

Contents

Particulars	Page No.
1. Corporate Information	1
2. Notice	2
3. Director's Report	8
4. Annexure to Director's Report	12
5. Details of Directors Seeking Appointment/Reappointment	14
6. Secretarial Audit Report	15
7. Extract of Annual Return	18
8. Management Discussion & Analysis Report	25
9. Report on Corporate Governance	27
10. Auditor's Report	37
11. Annexure to Auditor's Report	39
12. Balance Sheet	41
13. Statement of Profit and Loss Account	42
14. Notes to Financial Statement	43
15. Notes to Accounts	49
16. Cash Flow Statement	53
17. Proxy Form	55
18. Attendance Slip	56
19. Assent/Dissent Form for voting on AGM Resolutions	57

**AVON LIFESCIENCES LIMITED**

(Formerly Avon Organics Ltd)
CIN: L24110TG1993PLC016112

Corporate Information**Board of Directors**

Mr. Ajit Kamath
Mr. Manoj Jain
Mr. Rajendra Kaimal

Independent Directors

Dr. Sunil Pitroda
Ms. Zeenat Pathan
Ms. Komal Jajodia

Company Secretary

Mr. Jignesh Patel

Registered Office

Survey No. 18, Yawapur Village, Sadasivpet Mandal,
Medak Dist., Telangana - 502 291.

Corporate Office

H Wing, 4th Floor, Tex Centre, Off Saki Vihar Road, Chandivali,
Andheri (East), Mumbai -400072
Phone: 022-28037777
Fax: 022-285575852

Statutory Auditors

M/s. Mukesh Mehta & Associates,
Chartered Accountants,
320, Hammersmith Ind. Premises, Narayan Pathare Marg,
Off Sitladevi Temple Road, Mahim (W), Mumbai - 400 016

Manufacturing Facilities

1. Plot No. E-2, Chincholi Industrial Area Solapur, Maharashtra
2. Survey No. 18, Yawapur Village, Sadasivpet Mandal,
Medak Dist., Telangana - 502 291. (Non-operational)

Bankers

State Bank of India
Axis Bank Limited
Punjab National Bank
Indian Overseas Bank
Karur Vysya Bank

Registrars & Share Transfer Agents

XL Softech Limited, 3, Sagar Society,
Road No. 2, Banjara Hills, Hyderabad-500 034.
Phone no.:040-23545913 /14 / 15.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of Avon Lifesciences Limited (formerly known as Avon Organics Ltd) will be held on Wednesday, 30th day of September, 2015 at 10 a.m. at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad - 500033, Telangana, to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
- To appoint a Director in place of Mr. Ajit Kamath (DIN: 00032799), who retires by rotation and is eligible for re-appointment.
- To appoint a Director in place of Mr. Rajendra Kaimal (DIN: 00032839), who retires by rotation and is eligible for re-appointment.
- Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Mukesh Mehta & Associates, Chartered Accountants (Registration No. 116309W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-third AGM of the Company to be held in the year 2016 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

- Appointment of Ms. Zeenat Pathan (DIN: 07153363) as an Independent Director & Designated as Woman Director.**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Zeenat Pathan (DIN: 07153363), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 09th April, 2015, in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 08th April, 2020."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director of the Company be and is hereby severally authorized to do all such acts, deeds and things as it may be deemed necessary in this regard, including filing of necessary statutory forms with Registrar of Companies, Ministry of Corporate Affairs, as may be required from time to time".

- Appointment of Ms. Komal Jajodia (DIN: 05186391) as an Independent Director.**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Komal Jajodia (DIN: 05186391), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 06th May, 2015, in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 05th May, 2020."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director of the Company be and is hereby severally authorized to do all such acts, deeds and things as it may be deemed necessary in this regard, including filing of necessary statutory forms with Registrar of Companies, Ministry of Corporate Affairs, as may be required from time to time".

- Re-Designate Mr. Manoj Jain as Whole-time Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-designate Mr. Manoj Jain, as Whole-time Director of the Company with effect from August 05, 2015 to August 04, 2020, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Manoj Jain.

RESOLVED FURTHER THAT the remuneration payable to Mr. Manoj Jain, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

8. Ratification for the relevant date mentioned in notice of postal ballot dated June 09, 2015

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Relevant Date as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 was erroneously mentioned as 22-June-2015 in the Notice of Postal ballot of the Company dated June 9, 2015, which is be and now hereby ratified as 23-June-2015.

RESOLVED FURTHER THAT the Board of the Company be and are hereby authorized the mention correct relevant date with effect from June 9, 2015 on all the filings, Documents in connection with the issue of warrants of the Company.

**By Order of the Board
For Avon Lifesciences Limited
(Formerly known as Avon Organics Ltd)
Sd/-**

**Jignesh Patel
Company Secretary**

**Place: Mumbai
Date: 04.09.2015**

NOTES

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors, are also annexed.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Corporate Office situated at 4th Floor, H Wing, Tex Centre, Chandivali, off. Saki Vihar Road, Andheri (E), Mumbai 400 072 not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.
Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company

reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

6. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
7. The Register of Members and the Transfer Books of the Company will remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015, both days inclusive.
8. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
10. Voting through Electronic Means
 - I. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice.
 - II. Mr. Aashit Doshi, Company Secretary in Practice (Membership No. 28415, Certificate of Practice No. 10190), Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Physical Assent/ Dissent Form received from Members who do not have access to e-voting) in fair and transparent manner.
 - III. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
 - IV. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - V. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
 - VI. In case of those members who do not have access to e-voting facility, they can use the assent/dissent form sent herewith and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the form in a sealed envelope to reach Mr. Aashit Doshi, Scrutinizer appointed by the Company at the Corporate Office of the Company at 4th Floor, H Wing, Tex Centre, Chandivali, off. Saki Vihar Road, Andheri (E), Mumbai 400 072 on or before Tuesday, 29th September, 2015 at (05.00 P.M.).
 - VII. Members who have not registered their e-mail addresses, so far are requested to register their e-mail addresses with the Depository. Members who hold shares in physical form are requested to register their e-mail addresses with the Registrar & Share Transfer Agent (RTA), M/s. XL Softech Systems Limited, 3, Sagar Society, Rd No.2, Banjara Hills, Hyderabad- 500034, Telangana.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on September 27, 2015 at 9.00am and ends on September 29, 2015 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier

voting of any company, then your existing password is to be used.

- VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- VIII. After entering these details appropriately, click on "SUBMIT" tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant AVON ORGANICS LTD (AVON LIFESCIENCES LIMITED) on which you choose to vote.
- XII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVII. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XIX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Mukesh Mehta & Associates, Chartered Accountants (Registration No. 116309W), were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on December 30, 2014. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 4 of the Notice.

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item No. 5

The Board of Directors of the Company appointed Ms. Zeenat Pathan (DIN: 07153363), as an Additional Director of the Company, in the category of Independent Directors. As per the provisions of Section 161(1) of the Act, she holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

Ms. Zeenat Pathan has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

The Company has received a notice under Section 160 of the Act proposing her candidature for the office of Director of the Company, along with the requisite deposit. It proposed to appoint her as an Independent Director of the Company to hold office for five consecutive years for a term up to 08th April, 2020.

Board recommends the resolution for the approval of members as Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Ms. Zeenat Pathan (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution

Item No. 6

The Board of Directors of the Company appointed Ms. Komal Jajodia (DIN: 05186391), as an Additional Director of the Company, in the category of Independent Directors. As per the provisions of Section 161(1) of the Act, she holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

Ms. Komal Jajodia has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

The Company has received a notice under Section 160 of the Act proposing her candidature for the office of Director of the Company, along with the requisite deposit. It proposed to appoint her as an Independent Director of the Company to hold office for five consecutive years for a term up to 05th May, 2020.

Board recommends the resolution for the approval of members as Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Ms. Komal Jajodia (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution

Item No. 7

Pursuant to the recommendation of the Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on August 5, 2015 approved to re-designate Mr. Manoj Jain as Whole Time Director in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Manoj Jain (at inadequate profits with the Company) and the terms and conditions of the appointment are given below:

- a) **Period of Appointment** : 5 (Five) years effective from August 05, 2015 upto August 04, 2020
- b) **Remuneration** : Rs. 1,50,000/-p.m.

with authority to the Board/ Nomination and Compensation Committee constituted by the Board to re-fix his salary from time to time within the aforesaid period, keeping into view his performance and the ceilings, if any, fixed by statute, subject to Shareholders' approval after such enhancement /re-fixation by the board.

The following perquisites are included in the abovementioned salary:

- a) Medical reimbursement: Actual expenses incurred for self.
- b) Contribution to Provident Fund, Superannuation fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Gratuity payable shall be calculated as per the provisions of Gratuity Act, 1972.
- d) Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for this appointment.

Notice has been received from member signifying their intention to propose appointment of Mr. Manoj Jain as Whole Time Director of the Company along with a deposit of Rs. 1,00,000.

Mr. Manoj Jain may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

**By Order of the Board
For Avon Lifesciences Limited
(Formerly known as Avon Organics Ltd)
Sd/-**

Jignesh Patel

Company Secretary

**Place: Mumbai
Date: 04.09.2015**

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their report on the business operations and accounts of the Company for the Year ended 31st March, 2015 along with 22nd Annual Report.

FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY

(Amt Rs in Lacs)

Particulars for Year ended 31st March	2015	2014
Total Income	2,911.48	5,707.04
EBITDA	(939.77)	(427.05)
Profit/ (Loss) before Tax	(3,279.36)	(3,202.91)
Profit/ (Loss) after Tax	(3,025.60)	(3,257.34)
Earnings / (Loss) Per Share (EPS)	(13.48)	(14.48)

DIVIDEND

In view of loss incurred during the year under review, your Directors do not recommend any dividend on Equity Shares.

OPERATIONAL REVIEW

The Company's performance deteriorated owing to sluggish external factors and various issues at the customers end beyond the control of the Management. The Total income was down from Rs. 5707.04 Lacs to Rs. 2911.48 Lacs during the period of review.

Accordingly due to above factors the Loss after Tax Stood at Rs. 3025.65 Lacs as against Rs. 3257.34 Lacs during the last financial period of review.

The Company continues to operate only in one segment i.e. pharmaceuticals and there is no change in the nature of business of the Company.

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this report.

No significant or material orders passed or have been passed against the Company by the regulators, courts, or tribunals, which impacts the going concern status and Company's operations in future.

SHARE CAPITAL

During the year under review, there was no change in the share capital structure and the paid up capital of the Company as on 31st March, 2015 stood at Rs. 2,250.00 Lacs

UPDATES

The Company on August 12, 2015 has allotted 1,05,00,000 (One Crore Five Lacs) Warrants convertible into equal number of equity shares of Rs.10/- each at an issue price of Rs.26/- each (including premium of Rs.16/- each) on preferential basis to non promoters, pursuant to Special Resolution passed through Postal Ballot and in compliance with various laws applicable for such Preferential issue.

