

# Avanti Leathers Limited

Regd. Office: Avanti, Kambakkam Village, Varadayapalem Mandal, Chittoor Dist. 517 541. (A.P.)

## NOTICE OF POSTAL BALLOT

To

The Member(s) of the Company

Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001

NOTICE IS HEREBY GIVEN pursuant to Section 192A (2) of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 that the following resolution relating to the sale of Machinery and Furniture & Fittings at 'Shoe Upper and Full Shoe Units' of the Company at Avanti Factory, on a 'Slump Sale basis' and on an as-is-where-is basis is proposed to be passed by Postal Ballot.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia that the Board of Directors of public company shall not, without the consent of the members of the Company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking. Though the sale of Machinery has not been covered under the item requiring postal ballot the approval is sought by postal ballot as a matter of abundant caution.

The members are requested to authorise the Board with the requisite authority under section 293(1) (a) of the Companies Act, 1956 to sell and to transfer the Machinery and Furniture & Fittings at 'Shoe Upper and Full Shoe Units' of the Company.

As the consent of the members to the resolution is required to be obtained by means of a Postal Ballot, it is being sent to you with the explanatory statement for your consideration along with a Postal Ballot Form.

The Board of Directors has appointed Mr. S. Badrinath, Chartered Accountant, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You 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 postage pre-paid envelope so as to reach the said Scrutinizer on or before 11<sup>th</sup> October 2011.

The Scrutinizer will submit his report to the Managing Director after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballots will be announced at the Registered Office of the Company situated at Avanti, Kambakkam Village, Varadayapalem Mandal, Chittoor Dist. 517541, Andhra Pradesh on Thursday the 13<sup>th</sup> Day of October 2011.

Additionally, the results will be put up on the Company's website [www.avantileathers.com](http://www.avantileathers.com).

### **Resolution put through Postal Ballot**

To consider and, if thought fit, to give assent dissent to the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (the Board) to sell, lease or otherwise dispose of at such consideration and with effect from such date as the Board may think fit, the Machinery and Furniture & Fittings at "Shoe Upper and Full Shoe units" of the Company at Avanti, Kambakkam Village, Varadayapalem Mandal, Chittoor Dist. 517 541, Andhra Pradesh engaged for manufacture of shoe upper and Full Shoes.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalizing the terms and conditions, the power to delegate, to give effect to this Resolution."

By order of the Board of Directors

Place: Chennai

Date: 30<sup>th</sup> August 2011

**VIJAY KUMAR KOGANTI**  
**MANAGING DIRECTOR**

**Notes:**

1. Explanatory Statement and reasons for the proposed resolution, pursuant to section 173(2) read with section 192A(2) of the Companies Act, 1956 are annexed to the notice.
2. The Company has appointed Mr. S. Badrinath, Chartered Accountant as scrutinizer for the purpose of postal ballot exercise.
3. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the company in the attached self-addressed envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted. No other form or photocopy of the postal ballot form will be permitted.
4. All documents referred to in this notice and accompanying explanatory statement are open for inspection at the Registered office of the company on all working days except holidays between 11.00 a.m. to 1.00 p.m. upto the date of declaration of results of postal ballot.
5. Members are requested to carefully read the instructions contained in the postal ballot form before exercising their vote.
6. A Member entitled to vote is entitled to fill in the postal ballot form and send it to the scrutinizer, and that any recipient of the notice who has no voting rights should treat the notice as an intimation only.

**EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A (2) OF THE COMPANIES ACT, 1956**

The Board of Directors at its Meeting held on 30<sup>th</sup> August, 2011, has approved, subject to your approval, the sale, lease or otherwise disposal of the Machinery and Furniture & Fittings at Shoe Upper and Full Shoe Units at Avanti engaged in the manufacture of Shoe upper and Full shoes.

Pursuant to the provisions of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the sale, transfer or disposal of an undertaking requires the approval of the Members by an Ordinary Resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing the Ordinary Resolution as set out in the above Notice.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence commends the Resolution for your approval.

None of the Directors is concerned or interested in the said Resolution except to the extent of shares held by them in the Company.

By order of the Board of Directors

Place: Chennai  
Date: 30<sup>th</sup> August 2011

**VIJAY KUMAR KOGANTI**  
**MANAGING DIRECTOR**

**Notes:**

- (1) Shareholders who wish to be present at the time of declaration of the result may do so.
- (2) Only a shareholder entitled to vote is entitled to exercise his vote through Postal Ballot and a shareholder having no voting rights should treat this Notice as intimation only.