



**AVON**

**26<sup>th</sup> ANNUAL REPORT 2018-19**

**AVON LIFESCIENCES LIMITED**

CIN: L24110TG1993PLC016112

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

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**AVON LIFESCIENCES LIMITED**

CIN: L24110TG1993PLC016112  
(Information as of 31st March 2019)

<b>Board of Directors</b>	Mr. Ajit Kamath, Non Executive Chairman & Director Mr. Rajendra Kaimal, Non-Executive Director Dr. Sunil Pitroda, Independent Director Mr. Abhishek Buddhadev, Independent Director Ms. Urja Shah, Independent Director
<b>Registered Office</b>	Survey No. 18, Yawapur, Sadasivpet (M), Medak Dist. Telangana - 502291 Phone: 9949828084 ; Fax: 91-08455-251536
<b>Corporate Office</b>	4th Floor H Wing, Tex Centre, Chandivali, Andheri (E), Mumbai -400072 Phone: 022-4287 1210 Fax: 022-4287 1285
<b>Auditors</b>	M/s. N. G. Jain & Co., Chartered Accountants, Mumbai
<b>Factories</b>	1. Survey No. 18, Yawapur, Sadasivpet (M), Medak Dist., Telangana; (Non-Operational) 2. Plot No. E-2, Chincholi Industrial Area Solapur, Maharashtra ; Phone: 0217 – 2357738 Fax-0217-2357339
<b>Bankers &amp; Financial Institutions</b>	State Bank of India Punjab National Bank Indian Overseas Bank JM Financial Asset Reconstruction Company Ltd.
<b>Registrars &amp; Share Transfer Agents</b>	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 26<sup>th</sup> Annual General Meeting of the members of Avon Lifesciences Limited will be held on Monday, 30th day of September, 2019 at 09 a.m. at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad - 500033, Telangana, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Kaimal (DIN: 00032839), who retires by rotation and offers himself for reappointment.

### **Special Business**

#### **Item No. 3: Ratification of remuneration of Cost Auditor**

To ratify remuneration of cost auditor and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of ₹ 10,000/- to M/s. Santiram Chattopadhyay & Associates, Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ajit Kamath and/or Mr. Rajendra Kaimal Directors of the Company and/or Mr. Jignesh Patel Company Secretary of the Company be and are hereby authorized severally to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **Item No. 4: Appointment of Ms. Urja Shah as an Independent Director & Women Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and applicable provisions of the Companies Act 2013 and Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including statutory modification or re-enactment thereof for the time being in force, Ms. Urja Shah (DIN 06672899), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company, proposing her candidature for the office of Director, be and is hereby appointed as a Independent Director of the Company whose period of office shall not be liable to determination for retirement of directors by rotation. As per provisions of the Companies Act, 2013, the Company is required to appoint a woman director on the Board, Ms. Urja Shah being an Independent Director will also be the Woman Director of the Company for the purpose of Companies Act, 2013.”

#### **Item No. 5: Shifting of Registered Office of the Company from Medak to Hyderabad**

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

“RESOLVED THAT Pursuant to Provisions of section 12 and any other provisions of the Companies Act ,2013 and Companies (Incorporation) Rules, 2014 and any other applicable provisions if any, the Registered office of the company be and is hereby shifted from its present location at Survey No.18, Yawapur Village, Sadasivpet Mandal, Medak Dist, Telangana – 502291 to Ground Floor, D.No. 8-2-684/J/8/A, Bhavani Nagar, Road No.12, Banjara Hills, Hyderabad – 500034, Telangana.

RESOLVED FURTHER THAT Mr. Ajit Kamath and/or Mr. Rajendra Kaimal Directors of the Company and/or Mr. Jignesh Patel Company Secretary of the Company, be and are hereby authorized to sign, execute any deeds, documents and

file with the Registrar of Companies, the required e-form/s, and any other statutory body or if required verification of the situation of the registered office of the company.”

By Order of the Board  
**For Avon Lifesciences Limited**

Sd/-  
**Jignesh Patel**  
Company Secretary

30.05.2019

Mumbai

## NOTES

1. The statement pursuant to section 102 of the Companies Act, 2013 relating the Notice is annexed herewith.
2. 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.

3. 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.
4. 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.
5. 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 Notice of the AGM along with the Annual Report 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. 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 email 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.
11. Pursuant to SEBI Notification dated 08/06/2018, SEBI(LODR) (4th Amendment) Reg, 2018 and BSE Circular dated 05/07/2018, LIST/COMP/15/2018-19, Members who are holding shares in physical form are requested to get their shares dematerialized with any depository participants in their own interest.

## 12. E-VOTING FACILITY

In compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Section 108 of the Companies Act, 2013, Companies

(Management and Administration) Rules, 2014 & Secretarial Standards - 2 on general meeting, the Members are informed that the Company is providing Remote e-voting facility (e-voting from a place other than venue of Extraordinary General Meeting) as an alternative mode of voting which will enable the members to cast their votes electronically on all the resolutions as mentioned in the notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Ltd. (CDSL) to facilitate remote e-voting to the members. The Company has appointed Mr. Yogesh Patel, of Yogesh Patel & Associates, Practicing Company Secretary, as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the meeting in a fair and transparent manner.

For the purpose of dispatch of this Notice, shareholders of the Company holding shares in demat / physical form as on 30th August, 2019 has been considered. Any person, who acquire shares of the Company and becomes member of the Company after 30th August, 2019 may obtain the login details by sending a request to CDSL at helpdesk.evoting@cdslindia.com or to the Registrar and share transfer agents of the company.