Pursuant to the Special Resolution passed through Postal Ballot and the approval received from the Ministry of Corporate Affairs through the Registrar of Companies, Hyderabad, the name of Company has been changed from AVON ORGANICS LIMITED to "AVON LIFESCIENCES LIMITED" w.e.f. August 14, 2015.

The Management believes that the business potential and fundamentals of the Company remains robust. The Management is diligently pursuing every opportunity to recover from the losses incurred and is confident of better times ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis forms part of this annual report, which is given elsewhere in the Report.

DIRECTORS

a. Board of Directors

Mr. Ajit Kamath (DIN: 00032799), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Rajendra Kaimal (DIN: 00032839), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms. Zeenat Pathan (DIN: 07153363), was appointed as an Additional Director (Woman Director) on the Board of the Company, in the category of Non –Executive, Independent Director. Pursuant to Section 161(1) of the Companies Act, 2013, Ms. Zeenat Pathan holds office till the date of this Annual General Meeting and it is proposed to appoint her as Non –Executive, Independent Director of the Company for the period of 5 years for a term up to April 08, 2020.

Ms. Komal Jajodia (DIN: 05186391), was appointed as an Additional Director on the Board of the Company, in the category of Non –Executive, Independent Director. Pursuant to Section 161(1) of the Companies Act, 2013, Ms. Zeenat Pathan holds office till the date of this Annual General Meeting and it is proposed to appoint her as Non –Executive, Independent Director of the Company for the period of 5 years for a term up to May 05, 2020.

Brief profiles of the abovementioned Directors are included in a separate "Annexure B" after the Notice, forming part of this Annual Report.

b. Board meetings

During the year, 10 Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report. Board meeting dates are finalised in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. The Board is also apprised of updates, important developments in industry, segments, business operations, marketing, products etc.

c. Independent Director's familiarisation Programme

As required by the Listing Agreement, the Company has in place director's familiarization programme for Independent Directors in order to familiarise them with business model, management structure, Industry overview, manufacturing operations, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc.

d. Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Remuneration and Nomination Committee has laid down the criteria for performance evaluation of Board of Directors (Including Independent Directors), Key Managerial Personnel (KMPs) and Committees of the Board on the basis of which they have been evaluated.

e. Policy on appointment and remuneration of Directors

The Company has formulated criteria for determining Qualifications, Abilities, Experience and Independence of a Director as also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

AUDITORS

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Mukesh Mehta & Associates, Chartered Accountants (Registration No. 116309W), were appointed as statutory auditors of the Company from the conclusion of the twenty-first annual general meeting (AGM) of the Company held on December 30, 2014 till the conclusion of the twenty-fourth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

b. Statutory Auditors Report

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

a. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Company has appointed Ms. Ashwini Rajeshirke, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure C".

INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Audit Committee formulates the scope, functioning, periodicity and methodology for conducting the audit.

The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

VIGIL MECHANISM

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns and irregularities, if any in the Company, noticed by them. The same is reviewed by the Audit Committee from time to time.

RISK MANAGEMENT POLICY

During the year, your Directors have constituted a Risk Management Committee and has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company other than sitting fees payable (if any) to them.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

Information on particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is reported to be nil as there are no employees who are in receipt of remuneration above the prescribed limit.

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of Sub - Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable as the Directors did not draw and remuneration from the Company for the Financial Year 2014-15 and The Board of Directors appointed Mr. Jignesh Patel as Company Secretary during the financial year 2014-15 only.

RECONCILIATION OF SHARE CAPITAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit has been carried out at the specified period, by a Practicing Company Secretary.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of section 135 of the Act, read with CSR Rules, a CSR committee of the Company is in the process of formulating appropriate CSR policy. However due to losses incurred by the Company in this and previous financial year the Company did not undertake any CSR activity.

DEPOSITS

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure D".

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm:

- a. that in the preparation of the annual accounts for the year ended 31st March 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and of the profit of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts/financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 of the Act, read with the Companies (Accounts) Rules, 2014 is given as "Annexure A" and forms part of this report.

CORPORATE GOVERNANCE

Report on Corporate Governance is given elsewhere in this Annual Report. Certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is also appended to the report on Corporate Governance.

GRATITUDE & ACKNOWLEDGMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Avon Lifesciences Limited
(formerly known as Avon Organics Ltd)

Ajit Kamath

Chairman

DIN: 00032799

Date: 04.09.2015

Place: Mumbai

Annexure A - TO THE DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. Conservation of Energy :

- Energy Conservation Measures taken: The Company is engaged in continuous process of energy conservation through improved operational and maintenance practices. The Company is also undertaking feasibility study for using LED lights at work place.
- Total energy consumption per unit of Production: Details are furnished in Form A

FORM A

Form for disclosure of particulars with respect to conservation of energy.

Year ended 31st March	2015	2014
Electricity		
(i) Power and fuel consumption Electricity (a) Purchased Unit (KWH)	120,760.00 KWH	448,720.00 KWH
TOTAL Amount (Rs)	1,050,714.00	4,585,423.00
Rate/Unit (KWH) (Rs)	8.70	10.21
Diesel		
(b) Own generation Unit (KWH)	1185 KWH	2202 KWH
Cost / Unit (KWH) (Rs)	24.08	23.24
TOTAL Amount (Rs)	28534.05	51174.90
Coal		
(b) Own generation Unit (KWH)	-	-
Unit per Ltr. of Diesel Oil (KWH)	-	-
Cost / Unit (KWH) (Rs)	-	-

B. Technology absorption : Details are furnished in Form B

FORM B**I RESEARCH AND DEVELOPMENT :**

- Specific areas in which R & D was carried out.
The Company continued its research on CEFDINIR intermediate, which is ready to be implemented at the plant for commercial quantities.
- Benefits derived from above R & D.
There would be considerable cost advantage on the manufacture of CEFDINIR intermediate in commercial quantities.
- Future plan of action.
To achieve increased production of DEAA (Diethyl aceto acetamide) and CEFDINIR intermediate and to evaluate possibilities of adding products.
- Expenditure on R & D :

Particulars	Amount (Rs in Lacs)
Capital Expenditure	NIL
Recurring Expenditure	NIL
TOTAL	NIL
Total R&D expenditure as a percentage of total turnover	NIL

II TECHNOLOGY ABSORPTION :

- Efforts in brief made towards technology absorption : Consistent efforts made towards achieving the required quality of Pseudoephedrine Hydrochloride.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. : Cost reduction in Pseudoephedrine Hydrochloride.
- In case of imported technology (import during the last 5 years reckoned from the beginning of the year); following information may be furnished
 - Technology imported : Nil
 - Year of import : Not Applicable
 - Has technology been fully absorbed : Not Applicable

C. Foreign Exchange Earnings and Outgo	2014-2015	2013-2014
1. Foreign Exchange Earnings (Rs. In Lacs)	1831.99	198.79
2. Foreign Exchange outgo (Rs. in Lacs)	1168.07	992.53
3. Net Foreign Exchange Earnings (outgo) (Rs. In Lacs)	663.92	(793.74)

Annexure B - Details of Directors seeking appointment/reappointment in forthcoming Annual General Meeting:

Name	Mr. Manoj Jain	Mr. Rajendra Kaimal	Mr. Ajit Kamath	Ms. Zeenat Pathan	Ms. Komal Jajodia
Date of Birth	20.03.1970	23.06.1973	12.12.1969	05.12.1986	31.05.1987
Date of Appointment	31.01.2009	30.05.2013	31.01.2009	09.04.2015	06.05.2015
Nationality	Indian	Indian	Indian	Indian	Indian
Category	Promoter	Promoter	Promoter	Independent & Non Executive Director	Independent & Non Executive Director
Designation	Whole Time Director	Non Executive Director	Chairman & Non Executive Director	Independent & Non Executive Director	Independent & Non Executive Director
Qualification / Expertise in Specific Functional Areas	Mr. Manoj Jain, aged 45 years, holds a Bachelor's Degree in Commerce. He is a Chartered Accountant by qualification and has more than 17 years of experience in the pharmaceutical industry. He oversees the day to day functioning of the company. He is responsible for Accounting, Auditing, Taxation and Formulating of Corporate Policies.	Mr. Rajendra Kaimal, aged 41 years, holds a Bachelors Degree in Commerce from the University of Mumbai. He has completed his Masters in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai and is a Cost Accountant from the Institute of Cost and Works Accountants of India. He has over 14 years of experience in the pharmaceutical industry.	Mr. Ajit Kamath, aged 44 years, holds a Bachelors degree in Commerce from University of Mumbai. He has more than 16 years of experience in the pharmaceutical industry. He has been involved and instrumental in planning and formulating the overall business strategy and developing business relations for our Company.	Ms. Zeenat Pathan, aged 29 years, holds Bachelors Degree in Commerce from the University of Mumbai.	Ms. Komal Jajodia, aged 29 years, holds Masters Degree in Commerce from the University of Mumbai and also a Chartered Accountant (CA). She has good experience in the Taxation and Accounts.
Occupation	Service	Service	Service	Service	Service
Other Directorships/ Directorships held in other companies	<ul style="list-style-type: none"> Arch Pharmalabs Limited Riverside Farmland Private Limited Rivertouch Farmland Private Limited Riverview Realty Private Limited Arch Finechemicals Limited Arch Pharmalabs FZ-LLC(UAE) Regal Pharma Pte. Ltd., (Singapore) 	<ul style="list-style-type: none"> Arch Pharmachem Ltd Arch Impex Private Limited Arch Phamalabs Limited Arch Life Sciences Limited A M R Investments Private Limited Arch Finechemicals Limited Arch Infra Ventures Limited Amra Remedies Limited Arch Agro Industries Private Limited Amra Renal Care Limited Arch Investment Private Limited Arch Herbals Private Limited Arch Pharmalabs FZ-LLC (UAE) 	<ul style="list-style-type: none"> Arch Investment Private Limited Arch Herbals Private Limited Arch Impex Private Limited Arch Pharmachem Ltd Arch Pharmalabs Limited Marm Realty Private Limited Arch Life Sciences Limited A M R Investments Private Limited Arch Finechemicals Limited Arch Infra Ventures Limited Amra Remedies Limited Arch Agro Industries Private Limited Amra Renal Care Limited Regal Pharma Pte. Ltd. (Singapore) Arch Pharmalabs FZ-LLC (UAE) 	N.a	Prime Corporate Management Consulting Private Limited
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL
Relationship between directors inter-se	NIL	NIL	NIL	NIL	NIL

Annexure C - SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Avon Lifesciences Limited

(Formerly known as Avon Organics Limited)

Survey No.18, Yawapur Village, Sadasivpet Mandal,

Medak Dist Rict, Andhra Padesh - 502291.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AVON LIFESCIENCES LIMITED** (Formerly known as AVON ORGANICS LIMITED) (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under; which have been notified and the Companies Act, 1956 (to the extent applicable);
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- Other laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings were yet to be specified under the Act by the Institute during the audit period.
- The Listing Agreements entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- During the audit period, the Company has not submitted the Annual Performance Report (APR) pursuant to Regulation 15 of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004.
- During the audit period under review, the Company is not regular in depositing the undisputed statutory

dues including provident fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs duty, Excise-duty, Service Tax, Cess and any other Statutory dues with appropriate authorities as per the Auditor's report.

