations.

10) The change in control, if any, in the Company that would occur consequent to the preferential offer:

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. Certain unanimous vote items will require consent of both the current Promoters and the Proposed Allottees.

11) Shareholding Pattern before and after the issue

The Figures in the following Table are as on June 5, 2015 and excludes subsequent transfers and allotments

Particulars	Pre offer Shareholding	%	Preferential Offer	Post offer Shareholding	%
I. Promoter and Promoters Group					
Arch Pharmalabs Ltd.	10709100	47.60%	0	10709100	28.56%
SUB TOTAL (I)	10709100	47.60%	0	10709100	28.56%
II. Non Promoters					
a. Mutual funds	0	0.00%	0	0	0.00%
b. Banks	157600	0.70%	0	157600	0.42%
c. Corporate Bodies	3811068	16.94%	0	3811068	10.16%
d. NRI	116981	0.52%	0	116981	0.31%
e. FII	0	0.00%	0	0	0.00%
f. Foreign companies	0	0.00%	0	0	0.00%
g. Public including Clearing Members, Limited Liability Partnership and Trust	7705251	34.25%	15000000	22705251	60.55%
SUB TOTAL (II)	11790900	52.40%	15000000	26790900	71.44%
TOTAL (I +II)	22500000	100.00%	15000000	37500000	100.00%

The voting rights will change in tandem with the change in shareholding pattern.

(ii) The figures shown in the above table assumes the following:

- all the "Investors" or the "Proposed Allottees" subscribers to the respective Warrants against their names.
- assuming full conversion of Warrants being issued
- The holdings of other shareholders do not change.

12) Auditor's Certificate

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of ICDR Regulations shall be made available for inspection at the corporate office of the Company on or after June 9, 2015 between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of the Postal Ballot.

13) Undertaking

The Board of Directors of the Company undertake that there is no need for the Company to re-compute the price of the specified securities in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The proposed allotment of the Warrant on a preferential basis, if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 the Company is taking necessary steps to obtain the requisite approvals from the regulatory authorities, as may be applicable, for the proposed investment. There has not been any other preferential allotment of shares made during the year.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item No. 1, 2 and 3 of the Notice.

Item no. 4

The Company is engaged in the business of manufacturing pharmaceuticals products. In order to further strengthen the business and visibility in the minds of the consumers, it is proposed to change the name of the Company to "Avon Lifesciences Limited".

The Company has applied to the Registrar of Companies, Hyderabad confirming the availability of the new name. The Companies Act, 2013 requires the Company to obtain the approval of members by way of Special Resolution for the alteration of the Memorandum of Association of the Company in respect of change of name and consequential alteration in the Articles of Association.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item No. 4 of the Notice.

Item no. 5

The existing Articles of Association (AOA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AOA contain special Sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (MCA) has notified 98 Sections and on March 26, 2014, MCA has notified most of the remaining Sections barring few provisions. However substantive Sections of the said Act which deal with the general working of the Companies stand notified.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly alter the existing articles of AOA by new Articles.

The new altered AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by Shares.

The Proposed new altered AOA shall be open for inspection at the Registered Office of the Company on all working days.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item No. 5 of the Notice.

Item no. 6

The Company was incorporated under the provisions of Companies Act, 1956 in the erstwhile State of Andhra Pradesh. As per Clause II of the Memorandum of Association, presently, the Registered Office of the Company is situated in the State of Telangana (erstwhile Andhra Pradesh).

The shifting of Registered Office from Sadasivpet in Telangana (erstwhile Andhra Pradesh) to Solapur in Maharashtra will enable the company to handle its business activities more efficiently and run its business more economically and conveniently, as the management of the Company is based at Maharashtra. The shifting of the Registered Office as aforesaid is in the best interests of the company, its shareholders and all concerned. The proposed shifting will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

In terms of the provisions of Section 12, 13, 110 of the Companies Act 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules 2014, shifting of the Registered Office from one State to another and alteration of Clause II of the Memorandum of Association requires the approval of Members by way of Special Resolution by Postal Ballot and further requires approval by Central Government.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item No. 6 of the Notice.

AVON ORGANICS LTD

CIN: L24110TG1993PLC016112

Regd. Off. : Survey No.18, Yawapur Village, Sadasivpet Mandal, Medak Dist Rict, Andhra Padesh - 502 291.