3. During the year, the Company has not appointed Woman Director on the Board pursuant to Section 149 of the Companies Act, 2013 and Clause 49 of Listing Agreement. However, on April 9, 2015 Company has appointed Ms. Zeenat Sayeed Pathan as Woman director on the Board.
4. Official Website of Company was not fully functional during the audit period. However, the Company is in process of updating the same.
5. The Company has not complied with the provision of Section 148 of Companies Act, 2013 read with rules framed there under and has not filed FORM-I for filing of Cost Audit Report with Central Government for the year ended March 31, 2014 pursuant to Section 233B of Companies Act, 1956. However the management has assured that all such filings will be done in due course.

I further report that:

The Board of Directors of the Company is duly constituted. However, the during audit period **there were improper balances of Executive Directors, Non-Executive Directors and Independent Directors in the Company**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had the following events in pursuance of the above referred laws, rules, regulations, guidelines etc.:

1. The Board has given approval for Issue of Shares on Preferential basis; to increase Authorised Capital of the Company; Shifting of the registered office of the company through postal ballot process. However, due to some unavoidable reasons the process of Postal Ballot had been postponed by the Company, which was duly intimated to the Exchange.
2. Approval of Shareholders for increase in borrowing limits upto Rs. 1,000 Crore in pursuance to Section 180 (1) (c) of the Companies Act, 2013 read with rules framed there under.
3. Approval of Shareholders for authorizing to mortgage the assets of the Company upto limit of Rs. 1,000 Crore under Section 180(1)(a) of the Act.

Sd/-

Ashwini Rajeshirke
Practising Company Secretary
ACS No.: 26223
C P No.: 9746

Place: Mumbai

Date: 03.09.2015

This Report is to be read with our letter of even date which is annexed as **Annexure 1** and Forms an integral part of this report.

Annexure 1

To,

The Members,

Avon Lifesciences Limited

(Formerly known as Avon Organics Limited)

Survey No.18, Yawapur Village, Sadasivpet Mandal,

Medak Dist Rict, Andhra Padesh - 502291.

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Ashwini Rajeshirke
Practising Company Secretary
ACS No.: 26223
C P No.: 9746

Place: Mumbai

Date: 03.09.2015

Annexure D - FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24110TG1993PLC016112
ii	Registration Date	03-Aug-1993
iii	Name of the Company	AVON LIFESCIENCES LIMITED (formerly Avon Organics Ltd)
iv	Category/Sub-category of the Company	Limited by shares
v	Address of the Registered office & contact details	Survey No. 18, Yawapur, Sadasivpet(M), Medak, Hyderabad, Pin Code: 502291 -022-2803 7777
vi	Whether listed company	Listed on BSE & CSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. Phone : 040 23545913/14/15, Fax: 040 23553214, email: xlfield@gmail.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Pharmaceutical products	21002 & 21005	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARE S HELD	APPLICABL E SECTION
1	ARCH PHARMALABS LIMITED	U24231MH1993PLC150891	ASSOCIATE	48.93%	2(6)
2	REGAL PHARMA PTE. LTD.	201015805N	ASSOCIATE	45.00%	2(6)

IV(i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	No. of Shares	% Of Total Shares
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
b) Central Govt.or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
c) Bodies Corporates	14309100	0	14309100	63.60%	11009100	0	11009100	48.93%	-3300000	-23.06%
d) Bank/Fl	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
SUB TOTAL: (A) (1)	14309100		14309100	63.60%	11009100	0	11009100	48.93%	-3300000	-23.06%
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
d) Banks/Fl	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
e) Any other...	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
SUB TOTAL (A) (2)	0	0	0		0	0	0	0.00%	0	0.00%
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	14309100		14309100	63.60%	11009100	0	11009100	48.93%	-3300000	-23.06%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
b) Banks/Fl	158000	100	158100	0.70%	157500	100	157600	0.70%	-500	-0.32%
c) Central govt	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
SUB TOTAL (B) (1):	158000	100	158100	0.70%	157500	100	157600	0.70%	-500	-0.32%
(2) Non institutions										
a) Bodies corporates										
i) Indian	796655	29501	826156	3.67%	3654426	29501	3683927	16.37%	2857771	345.91%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	3614122	106915	3721037	16.54%	3196234	105815	3302049	14.68%	-418988	-11.26%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	3371770	0	3371770	14.99%	4254313	0	4254313	18.91%	882543	26.17%
Nris	106037	7800	113837	0.51%	85211	7800	93011	0.41%	-20826	-18.29%
c) Others (specify) clearingmem	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
SUB TOTAL (B) (2):	7888584	144216	8032800	35.70%	11190184	143216	11333300	50.37%	3300500	41.09%
Total Public Shareholding (B) = (B) (1) + (B) (2)	8046584	144316	8190900	36.40%	11347684	143216	11490900	51.07%	3300000	40.29%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0	0.00%
Grand Total (A+B+C)	22355684	144316	22500000	100.00%	22356784	143216	22500000	100.00%	0	0.00%

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ARCH PHARMALABS LIMITED	14309100	63.60%	0.00%	11009100	48.93%	0.00%	-23.06%
	Total	14309100	63.60%	0.00%	11009100	48.93%	0.00%	-23.06%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
ARCH PHARMALABS LIMITED				
At the beginning of the year	14309100	63.60%	14309100	63.60%
Market Sale 09-02-2015	923547	4.10%	13385553	59.49%
Market Sale 11-02-2015	685000	3.04%	12700553	56.45%
Market Sale 13-02-2015	341000	1.52%	12359553	54.93%
Market Sale 16-02-2015	400000	1.78%	11959553	53.15%
Market Sale 18-02-2015	200000	0.89%	11759553	52.26%
Market Sale 19-02-2015	140000	0.62%	11619553	51.64%
Market Sale 20-02-2015	100000	0.44%	11519553	51.20%
Market Sale 23-02-2015	100000	0.44%	11419553	50.75%
Market Sale 25-02-2015	150000	0.67%	11269553	50.09%
Market Sale 27-02-2015	135284	0.60%	11134269	49.49%
Market Sale 03-03-2015	125169	0.56%	11009100	48.93%
At the end of the year	11009100	48.93%	11009100	48.93%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI. No	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	APAAR FINANCE AND INVESTMENT LTD	0	0.00%	720000	3.20%
2	BLUE PEACOCK SECURITIES PVT LTD	0	0.00%	654032	2.91%
3	Bishwanath Prasad Agrawal	500000	2.22%	600371	2.67%
4	SHIVAJIRAO S JONDHALE	0	0.00%	400000	1.78%
5	UGRABHAI V PATEL	288000	1.28%	288000	1.28%
6	PNEUMATIC LEASING SERVICES PVT LTD	0	0.00%	244783	1.09%
7	YES EQUITIES PRIVATE LIMITED	0	0.00%	223843	0.99%
8	GULSHAN INVESTMENT COMPANY LTD	0	0.00%	168705	0.75%
9	ANJU GUPTA	0	0.00%	160000	0.71%
10	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CO	157500	0.70%	157500	0.70%

(v) Shareholding of Directors & KMP

SI. No	Particulars	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
2	At the end of the year	0	0	0	0

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1,172,647,224	160,481,607	0	1,333,128,831
ii) Interest due but not paid	36,778,939	0	0	36,778,939
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,209,426,163	160,481,607	0	1,369,907,770
Change in Indebtedness during the financial year				
Additions	54,246,758	0	0	54,246,758
Reduction		0	0	0
Net Change	54,246,758			
Indebtedness at the end of the financial year				
i) Principal Amount	1,142,250,999	160,481,607	0	1,302,732,606
ii) Interest due but not paid	121421922	0	0	121,421,922
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,263,672,921	160,481,607	0	1,424,154,528

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	N.A.	N.A.	N.A.	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL
	Ceiling as per the Act				

(B) Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	Dr. Sunil Pitroda	
	(a) Fee for attending board committee meetings	30,000	NIL
	(b) Commission	NIL	NIL
	(c) Others, please specify	NIL	NIL
	Total (1)	NIL	NIL
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	NIL	NIL
	(b) Commission	NIL	NIL
	(c) Others, please specify.	NIL	NIL
	Total (2)		
	Total (B)=(1+2)	NIL	NIL
	Total Managerial Remuneration	NIL	NIL
	Overall Cieling as per the Act.	N.A	N.A

(C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Mr. Jignesh Patel	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (Gross CTC)	NIL	600,000	NIL	600,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of Profit	NIL	NIL	NIL	NIL
5	Others,	NIL	NIL	NIL	NIL
	Total	NIL	600000	NIL	NIL

(vii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
B. DIRECTORS					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

PHARMACEUTICAL INDUSTRY OVERVIEW

The recent spurt in emerging markets has directly impacted the pharmaceutical industry. Rising affordability, enhanced life expectancy and improved standard of living are all providing impetus to the demand for pharmaceuticals. The result of new (and ongoing) research and development activities are yet to show the same flair as their predecessors, we can be assured that such loss of exclusivities certainly enables new players to enter into the market thereby increasing the potential for sales. With rise labor costs in China are set to change the API landscape. The API industry is expected to witness the rise of second wave emerging markets in countries such as Brazil, Mexico, South Korea and Taiwan. The Taiwanese API producers have gained recognition for high quality and international good manufacturing practices (GMP) compliance.

According to report of, "Global API Market Outlook 2018", in the wake of the above developments, the Global API industry is expected to grow at a CAGR of 9.4% from 2013-2018. The market has been divided into four major geographies which comprise Americas, Asia, Europe and the rest of the world. A list of top countries which will be responsible for the majority of API related activities are US, Italy, Japan, China, India and South Korea.

As a result of the more and more regulatory compliances requirements and escalating R&D costs, fiscal austerity measures introduced by governments across many developed countries in the past few years have presented tremendous challenges for both innovator and generic drug makers.

INDIAN PHARMACEUTICAL MARKET

The Indian Pharma Market ("IPM") is valued at Rs. 903 billion (IMS, MAT March 2015) and is expected to grow at a CAGR of eleven (11) per cent over the next four years. It continues to be a highly fragmented market with a large number of players spread across therapeutic segments.

According to McKinsey report Indian Pharma 2020. The Indian Pharma industry is poised for expansion and is expected to grow to US\$55 billion by 2020. High economic growth, rapid urbanisation resulting in lifestyle diseases, increased government spending on healthcare, improved healthcare facilities and healthcare insurance plans are some of the growth drivers for the pharma industry.

Risks and Concerns

With a population exceeding 1.2 billion, India is a major market for healthcare companies. According to statistics from the Pharmaceutical Export Promotion Council (or Pharmexcil) on the India Brand Equity Foundation (or IBEF) website, the domestic pharmaceuticals sector in India is experiencing strong growth. This growth is mainly due to increasing penetration into the rural market, which is still largely untapped.

Although India exports pharmaceutical products to more than 200 countries, the US remains the major importer of pharmaceutical products from India—accounting for approximately one-fourth of India's exports in this sector. The Indian pharmaceutical industry, which was estimated to be worth \$12 billion during 2013, is expected to grow to \$100 billion over the next decade.

Some of the key Opportunities available to the Company are as follows:

- Huge outsourcing opportunity in Indian APIs industry
- One of the few Indian players in a fast growing Veterinary segment
- Increased thrust on product partnerships by global pharma companies

Some of the key risks and concerns that are faced by the Company are as follows:

- Competition from other Companies operating in similar segments
- Lack of proper Infrastructure facilities.
- Other key risks related to our business may include loss of key personnel, increased labour costs and uncertainties in terms of regulatory changes
- Unavailability of proper health insurance

Finance

Operational & Financial Performance

- **Sales:** During the year under review, owing to sluggish external factors and various issues at the customers end beyond the control of the Management. The Total income was down from Rs. 5707.04 Lacs to Rs. 2911.48 Lacs during the period of review.

Gross Margin (EBIDTA): During the year under review, the Gross margin (Loss) stood at Rs. 939.77 Lakhs as against Gross margin (Loss) of Rs. 427.05 Lakhs.

- **Net Profit(Loss)** : During the year the Net Loss of the Company stood at Rs. 3,025.60 Lakhs as against 3,257.34 Lakhs loss in the last financial year.
- **Net-worth**: The net-worth of the Company decreased to Rs. 1367.12Lakhs from Rs. 4457.02 Lakhs during the previous year. The decrease has been primarily on account of loss incurred by the company during the year under review.

Internal Control Systems

The Company has internal control systems in place commensurate with the size and industry it operates in. Its always our endeavor to strictly adheres to the laws, rules and statues of the land, and ensures compliance at all levels and across all divisions and departments. Any concerns raised are immediately address and corrected.

There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. The Audit Committee of the Company reviews the statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

Human Resource Development and Industrial Relations

Avon's HR function is dedicated to overall growth vision of the Company and continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition policies, learning and development policies and all round employee development. Avon provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company adheres to best practices in Corporate Governance in its true spirit and benchmarks it with highest standards. Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders by creating wealth and shareholder value.

Avon's philosophy on Corporate Governance is cast strong emphasis on transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long-term value for shareholders, as well as customers, suppliers, employees and statutory authorities

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the web site of the Company at <http://avonlifesciences.com>

All the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to that effect signed by the Chairman has been obtained.

Profile of members of the Board of Directors being appointed/re-appointed:

Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under clause 49 of the listing agreement is annexed to the Notice convening the Annual General Meeting which forms part of this Annual Report.

2. BOARD OF DIRECTORS:

The Board as on 31st March, 2015 consists of 4 directors, 3 Non-Executive Promoter Directors and 1 Independent Director.

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee Memberships as on 31st March, 2015 are given below:

SR. No	Name, Designation and DIN of Directors	Category	No. of Board Meetings Attended	No. of Directorships held in other Companies(+)	Attendance at last AGM	No. of Committee positions held in other Companies.	
						Chairman of Committee	Member of Committee
1	Mr. Ajit Kamath	Chairman/ (Promoter)	10	15	No	1	1
2	Mr. Manoj Jain*	Non-Executive (Promoter)	10	5	Yes	NIL	NIL
3	Mr. Rajendra Kaimal	Non-Executive (Promoter)	10	14	Yes	NIL	NIL
4	Dr. Sunil Pitroda	Non-Executive (Independent)	5	NIL	No	NIL	NIL

*Whole time Director w.e.f 5-8-2015

Number of Board Meetings:

During the year, Ten (10) Board Meeting were held and the details are given below:

Sr No.	Date	Board Strength	No. of Directors Present
1	30-05-2014	3	3
2	14-08-2014	3	3
3	03-09-2014	3	3
4	08-11-2014	3	3
5	20-11-2014	3	3
6	05-12-2014	3	3
7	12-01-2015	4	3
8	04-02-2015	4	4
9	13-02-2015	4	4
10	23-03-2015	4	4

3. COMMITTEES OF THE BOARD:

As per the requirement of the Companies Act, 2013 read with Rules and amended clause 49 of the Listing Agreement. The Board of Directors has constituted four Committees i.e. Audit Committee, Stake Holder Relationship Committee, Remuneration and Nomination Committee and Corporate Social Responsibility Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of Audit Committee, Stake Holder Relationship Committee, Remuneration and Nomination Committee are placed before the Board for their information and noting. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these Committees are given below:

a) Audit Committee

Composition, meetings and the attendance during the year

Four (4) meetings of the Audit Committee were held on 30th May, 2014, 14th August, 2014, 08th November, 2014 and 04th February, 2015. The details of composition of the Committee and their attendance at the meetings are given below:

As on March 31, 2015 in the absence of Non-Executive Independent Directors on the Board of the Company, the Composition of the committee was not in compliance with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013

Members of the Audit Committee have requisite financial and Management expertise.

Name	Designation	Category	No. of Meetings Attended
Mr. Ajit Kamath	Chairman	Non-Executive (Promoter)	4
Mr. Manoj Jain	Member	Non-Executive (Promoter)	4
Mr. Rajendra Kaimal	Member	Non-Executive (Promoter)	4
Dr. Sunil Pitroda*	Member	Non-Executive (Independent)	1

*Appointed as a member w.e.f. 05th December, 2014.

The Company Secretary acts as Secretary of the Committee.

Terms of Reference

The terms of reference to this committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the stock exchanges as well as in Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers inter alia to investigate any activity within its terms of reference and the Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

b) Nomination & Remuneration Committee:

Composition, meetings and the attendance during the year

During the financial year 2014-15, Two (2) meeting of the Remuneration and Nomination Committee were held on 20th November, 2014 and 05th December, 2014. The details of composition of the Committee and their attendance at the meeting are given below:

As on March 31, 2015 in the absence of Non-Executive Independent Directors on the Board of the Company, the Composition of the committee is not in compliance with Clause 49 of the Listing Agreement and section 178 of the Companies Act, 2013.

Name	Designation	Category	No. of Meetings Attended
Mr. Rajendra Kaimal	Chairman	Non-Executive (Promoter)	2
Mr. Ajit Kamath	Member	Non-Executive (Promoter)	2
Mr. Manoj Jain	Member	Non-Executive (Promoter)	2
Dr. Sunil Pitroda*	Member	Non-Executive (Independent)	NIL

*Appointed as a member w.e.f. 05th December, 2014.

The Company Secretary acts as Secretary of the Committee.

Terms of Reference

The Committee was constituted to:

- To guide the Board in relation to appointment and removal of Directors, KMP and senior Management.
- To review and recommend managerial remuneration, based on their performance and defined assessment criteria.
- To evaluate the performance of the Board members and provide necessary report to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- To devise policy on Board diversity
- To develop succession plan for the Board and review the plan regularly.

Policy for Remuneration to Directors/Key Managerial Personnel's:

During the financial year under review Directors are not paid any salary.

• Remuneration to Managing Director/Wholetime Directors

- The Remuneration/Commission etc. to be paid to Managing Director/Wholetime Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Remuneration and Nomination Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Wholetime Directors

• Remuneration to Non-Executive/Independent Directors:

- The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors.
- All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Remuneration and Nomination Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of above clause if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

However, appropriate sittings fees were paid to Independent Director of the Company during the year under review.

• **Remuneration to Key Managerial Personnel:**

- a) The remuneration to Key Managerial Personnel shall consist of fixed pay only, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.

The details of remuneration are given in form MGT-9 which forms part of the Directors Report.

c) **Stake Holder Relationship Committee:**

Composition, meetings and the attendance during the year

Four (4) meetings of the Audit Committee were held on 30th May, 2014, 14th August, 2014, 08th November, 2014 and, 04th February, 2015. The details of composition of the Committee and their attendance at the meetings are given below:

As on March 31, 2015 in the absence of Non-Executive Independent Directors on the Board of the Company, the Composition of the committee is not in compliance with Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013

Name	Designation	Category	No. of Meetings Attended
Mr. Rajendra Kaimal	Chairman	Non-Executive (Promoter)	4
Mr. Ajit Kamath	Member	Non-Executive (Promoter)	4
Mr. Manoj Jain	Member	Non-Executive (Promoter)	4
Dr. Sunil Pitroda*	Member	Non-Executive (Independent)	1

*Appointed as a member w.e.f. 05th December, 2014.

The Company Secretary is designated as the compliance officer by the Company and acts as Secretary of the Committee.

Company received 11 complaints during the year and all of them have been redressed/answered to the satisfaction of the Shareholders. No investor grievance remained unattended/pending for more than 30 days.

d) **Corporate Social Responsibility Committee (CSR):**

During the financial year 2014-15, no meeting of the committee was held, since the occasion for it did not arise.

The Composition of the Committee is given below:

Name	Designation	Category	No. of Meetings Attended
Mr. Rajendra Kaimal	Chairman	Non-Executive (Promoter)	N.A
Mr. Ajit Kamath	Member	Non-Executive (Promoter)	N.A
Mr. Manoj Jain	Member	Non-Executive (Promoter)	N.A
Dr. Sunil Pitroda*	Member	Non-Executive (Independent)	N.A

*Appointed as a member w.e.f. 05th December, 2014.

The Company Secretary acts as Secretary of the Committee.

Terms of reference

Decide, Formulate and recommend the CSR policy to the board which shall indicate the activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on the activity and monitor the CSR policy of the Company from time to time.

e) **INDEPENDENT DIRECTORS MEETING:**

As on the 31.03.2015 Company had only one Independent director on the Board of the Company.