Website : www. avonorganicsltd.com • E-mail: cs_1@avonorganicsltd.com

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

Serial No. :

1. Name and Registered Address of the sole / first named Shareholder :
2. Name(s) of Joint-Holder(s), if any (in block letters) :
3. Registered Folio No./DP ID No./Client ID No. (applicable to shareholders holding shares in Dematerialised Form) :
4. Number of equity shares held :

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the Notice of Postal Ballot dated June 9, 2015 issued by the Company by sending my/our assent / dissent to the said Special Resolution by placing the tick mark (✓) in the appropriate column below:

Sr. No.	Description of Resolution	No. of Shares	I/We assent to the resolution (For) *	I/We dissent to the resolution (Against) *
Special Business				
1.	Increase in the authorized share capital of the Company to Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten only) each			
2.	Alteration of the Capital Clause of the Memorandum of Association			
3.	To create, offer, issue and allot from time to time, in one or more tranches, not exceeding 1,50,00,000 (One Crore Fifty Lacs) Warrants on preferential basis			
4.	Change in the Name of the Company from "Avon Organics Limited" to "Avon Lifesciences Limited" and alteration of Clause I of MOA			
5.	Adopt New Articles of Association of the Company Containing Regulations in conformity with the Companies Act, 2013			
6.	Shifting of Registered Office of the Company from Sadasivpet, State of Telangana to Solapur, State of Maharashtra			

* Please put a tick mark (✓) in appropriate column against the resolution indicated above.

Place :

Date:

Signature of Member

.....X.....X.....X.....X.....X.....

The Company is pleased to offer all its Members, e-voting facility as an alternative mode for casting their votes electronically, instead of sending the postal ballot forms to the Scrutinizer. However, e-voting is optional.

Electronic Voting Particulars

EVEN (E- Voting Event Number)	USER ID	PASSWORD

The Postal Ballot Form shall reach the Scrutinizer on or before the close of working hours i.e. 5.00 p.m. on July 21, 2015. Please note that any Postal Ballot Form(s) received after that date will be treated as not having been received.

Note: Please read the instructions printed overleaf carefully before exercising the vote.

INSTRUCTIONS FOR VOTING

Kindly note that each Equity Shareholder can opt for only one mode for voting i.e. either by Physical Ballot or by e-voting. If you opt for e-voting, then please do not vote by Physical Ballot and vice versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.

VOTING THROUGH POSTAL BALLOT

The detailed procedure is as under:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Ms. Ashwini Rajeshirke, Company Secretary in Practice, at H Wing, 4th Floor, Tex Centre, Narayan Properties, Chandivali, Off. Saki Vihar Road, Andheri (East) Mumbai 400 072. Envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post will be accepted.
2. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (5.00 p.m.) on July 21, 2015. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
4. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholders as on June 5, 2015.
5. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.
6. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 3 & 5 above) along with the Postal Ballot Form, envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
7. The exercise of vote by Postal Ballot is not permitted through proxy.
8. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of Joint Member(s).
9. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
10. A Shareholder need not use all the votes nor does he need to cast all the votes in the same way.
11. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
12. The Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

VOTING IN ELECTRONIC FORM (E-VOTING):

In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

For this purpose, necessary arrangements have been made with National Securities Depository Limited ("NSDL") to facilitate e-Voting. The instructions for e-Voting are as under:

- a) In case of members receiving an e-mail from NSDL
 - i) Open e-mail and open PDF file viz.; "Avon Organics e-Voting services" 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) If you are already registered with NSDL for e-Voting, then you can use your existing user ID and password for casting your vote.
 - v) If you are logging for the first time, please enter the user ID and password provided in the PDF file attached with the email as initial password.

- vi The password change menu appears on your screen. 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.
 - vii Once the e-Voting Home page opens, click on e-Voting> Active Voting Cycles.
 - viii Select Electronic Voting Event Number ("EVEN") of Avon Organics Ltd as given in the body of email. Now you are ready for e-Voting as Cast Vote page opens.
 - ix Cast your vote(s) by selecting appropriate options and click on "Submit" and also "Confirm" when prompted.
 - x Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi Once the votes on the resolutions are cast, the member shall not be allowed to change these subsequently
 - 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 at cs_1@avonorganicsltd.com with a copy marked to evoting@nsdl.co.in
 - xiii 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
 - xiv 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).
- b) In case of members receiving physical copies of the Notice of Postal Ballot:
- i Initial password, along with User ID and Electronic Voting Event Number ("EVEN") is provided at the bottom of Postal Ballot Form.
 - ii Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, to cast vote.
- c) As per the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the members through electronic transmission. Notices of Postal Ballot and Forms are being sent electronically to all the members whose e-mail IDs are registered with the Company/Depository Participants(s). In respect of others, these documents are being sent by permitted mode.
- d) Members who have received Notice of Postal Ballot by e-mail and who wish to vote through Physical Postal Ballot Form can seek Duplicate Postal Ballot Form from the Company, and fill in the details and send the same to the Scrutinizer.
- e) The Notice is being sent to all the members of the Company whose names appear in the Register of Members/ Record of Depositories as on June 5, 2015 (cut off date). Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on the cut off date.
- f) The voting period commences on Monday, June 22, 2015 (9.00 a.m.) and ends on Tuesday, July 21, 2015 (5.00 p.m.). The e-Voting module shall be disabled by NSDL for voting thereafter.