4. **GENERAL BODY MEETINGS:**

Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:

Year	Day, Date and Time of the Meeting	Venue	Details of Special Resolutions passed
2014	Tuesday, 30 th December, 2014, 10.00 a.m.	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad - 500033	i. Authorisation to borrow under section 180 (1) (c) of the Companies Act, 2013 ii. Authorisation to mortgage the assets of the Company under Section 180 (1) (a) of the Companies Act, 2013
2013	Saturday, 21 st September, 2013, 10.00 a.m.	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad - 500033	No Special Resolution was passed.
2012	Friday, 28 th September, 2012, 10.00 a.m.	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad - 500033	No Special Resolution was passed.

b) **Postal Ballot:**

During the year, the Company had sought approval from the shareholders; The Company had also provided e-voting facility for the postal ballot. The Company had appointed Ms. Ashwini Rajshekre, Practicing Company Secretary to act as Scrutinizer for the entire Postal Ballot process. The result of the same was as under:

Sr No.	Particulars	Resolution No. 1	Resolution No. 2	Resolution No. 3	Resolution No. 4	Resolution No. 5	Resolution No. 6
1	Type of resolution	Ordinary Resolution	Ordinary Resolution	Special Resolution	Special Resolution	Special Resolution	Special Resolution
2	Subject matter of resolution	Increase in the Authorized Share Capital	Alteration of the Capital Clause of the MOA	Offer, Issue & Allot Warrants on Preferential Basis	Change in the name of the Company	Adoption of new Articles of Association	Shifting of Registered office of the Company to Solapur, Maharashtra.
3	Votes cast in favour	10841609	10840609	10713903	10840799	10840609	10840809
4	Votes cast against	200	1200	127806	1010	1200	1000
5	Votes in favour as percentage of total votes	99.9982%	99.9889%	98.8212%	99.9907%	99.9889%	99.9908%

5. **DISCLOSURES:**

- a) There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note to the Financial Statements.
- b) There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- c) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the audit committee.
- d) **Compliance with Accounting Standards:**
In preparation of the Financial Statements, the Company has followed the Accounting Standards applicable to the Company.

e) CEO/CFO Certification Director Certification:

The Chairman and Non - Executive Director of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (IX) of the Listing Agreement and the certificate forms part of Annual Report.

f) Internal control system and their adequacy:

The Company has adequate internal control procedures commensurate with its size and nature of business. The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

6. MEANS OF COMMUNICATION

Financial Results: The quarterly, half-yearly and annual results of the Company are published in widely circulated newspapers viz. The Financial Express (a national daily) and Andhra Prabha (a regional daily). These are also submitted to the Stock Exchanges on which the company's shares are listed in accordance with the Listing Agreement.

Annual Report: Annual Report of the Company containing, inter-alia, Audited Financial Statements, Directors' Report, Report on Corporate Governance, Auditors Report and other important information is circulated to the members and others entitled thereto for each financial year. The Management Discussion and Analysis Report forms part of the Annual Report.

7. GENERAL SHAREHOLDERS' INFORMATION

- | | |
|---|--|
| 1. Date, Time and Venue of AGM: | Wednesday, 30th September, 2015 at 10 a.m.
Hotel Daspalla, Road No. 37, Jubilee Hills,
Hyderabad – 500 033, Telangana. |
| 2. Financial Calendar | 1st April to 31st March |
| 3. Board Meetings for Quarterly Results:
(tentative and subject to change) | |
| • Quarter ending June 30, 2015 | - On or before 14th August, 2015 |
| • Quarter ending September 30, 2015 | - On or before 14th November, 2015 |
| • Quarter ending December 31, 2015 | - On or before 14th February, 2016 |
| • Quarter ending March 31, 2016 | - On or before 14th May, 2016 |
| • Annual General Meeting for the Financial
Year March 31, 2016 | - On or before September 30, 2016 |
| 4. Book Closure dates | Thursday, 24th September, 2015 to Wednesday,
30th September, 2015 (both days inclusive) |
| 5. Dividend Payment Date | No dividend has been recommended by the Board
for the financial year 2014-2015. |
| 6. Listing on the stock exchanges | The Bombay Stock Exchange Limited (BSE)
The Calcutta Stock Exchange Limited (CSE) |
| 7. Payment of Listing fees | Annual listing fees have been paid as per the
requirements of Listing Agreement. |
| 8. International Securities Identification Number | INE881A01015 |
| 9. Corporate Identification Number | L24110AP1993PLC016112 |
| 10. Stock Code: | |
| BSE | 531541 |
| CSE | 11123 |
| 11. Registered Office | Survey No.18, Yawapur Village, Sadasivpet,
Medak Dist., Telangana.
Tel : 9949828084;
Fax: 040-23404438 |
| 12. Corporate Office | H Wing, 4th Floor, Tex Centre,
Off Saki Vihar Road, Chandivali, Andheri (East)
Mumbai – 400 072. |
| Exclusive e-mail Id for investors | cs_1@avonorganics.com |

info@avonlifesciences.com

13. Registrars and Share Transfer Agents

XL Softech Systems Limited,
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad- 500 034.
Phone no. (040)23545913, 14, 15.

14. Plant Locations

(i) Plot No. E-2, Chincholi Industrial Area,
Solapur, Maharashtra.

(ii) Non-Operational: Survey No.18,
Yawapur Village, Sadasivpeth Mandal,
Medak Dist, Telangana.

15. Address for Correspondence

Shareholder correspondence should be addressed
to the Company's R & T Agent or to the secretarial
department of the Company.

16. Dematerialisation of shares And liquidity:

Trading in equity shares of the company became
mandatory from July, 2001. As on 31st March,
2015, 2,23,56,784 Equity shares equivalent to
99.36 % of the paid up share capital of the
company are in dematerialized form. The
company's shares are currently traded in B group
on the BSE, Mumbai.

17. Outstanding GDR/ADR/Warrants or any

As on 31.03.2015, the Company has not issued
and allotted any of these types of securities,
convertible instruments, conversion date and likely
impact of Equity.

However on 12.08.2015 the Company has issued
1,05,00,000 warrants convertible in to Equity
Shares to Non-Promoters on Preferential basis.

18. Share Transfer System

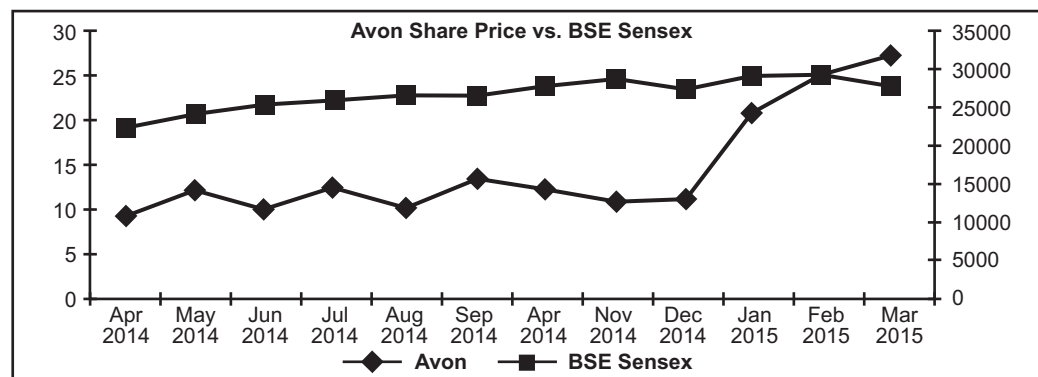
Shares sent for physical transfer or
dematerialization requests are generally registered
and returned within a period of 15 days from the
date of receipt of completed and validly executed
documents.

Bad deliveries are promptly returned to Depository
Participants (DPs) under advice to the
shareholders.

19. Stock Market data relating to shares listed

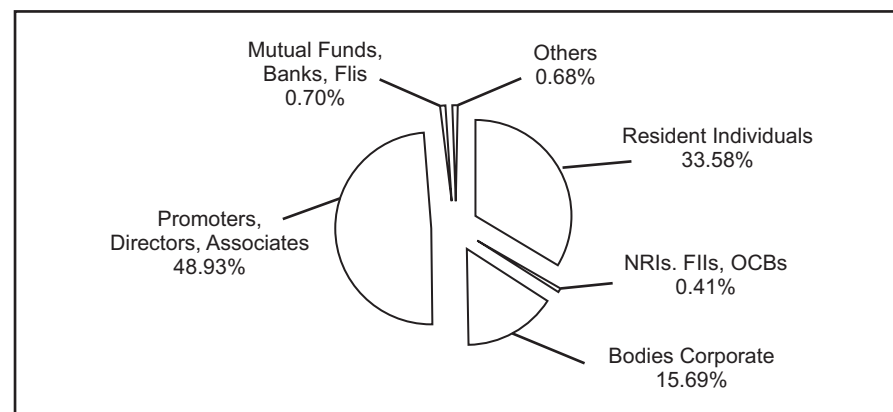
Month	Bombay Stock Exchange (Amt. In Rs)	
	High Price	Low Price
Apr-14	11.50	9.10
May-14	15.03	9.00
Jun-14	13.05	9.80
Jul-14	13.65	10.26
Aug-14	12.95	9.85
Sep-14	15.00	9.81
Oct-14	13.75	11.82
Nov-14	13.95	10.42
Dec-14	12.00	10.01
Jan-15	20.88	10.52
Feb-15	26.70	21.25
Mar-15	30.25	24.75

20. Distribution of Shareholding as on 31st March, 2015.



No. of Equity shares	Shareholders		No. of Shares	
	Number	% of Holders	Number	% of shares
Upto 5,000	3820	72.57	7311720	3.25
5,001 - 10,000	582	11.06	5086050	2.26
10,001 - 20,000	329	6.25	5309450	2.36
20,001 - 30,000	127	2.41	3346200	1.49
30,001 - 40,000	68	1.29	2480460	1.10
40,001 - 50,000	89	1.69	4227670	1.88
50,001 - 1,00,000	107	2.03	8313610	3.69
1,00,001 & above	142	2.70	188924840	83.97
Total	5264	100.00	225000000	100.00

Categories	Number	% of Holders	No. of shares held	% of shares
Resident Individuals	5023	95.42	7556362	33.58
NRI's, FI's, OCB's	37	0.70	93011	0.41
Bodies Corporate	184	3.50	3530563	15.69
Promoters, Directors, Associates	1	0.02	11009100	48.93
Mutual funds, Banks, FI's	2	0.04	157600	0.70
Others (Clearing Members)	17	0.32	153364	0.68
Total	5264	100.00	225000000	100.00



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To

The Shareholders,

I hereby declare that all the Board Members and the senior management personnels have affirmed compliance with the code of conduct adopted by the company and have submitted declarations in this behalf for the year ended 31st March, 2015.

Place : Mumbai

Date : 29.05.2015

Ajit Kamath

Chairman

CERTIFICATE FROM CHAIRMAN

I, Ajit Kamath, Director of the Company, to the best of my knowledge and belief, certify that:

- I have reviewed the financial statements and the cash flow statement for the year under review and certify that:
 - these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violate of the company's code of conduct.
- I am responsible for establishing and maintaining internal controls for financing reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- I have indicated to the auditors and audit committee that -
 - there are no significant changes in internal control over financial reporting during the year.
 - there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - there are no frauds of which i was aware, that involves management or other employees who have a significant role in the company's internal control system.

Place : Mumbai

Date : 29.05.2015

Ajit Kamath

Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
AVON ORGANICS LIMITED

We have examined the compliance conditions of Corporate Governance by AVON ORGANICS LIMITED for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement mentioned above.

We state that in respect of investor grievances received during the year ended 31st March, 2015 no investor grievances are pending for a period more than one month against the Company as per the records maintained by the Company and presented to the Investor Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

For Mukesh Mehta & Associates
Chartered Accountants.

Sd/-
Mukesh Mehta
Proprietor
Membership No. 100407
FRN:116309W

Place: Mumbai
Date: 29.05.2015

AUDITOR'S REPORT

To
The Members of Avon Organics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Avon Organics Limited, which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- I. In so far as it relates to the Balance Sheet, of the statement of affairs of the company as at 31st March 2015.
- ii. In so far as it relates to the Profit & Loss Account, the Loss of the company for the year ended on that date: and
- iii. In so far as it relates to the Cash Flow Statement, of the Cash flow of the Company for the year ended on that date: and

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit.

- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - I. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 11 to the Significant Accounting Policy;
 - ii. the provisions as required under the applicable law or accounting standards for material foreseeable losses if any on the long term contracts including derivative contracts are not applicable to the company.
 - iii. There has been no such requirement for transferring amounts, required to be transferred the Investor Education and Protection Fund transfer by the company.

For Mukesh Mehta & Associates
Chartered Accountants.

Sd/-
Mukesh Mehta
Proprietor
Membership No. 100407
FRN:116309W

Place: Mumbai

Date: 29.05.2015

Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at regular intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) During the year, the company has not disposed of any substantial part of its fixed assets and going concern status of the company not affected.
- (ii) In respect of its inventories:
 - (a) The inventories has been physically verified during the year by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) On the basis of our examination of records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book stocks were not material.
- (iii) (a) The Company has not granted any loans to the bodies corporate covered in the register under section 189 of the Companies Act, 2013 ('the Act').
 - (b) The company has given interest free loan to Associate Concern of the company. In the said loans, the maximum amount outstanding at any time during the year was Rs. 51,015 and the year end balance was Rs. 51,015.
 - (c) The company has taken unsecured interest free loans from the bodies corporate covered in the register maintained under section 189 of the Act and the amount outstanding at the end of the year is Rs. 3171.40 lacs (Previous year Rs. 3171.40 lacs).
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system and there is no continuing failure to correct any major weakness in internal control.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, to the company and such accounts and records have been made and maintained by the company.
- (vii) *According to the records of the company, the company is not regular in depositing the undisputed statutory dues including provident fund, Employees' State Insurance, Profession Tax, Income Tax, TDS, Sales tax, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate govt and semi govt authorities. There are arrears of outstanding such undisputed statutory dues at the last day of the financial year concerned for a period of more than six months from the date they became payable.*

ESIC	31,418
Provident Fund	5,374,975
Professional Tax	804,850
TDS	2,368,180
Sales Tax	777,027
Service Tax	2,224,102
Excise Duty	1,497,195
Income Tax	32754530

- (viii) The company has incurred cash losses of Rs. 2501.64 lacs (previous year Rs. 2241.03 lacs) and accumulated losses of Rs. 5167.09 (previous year Rs. 2141.49 lacs) in profit and loss accounts. The company has eroded more than fifty percent of its entire paid up share capital by way of debit balance in profit and loss account.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has delay/defaulted in repayment of dues along with the interest thereon with the banks as at the end of the financial year.
- (x) According to the records of the company and information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the records of the company and explanations given to us, during the year the company has availed the term loans from banks/ financial institution and has been applied for the purpose for which they have been obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For Mukesh Mehta & Associates
Chartered Accountants.

Sd/-
Mukesh Mehta
Proprietor
Membership No. 100407
FRN:116309W

Place: Mumbai
Date: 29.05.2015

BALANCE SHEET AS AT 31.03.2015

	Note	As at 31.03.2015 (Rs.)		As at 31.03.2014 (Rs.)	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	1	225,000,000		225,000,000	
Reserves and Surplus	2	(88,287,717)	136,712,283	220,702,103	445,702,103
Non Current Liabilities					
Long Term Borrowing	3	393,934,323		442,724,340	
Long Term Liability	4	317,140,209		317,140,209	
Deferred tax liabilities (Net)	5	29,900,649	740,975,181	29,900,649	789,765,198
Current Liabilities					
Short Term borrowings	6	880,716,601		848,805,636	
Trade payables	7	514,762,945		525,833,598	
Other current liabilities	8	221,424,245		144,971,196	
Short term provisions	9	23,757,228	1,640,661,019	34,950,266	1,554,560,696
			2,518,348,483		2,790,027,997
ASSETS					
Non Current Assets					
Fixed Assets					
Tangible Assets	10	951,003,671		1,035,206,785	
Intangible Assets		-		-	
Capital Work in Progress		22,506,617		22,506,617	
Intangible assets under development		-	973,510,288	-	1,057,713,402
Non Current Investment	11		121,930,256		121,930,256
Long Term Loans and Advances	12		51,015		51,015
CURRENT ASSETS					
Inventories	13	699,675,180		760,112,648	
Trade Receivables	14	561,646,543		653,119,354	
Cash & Cash equivalents	15	2,417,655		14,195,284	
Short terms loans and advances	16	19,107,570		45,361,880	
Other Current Assets	17	140,009,975	1,422,856,924	137,544,158	1,610,333,324
			2,518,348,483		2,790,027,997
Significant accounting policies and Notes on Financial statements	1 to 25				

Notes referred to above and thereto form an integral part of the Balance Sheet

As per our report of even date
for **Mukesh Mehta & Associates.**
Chartered Accountants

For and on behalf of the Board of Directors

Mukesh Mehta
Proprietor
Mem.No. 100407
FRN: 116309W
Place : Mumbai

Ajit Kamath
Chairman

Manoj Jain
Director

Date : 29/05/2015

Rajendra Kaimal
Director

Jignesh Patel
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2015

	Note		For the Year ended 31.03.2015 (Rs.)	For the Year ended 31.03.2014 (Rs.)
INCOME				
Revenue from Operations	18		290,550,488	568,867,258
Other Income	19		598,004	1,837,050
TOTAL			291,148,493	570,704,309
EXPENDITURE				
Cost of Materials Consumed	20		267,100,633	519,343,603
(Increase)/Decrease in stocks	21		17,840,661	(45,132,895)
Payments & benefits to employees	22		61,737,434	90,277,810
Financial charges	23		156,186,491	181,397,801
Depreciation and amortisation expenses	10		77,772,810	96,188,308
Other Expenses	24		38,446,785	48,921,079
TOTAL			619,084,816	890,995,706
Profit/(loss) before tax			(327,936,323)	(320,291,397)
Less : Exceptional Items			25,376,807	-
Less:Deferred Tax			-	5,442,721
Profit/(loss) after tax			(302,559,516)	(325,734,118)
Earning/(loss) per equity share of face value of Rs.10/- each				
Basic and Diluted (in Rs)			(13.48)	(14.48)
Significant accounting policies and Notes on Financial statements	1 to 25			

Notes referred to above form an integral part of the Balance Sheet

As per our report of even date for **Mukesh Mehta & Associates.** Chartered Accountants

Mukesh Mehta
Proprietor
Mem.No. 100407
FRN: 116309W
Place : Mumbai

Date : 29/05/2015

For and on behalf of the Board of Directors

Ajit Kamath
Chairman

Manoj Jain
Director

Rajendra Kaimal
Director

Jignesh Patel
Company Secretary

Notes on Financial Statements for the year ended 31st March' 15

	As at 31.03.2015 (Rs.)		As at 31.03.2014 (Rs.)	
1 SHARE CAPITAL				
Authorised Share Capital: 25,000,000 Equity Shares of Rs. 10/- each (Previous year 25,000,000 Equity Shares of Rs. 10/- each)	250,000,000		250,000,000	
Issued, Subscribed and paid-up: 22,500,000 Equity Shares of Rs. 10/- each (Previous year 22,500,000 Equity Shares of Rs. 10/- each)	225,000,000		225,000,000	
	225,000,000		225,000,000	
1.1 Number of Equity Shares held by each shareholder holding more than 5% shares in the company are as follows:				
Particulars	Number of shares as at 31st March'2015	%	Number of shares as at 31st March, 2014	%
Arch Pharmalabs Limited	11,009,100	48.93	14,309,100	63.60
	As at 31.03.2015 (Rs.)		As at 31.03.2014 (Rs.)	
2 RESERVES & SURPLUS				
State Investment Subsidy		2,000,000		2,000,000
Capital Reserve		7,000,000		7,000,000
Security Premium		295,851,400		295,851,400
General Reserve		130,000,000		130,000,000
Profit & Loss Account				
As per last balance sheet	(214,149,297)		111,584,821	
Add: Profit/(loss) for the year	(302,559,516)		(325,734,118)	
	(516,708,813)		(214,149,297)	
Less: Retained earning for Depreciation	6,430,304		-	
Proposed Dividend on Equity	-		-	
Less:Tax on Dividend	-		-	
		(523,139,117)		(214,149,297)
		(88,287,717)		220,702,103
3 LONG TERM BORROWINGS				
	Current	Non Current	Current	Non Current
Secured	82,979,351	299,976,969	32,759,399	327,861,128
Term Loans From Banks	82,979,351	299,976,969	32,759,399	327,861,128
Unsecured	66,524,253	93,957,354	45,618,395	114,863,212
Deferred Sales Tax Loan from State Govts.	66,524,253	93,957,354	45,618,395	114,863,212
	149,503,604	393,934,323	78,377,794	442,724,340

3.1	Maturity Profile	2015-16	2016-17	2017-18	2018-19	2019-20
	Term Loan From Banks	82,979,351	96,300,874	83,900,874	66,075,222	47,300,000
	Deferred Sales Tax Loan	66,524,253	19,295,944	19,186,033	15,972,654	17,714,687
3.2	Term Loan					
	The term loans from banks of Rs.3345.03 lacs (previous year Rs. 3089.72 lacs) are secured by way of first pari passu charge on fixed assets, second pari pasu charge on current assets, personal /corporate guarantees of promotor directors/ company.					
	The term loans from bank of Rs.484.54 lacs (previous year Rs. 516.49 lacs) are secured by way of first pari passu charge on current assets, second pari pasu charge on fixed assets, personal /corporate guarantees of promotor directors/ company.					
3.3	Deferred Sales Tax Loan					
	The Company has been availing interest free Sales Tax deferment loan from States Government Authorities and the balance outstanding as on 31 st March, 2015 was Rs. 1604.82 lacs (Previous year Rs. 1.604.82 lacs)					
4	LONG TERM LIABILITY					
	Unsecured					
	From Body Corporates					
				As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)	
				317,140,209	317,140,209	
				317,140,209	317,140,209	
5	Deferred tax liabilities (NET)					
	Deferred Tax Liability					
				29,900,649	29,900,649	
				29,900,649	29,900,649	
6	SHORT TERM BORROWINGS					
	Secured					
	Working capital loan From Banks					
				880,716,601	848,805,636	
				880,716,601	848,805,636	
6.1	Working Capital					
	The working capital loans from the banks Rs. 8807.17 lacs (previous year Rs. 8488.06 lacs) are secured by first pari pasu charge on the current assets, second pari pasu charge on fixed assets and personal guarantee of promotor directors/company.					
7	TRADE PAYABLES					
	Sundry Creditors					
				514,762,945	525,833,598	
				514,762,945	525,833,598	
7.1	In the absence of necessary information with the company relating to information to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises.					
8	OTHER CURRENT LIABILITIES					
	Current Maturities of long term debt (Refere Note No.3)			149,503,604	78,377,794	
	Other payable			71,920,641	66,593,402	
				221,424,245	144,971,196	
9	SHORT-TERM PROVISIONS					
	Provision for Leave Encashment			3,310,172	3,310,172	
	Provision for Tax (Net of Payment)			17,314,553	17,314,553	
	Provision for Excise Duty			3,132,503	14,325,541	
				23,757,228	34,950,266	

10. FIXED ASSETS DEPRECIATION AS PER COMPANIES ACT

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2014	Additions	Deletions	As at 01.04.2014	Depreciation For the Year	Depreciation Adjustment	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS								
Land & Site Development	31,328,928	0	0	0	0	0	31,328,928	31,328,928
Building								
Non Factory	18,047,842	0	0	2,810,583	351,550	0	14,885,710	15,237,260
Factory	170,542,107	0	0	68,000,340	4,741,239	0	97,800,529	102,541,768
Plant & Machinery	1,622,209,168	0	0	758,141,334	69,344,365	0	794,723,470	864,067,835
Lab Equipment	4,698,137	0	0	540,046	488,619	0	3,669,473	4,158,092
Electrical Installations	49,588,047	0	0	38,791,906	1,782,929	4,549,354	4,463,859	10,796,142
Furniture	9,246,021	0	0	5,920,267	589,749	155,050	2,580,956	3,325,754
Office Equipment	5,558,530	0	0	3,562,825	149,900	1,476,338	369,468	1,995,706
Computers	8,516,812	0	0	7,666,747	160,706	249,562	439,798	850,065
Vehicles	4,393,141	0	0	3,487,906	163,753	0	741,483	905,236
TOTAL	1,924,128,733	0	0	888,921,954	77,772,810	6,430,304	951,003,671	1,035,206,786
Previous Year	1,870,921,316	55,347,332	2,139,915	793,260,816	96,188,308	527,170	1,035,206,785	1,077,660,500
Capital Work in Progress							22,506,617	22,506,617

Amt. in (Rs.)

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The Written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of Tax, in the Opening balance of Profit and Loss Account amounting to Rs. 64,30,304/-

	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
11 NON-CURRENT INVESTMENTS Unquoted - Fully paid Up 3,120,100 Shares of SGD 1 Each in Regal Pharma Pte. Ltd. (Previous year 3,120,100 Shares of SGD 1 Each in Regal Pharma Pte. Ltd.)	121,930,256	121,930,256
	121,930,256	121,930,256
12 LONG TERM LOANS AND ADVANCES Advances	51,015	51,015
	51,015	51,015
13 INVENTORIES Raw Materials Stores, Consumables & Packing Material Work-in-progress Finished Goods	295,045,416 21,731,054 273,916,541 108,982,170	328,186,152 19,994,086 299,174,891 112,757,519
	699,675,180	760,112,648
14 TRADE RECEIVABLES (Unsecured and Considered Good) Over six months Others	271,470,891 290,175,652	241,921,420 411,197,934
	561,646,543	653,119,354
15 CASH & CASH EQUIVALENTS Cash on hand Balance with Banks In Current Accounts In Deposits Accounts (Pledged with bank as margin)	505,691 1,111,970 799,994	537,801 2,944,554 10,712,929
	2,417,655	14,195,284
Deposits Accounts Rs. Nil (Previous Year Rs.8280101/-) maturity is more than 12 months.		
16 SHORT TERMS LOANS AND ADVANCES (Unsecured and Considered Good) Advance for Suppliers and expenses Advances to employees Other Advances	18,066,712 56,280 984,577	23,091,430 19,280 22,251,171
	19,107,570	45,361,880

	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
17 OTHER CURRENT ASSETS Deposits Balance with Govt. Departments Prepaid expenses Income Tax	7,668,690 74,857,576 494,386 56,989,323	7,668,690 72,504,469 437,113 56,933,886
	140,009,975	137,544,158
18 REVENUE FROM OPERATIONS Sale of Products Other operating Revenue Less: Excise duty	293,646,345 - 293,646,345 3,095,857	574,133,157 2,581,640 576,714,797 7,847,538
	290,550,488	568,867,258
18.1 Broad particulars of sales of products API/Intermediate/ Contract Manufacturing/ Custom Synthesis Others	281,831,450 8,719,038	557,786,675 11,080,583
	290,550,488	568,867,258
19 OTHER INCOME Interest Received Misc. Income	598,004 -	1,318,619 518,431
	598,004	1,837,050
20 COST OF MATERIALS CONSUMED	267,100,633	519,343,603
	Amount	Amount
Imported	1,208,398	52,392,970
indigenous	265,892,235	466,950,633
	267,100,633	519,343,603
	% Consumption	% Consumption
Imported	0.45%	10.09%
indigenous	99.55%	89.91%
	100.00%	100.00%
20.1 Board Category of Material Consumed Chemical and Solvents	267,100,633	519,343,603
21 (INCREASE)/DECREASE IN STOCKS Opening Stock Work-in-progress Finished Goods Closing Stock Work-in-progress Finished Goods Increase/(Decrease) in Excise duty on Finished goods	299,174,891 112,757,519 411,932,410 273,916,541 108,982,170 (11,193,038) 17,840,661	223,569,561 144,100,039 367,669,600 299,174,891 112,757,519 (870,085) (45,132,895)

		For the year ended 31.3.2015 (Rs.)	For the year ended 31.3.2014 (Rs.)		
22	PAYMENTS & BENEFITS TO EMPLOYEES				
	Salaries & Wages	59,663,337	82,578,564		
	Contributions to Funds	1,280,193	4,548,900		
	Staff Welfare Expenses	793,905	3,150,346		
		61,737,434	90,277,810		
23	INTEREST AND FINANCIAL CHARGES				
	Interest Expenses	154,922,442	175,488,142		
	Other Financial Charges	1,264,049	5,909,659		
		156,186,491	181,397,801		
24	OTHER EXPENSES				
	Packing Material, Stores & spares and consumables	1,410,517	4,679,335		
	Clearing, Forwarding and Transportation	1,543,356	13,855,076		
	Power and Fuel	8,057,646	27,848,512		
	Repairs & Maintenance	1,140,637	2,717,416		
	Other Manufacturing Expenses	1,301,864	6,446,978		
	Exchange rate fluctuation (NET)	(4,723,438)	(24,978,634)		
		8,730,582	30,568,684		
	Sales and Distribution Expenses				
	Sales Promotion Expenses	190,824	276,458		
	Distribution Expenses	40,279	304,538		
		231,103	580,996		
	Establishment Expenses				
	Insurance Charges	456,443	999,175		
	Legal and Professional Charges	2,957,700	2,406,054		
	Rent, Rates & Taxes	123,045	1,092,370		
	Travelling & Conveyance	1,621,616	2,159,897		
	Printing & Stationery	154,775	412,266		
	Postage, Telegrams & Telephones	269,624	601,154		
	Auditors' Fees	150,000	150,000		
	General Expenses	23,751,899	9,950,483		
		29,485,101	17,771,399		
	Total	38,446,785	48,921,079		
24.1	VALUE OF STORES, CHEMICAL AND PACKING MATERIAL CONSUMED				
	Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
		Amount	% of Consumption	Amount	% of Consumption
	Imported	-	-	-	-
	Indigenous	1,410,517	100.00%	4,679,335	100.00%
		1,410,517	100.00%	4,679,335	100.00%

SCHEDULE -25 - NOTES TO ACCOUNTS**Significant Accounting Policies & Notes to Accounts****I. Basis of Preparation of Financial Statements:**

- These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- The Company follows mercantile system of accounting and recognizes all significant items of income and expenditure on accrual basis.
- All income & expenditure having material bearing on the financial statements are recognised on an accrual basis.
- Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions and estimates which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Difference between the actual results and estimates are recognised in the year in which the results are known/materialized.

II. Statement of Significant Accounting Policies:**A. Fixed Assets**

All fixed assets are stated at Historical Cost less Depreciation except in the case of Land and Site Development whereas it is stated at Cost Plus Development expenditure. The expenses incurred in setting up the project are capitalised and apportioned to the assets procured for that project in proportion to the value of each of the asset.

B. Depreciation

The depreciation on fixed assets has been provided on Written Down Value method for Fixed Assets in Diketene Division and common assets at Corporate Office and on Straight Line Method for Assets in Bio-Tech Division over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation is not provided on Land. Depreciation on Assets acquired for the project are provided on Commercialisation and depreciation on other assets if put into use is provided accordingly. The management estimates the useful lives for the Fixed Asset as follows:

Asset	Use full Life (Years)
Buildings	30
Buildings - Non Factory	60
Plant & Machinery	20
Office Equipment	5
Computer Equipments	3
Furniture and Fixtures	10
Laboratory Equipments	10
Electric Installations	10
Vehicles	8

C. Employees' Benefits

Contribution to defined schemes such as Provident Fund, ESI are charged as incurred on accrual basis.

D. Foreign Currency Transactions:

- Transactions denominated in foreign currencies are recorded at spot rates / average rates.
- Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- Non monetary foreign currency items are carried at cost.
- In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate on the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.
- Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in case of long term liabilities, where they relate to

acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets as applicable in AS 11

E. Inventories:

As per AS - 2 Inventories are valued as under:

- Raw Materials, Stores, Consumables, Packing materials and other materials: at cost on Moving average basis
- Work in process is carried at cost of input RM and estimated cost of manufacturing upto the stage of completion.
- Finished Goods: At realizable value or cost whichever is lower.

F. Excise Duty, Service Tax and Education Cess

Excise Duty is accounted on the basis of payments made in respect of goods cleared. Cenvat, Service Tax and Education Cess on capital goods, raw materials and services as the case may be are accounted on receipt / completion of contracts, job works etc.

G. Revenue Recognition:

As per AS- 9 Revenue in respect of sales is recognised as and when goods are supplied and in respect of insurance claims, interest etc., is recognised when it is reasonably certain that the ultimate collection will be made.

H. R & D Expenditure:

Expenditure for capital items are debited to respective Fixed Assets and depreciation at applicable rates. Revenue expenditure is charged to Profit & Loss Account.

I. Deferred tax:

Deferred tax is accounted for by computing the tax effect of timing differences, which arise during the year and reversed in subsequent periods. Deferred Tax assets on accumulated losses and unabsorbed depreciation are recognised only to the extent there is certainty of realisation of such asset in future.

J. Earnings Per Share :

The basic and diluted Earnings Per Share is calculated by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding.

K. Impairment of Assets :

At each Balance Sheet date, the carrying values of the assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

L. Investments:

Investments are stated at cost.

M. Borrowing Cost:

Borrowing Costs attributable to acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset, till the period in which the asset is ready for use. Other borrowing costs are recognised as an expense in the period in which these are incurred.

N. Provisions and Contingent Assets :

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for i) possible obligations, which will be confirmed only by future events not wholly within the control of the company or ii) present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

O. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks.

P. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

	2014-15 (in Rs.)	2013-14 (in Rs.)
1		
Contingent Liabilities not provided for :		
a. Letters of Credit	-	-
b. Bank Guarantees	2,500,000	3,500,000
c. Others	2,938,000	2,938,000
2		
Auditors Remuneration:	2014-15	2013-14
	Rs.	Rs.
Statutory Audit Fees	150,000	150,000
Tax Audit Fees	50,000	50,000
Certification and Consultancy Fees	50,000	50,000
3		
Foreign Currency / Exchange Transactions:	2014-15	2013-14
	In Rs.	In Rs.
A. Value of Imports		
Raw Materials	116,807,040	91,377,576
B. Value of Exports - Direct	183,199,978	19,879,340
C. Expenditure in Foreign Currency (Rs.)		
Other Services	-	7,875,560
4		
The provision for taxation as well as MAT u/s 115JB is not made during the year due to current year loss.		
5		
The Company is engaged solely in the business of 'Pharmaceuticals'. The entire operations are governed by the same set of risks and returns and hence the same has been considered as representing a single segment. This treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on 'Segment Reporting' as notified under the Companies Act, 2013. However the geographical break up of sales is as under:		
	2014-15	2013-14
	In Rs.	In Rs.
i) Domestic	107,350,510	548,987,918
ii) Exports	183,199,978	19,879,340

6 Pursuant to AS-18 the names, relationships and particulars of transactions with related parties during the year are as under:

A) List of Related parties

Sl No	Particulars	Relationship
1	Mr. Ajit Kamath	Key Management Person
2	Mr. Manoj Jain	Key Management Person
3	Mr. Rajendra Kaimal	Key Management Person
4	Mr. Jignesh Patel	Key Management Person
5	Arch Pharmalabs Ltd	Associate Concern
6	Regal Pharma Pte. Ltd.	Associate Concern

B) The following transactions were carried with the related parties in the ordinary course of business during the year

	2014-15 In Rs.	2013-14 In Rs.
1 Arch Pharmalabs Ltd	-	27,752
2 Arch Pharmalabs Ltd	11,000	5,115,458
3 Mr. Jignesh Patel	203,680	-
Balances as on 31st March 2015		
Arch Pharmalabs Ltd	317,140,209	317,140,209
Regal Pharma Pte. Ltd	51,015	51,015
Regal Pharma Pte. Ltd	121,930,256	121,930,256

7 The disclosure as per Accounting Standard (AS) 15 (Revised) "Employee Benefits" as notified by company (Accounting Standard) Rules, 2006 are as under:

Defined Contribution Plan Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

Defined Contribution Plan	As on 31.03.2015	As on 31.03.2014
Employers Contribution to Provident Fund	1,120,203	3,907,883

Gratuity paid by the company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- 8 The disclosure as per Accounting Standard (AS) 22 "Taxes on Income" as notified by Companies (Accounting Standard) Rules,2006 are as under.

Particulars	2014-15	2013-14
Deferred Tax Liability (Net)	-----	5,442,721

- 9 The disclosure as per Accounting Standard (AS) 20 "Earnings per Share" as notified by Companies (Accounting Standard) Rules,2006 are as under:

Particulars	2014-15 In Rs.	2013-14 In Rs.
Net profit after tax	(302,559,516)	(325,734,118)
Net Profit attributable to Equity shareholders	(302,559,516)	(325,734,118)
Weighted Average number of equity shares outstanding during the year	22,500,000	22,500,000
Basic and Diluted Earnings per share	(13.48)	(14.48)
Face Value per equity share	10.00	10.00

10 FINANCIAL AND DERIVATIVE INSTRUMENTS

Foreign currency exposure that are not hedged as on 31st March,2015 on account of:

Particulars	2014-15 In Rs.	2013-14 In Rs.
Trade Receivables	220,363,352	288,105,628
Trade Payable	1,945,485	2,722,813

- 11 The company has entered into the settlement agreement on April' 2015 with the workers employed in Sadashivpet Plant and the company has agreed to pay Rs. 282 lacs in full & final settlement of workers and the company will pay the amount in due course.
- 12 Exceptional Items and Changes in Accounting Policies Rs 253.76 Lakhs is towards reversal of certain employee related accruals made in earlier period.
- 13 Other Notes
- (a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- (b) In the opinion of the Board of Directors, other current assets have a value on realisation in the ordinary course of the Company's business, which is at least to the amount at which they are stated in the balance sheet.

As per our report of even date
for Mukesh Mehta & Associates
Chartered Accountants

For and on behalf of the Board

Mukesh Mehta
Proprietor
Mem. No. 100407
FRN: 116309W
Place: Mumbai
Date: 29.05.2015

Ajit Kamath
Chairman

Rajendra Kaimal
Director

Manoj Jain
Director

Jignesh Patel
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2015

	2014-2015 In Rs.	2013-2014 In Rs.
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	(302,559,516)	(320,291,397)
Adjustments for		
Depreciation	77,772,810	96,188,308
Interest & Financial Charges	156,186,491	181,397,801
Operating Profits before Working Capital Changes	(68,600,215)	(42,705,288)
(Increase) / Decrease in Inventories	60,437,468	(167,004,673)
(Increase) / Decrease in Debtors	91,472,811	76,418,933
(Increase) / Decrease in Loans & Advances	23,788,493	20,910,739
Increase / (Decrease) in Current Liabilities	54,189,358	107,363,067
Increase / (Decrease) in Cash Credit Loan	31,910,965	120,699,333
Cash Generated from Operations	193,198,880	115,682,111
Income Tax		(5,442,721)
Net Cash flow from operating Activities (A)	193,198,880	110,239,390
B. Cash Flow from Investing Activities		
Fixed Assets	-	(47,051,426)
Net Cash Used in Investing Activities (B)	-	(47,051,426)
C. Cash Flow from Financing Activities		
Change in long term borrowings	(48,790,017)	111,302,822
Interest & Financial Charges	(156,186,491)	(181,397,801)
Net Cash inflow from Financing Activities (C)	(204,976,508)	(70,094,979)
Net Increase/(Decrease) in Cash Flow (A+B+C)	(11,777,629)	(6,907,015)
Opening Balance of Cash and Cash Equivalent	14,195,284	21,102,299
Closing Balance of Cash and Cash Equivalent	2,417,655	14,195,284

As per our report of even date
for Mukesh Mehta & Associates,
Chartered Accountants

For and on behalf of the Board

Mukesh Mehta
Proprietor
FRN: 116309W
Mem.No. 100407
Place : Mumbai
Date: 29.05.2015

Ajit Kamath
Chairman

Rajendra Kaimal
Director

Manoj Jain
Director

Jignesh Patel
Company Secretary

AUDITORS' CERTIFICATE FOR CASH FLOW

To
The Board of Directors,
AVON ORGANICS LIMITED

We have examined the attached cash flow statements of M/s. AVON ORGANICS LIMITED for the year ended 31st March, 2015. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of dated May 29, 2015 to the members of the Company.

For Mukesh Mehta & Associates
Chartered Accountants.

Sd/-
Mukesh Mehta
Proprietor
Membership No. 100407
FRN:116309W

Place: Mumbai
Date: 29.05.2015

FORM NO. MGT 11**Proxy Form**

[Pursuant to Section 105 (6) of the Companies Act, 2013 (the Act) and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

AVON LIFESCIENCES LIMITED

(Formerly Avon Organics Ltd), CIN: L24110TG1993PLC016112

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

Tel. No.:- +91-9949828084; E-mail: info@avonlifesciences.com

Name of the Member (s): _____

Regd. Add.: _____

Email Id: _____ Folio No./Client Id: _____ DPID: _____

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1. Name _____
Address : _____
Email Id : _____ Signature: _____, or failing him
2. Name _____
Address : _____
Email Id : _____ Signature: _____, or failing him
3. Name _____
Address : _____
Email Id : _____ Signature: _____,

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, 30th September, 2015 at 10 a.m. at Hotel Dasappa, Road No. 37, Jubilee Hills, Hyderabad – 500033, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Ajit Kamath (DIN: 00032799), who retires by rotation and is eligible for re-appointment.
3.	To appoint a Director in place of Mr. Rajendra Kaimal (DIN: 00032839), who retires by rotation and is eligible for re-appointment.
4.	Ratify the Appointment of Statutory Auditors
5.	Appointment of Ms. Zeenat Pathan (DIN: 07153363) as an Independent Director.
6.	Appointment of Ms. Komal Jajodia (DIN: 05186391) as an Independent Director.
7.	Re-Designate Mr. Manoj Jain as Whole-time Director.
8.	Ratification for the relevant date mentioned in notice of postal ballot dated June 09, 2015.

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxyholder (s) _____

Affix
Rs. 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

AVON LIFESCIENCES LIMITED
(Formerly Avon Organics Ltd), CIN: L24110TG1993PLC016112
Regd. Off. : Survey No. 18, Yawapur Village, Sadasivpet Mandal, Medak Dist., Telangana - 502 291.
Tel. No.:- +91-9949828084; E-mail: info@avonlifesciences.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

Full Name of the Member (in BLOCK LETTERS) _____

DPID*: _____ Client ID : _____

Regd. Folio No.: _____ No. of Shares held : _____

Full Name of the Proxy (in BLOCK LETTERS) _____

I hereby record my presence at the 22nd Annual General Meeting of the Company on Wednesday, 30th September, 2015 at 10 a.m. at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500033, Telangana,

Electronic Voting Sequence Number (EVSN) : 150903001

Signature of Member/ Proxy _____

*Applicable to investors holding shares in electronic form

AVON LIFESCIENCES LIMITED

(Formerly Avon Organics Ltd), CIN: L24110TG1993PLC016112
Regd. Off. : Survey No. 18, Yawapur Village, Sadasivpet Mandal, Medak Dist., Telangana - 502 291.
Tel. No.:- +91-9949828084; E-mail: info@avonlifesciences.com

ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

Name		
Address		
DP Id Client Id / Folio No		
No. of shares held		EVSN : 150903001

I/We hereby exercise my/our vote in respect of the following resolutions(s) as specified in the Notice of AVON LIFESCIENCES LIMITED dated September 04, 2015 to be passed at the Annual General Meeting of the Company, for the businesses stated in the said Notice by conveying my/our assent or dissent to the said Resolution in the relevant box below:

Resolution No.	Resolution	No. of Shares	I/We assent to the resolution (For) *	I/We dissent to the resolution (Against) *
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Ajit Kamath (DIN: 00032799)			
3.	To appoint a Director in place of Mr. Rajendra Kaimal (DIN: 00032839)			
4.	Ratify the Appointment of Statutory Auditors			
Special Business				
5.	Appointment of Ms. Zeenat Pathan (DIN: 07153363) as an Independent Director.			
6.	Appointment of Ms. Komal Jajodia (DIN: 05186391) as an Independent Director.			
7.	Re-Designate Mr. Manoj Jain as Whole-time Director.			
8.	Ratification for the relevant date mentioned in notice of postal ballot dated June 09, 2015.			

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

Place:

Date:

Signature of Member