The Members whose name appears in the Register of Members/list of Beneficial Owners as received from Depositories as on **24th September, 2019** ("cut-off date") are entitled to vote on the resolutions set forth in this notice. Person who is not a member as on the said date should treat this notice for information purpose only.

On submission of the report by the scrutinizer, the result of voting at the meeting and e-voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website. Result will be declared forthwith on receipt of the Report of the Scrutinizer.

<b>The instructions for shareholders voting electronically are as under:</b>	<b>For Members holding shares in Demat Form and Physical Form</b>
<p>(i) The voting period begins on Friday, 27th September, 2019 (9:00 a.m.) and will end on Sunday, 29th September, 2019 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>(ii) The shareholders should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>.</p> <p>(iii) Click on Shareholders.</p> <p>(iv) Now Enter your User ID</p> <ol style="list-style-type: none"> <li>For CDSL: 16 digits beneficiary ID,</li> <li>For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</li> <li>Members holding shares in Physical Form should enter Folio Number registered with the Company.</li> </ol> <p>(v) Next enter the Image Verification as displayed and Click on Login.</p> <p>(vi) If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.</p> <p>(vii) If you are a first time user follow the steps given below:</p>	<p>PAN</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> <p>Dividend Bank Details OR Date of Birth (DOB)</p> <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

<p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(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.</p> <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xi) Click on the EVSN for the relevant Avon Lifesciences Ltd on which you choose to vote.</p> <p>(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.</p> <p>(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(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.</p> <p>(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</p> <p>(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.</p> <p>(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password &amp; enter the details as prompted by the system.</p> <p>(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile</p>	<p>(xix) Note for Non – Individual Shareholders and Custodians</p> <ul style="list-style-type: none"> <li>• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and register themselves as Corporates.</li> <li>• A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.</li> <li>• 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.</li> <li>• The list of accounts linked in the login should be mailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> and on approval of the accounts they would be able to cast their vote.</li> <li>• 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.</li> </ul> <p>(xx) 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 <a href="http://www.evotingindia.com">www.evotingindia.com</a> under help section or write an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact CDSL on 1800 200 5533 or <a href="mailto:info@avonlifesciences.com">info@avonlifesciences.com</a></p> <p><b>Other information</b></p> <p>During the above mentioned voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>To obtain duplicate copy of the Notice and Postal Ballot in physical form, members may send a request to the Company at <a href="mailto:info@avonlifesciences.com">info@avonlifesciences.com</a> or write to Company at its corporate Office. Members receive email but do not want to avail the e-voting facility, may send a request on said email for physical copy of Notice and Postal Ballot.</p>
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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4:**

**Appointment of Ms. Urja Shah as an Independent Director & Women Director of the Company.**

The Board of Directors of the Company appointed Ms. Urja Shah (DIN: 06672899), as an Additional Director of the Company, in the category of Independent Women 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. Nomination & Remuneration committee of the company recommends her appointment.

Ms. Urja Shah 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. It proposed to appoint her as an Independent Director of the Company to hold office for five consecutive years.

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

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

**ITEM NO. 5:**

**Change in Registered Office of the Company**

The Company was incorporated under the erstwhile Companies Act, 1956 in the State of Andhra Pradesh (Now Telangana). Currently the Registered office of the Company is situated at its plant located at Survey No. 18, Yawapur, Sadasivpet, Medak Dist., Telangana - 502 291 which is Non-Operational since years, considering this fact it is inconvenient for the Company to coordinate for various day to day activities and communications/letters/ notices received at the current Registered office. Hence, for operational convenience it is proposed to shift the registered office of the Company to Hyderabad.

In terms of Section 12 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder shifting of the registered office outside the local limits of city, town or village where it is presently situated requires the approval of Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 5 of the notice except to the extent of their shareholding in the Company, if any.

The Board recommends the resolution to the Members for their consideration and approval.



## Board's Report

To,  
The Members of Avon Lifesciences Limited,

Your Directors are pleased to present their Report on your Company's operations along with the Audited financial statements for the financial year ended on 31st March, 2019.

### SUMMARY OF STANDALONE FINANCIAL RESULTS

	(₹ in Lakhs)	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Income	3.39	3.98
EBITDA/ (LBITDA)	(168.54)	(298.12)
PROFIT/ (LOSS) BEFORE TAX	(2,445.95)	(2,392.42)
PROFIT/ (LOSS) AFTER TAX	(2,445.95)	(2,392.42)
EARNINGS/(LOSS) PER SHARE (EPS)(IN RS.)	(10.27)	(10.04)

### DIVIDEND

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

### OPERATIONS REVIEW

There was no operational activity during the year under review. The operational activities at the plant of the Company could not be resumed for operations owing to certain regulatory clearances still required. The Management is following up with authorities, in order to enable restart of operations

The company is presently developing APIs( Active Pharmaceutical Ingredients) in various therapeutic segments to be soon commercialized at its Solapur site. The company would approach the State FDA Authorities for relevant licenses and permissions for manufacturing the new APIs. The company continues to hold a valid Establishment Inspection Report issued by the USFDA in 2016

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.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is provided in a separate section of this Annual Report and form a part of the Board's Report.

### SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Details regarding subsidiary/ associate Company or joint venture as given in Form MGT – 9

### DIRECTORS & KMP

#### Board of Directors as of 31.03.2019

Mr. Ajit Kamath	: Non-Executive Chairman
Mr. Rajendra Kaimal	: Non-Executive Director
Dr. Sunil Pitroda	: Non-Executive Independent Director
Mr. Abhishek Buddhadev	: Non-Executive Independent Director
Ms. Urja Shah	: Non-Executive Independent Director & Women Director

In accordance with the provisions of section 152(6) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, Mr. Rajendra Kaimal (DIN: 00032839), is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Palak Shah (DIN: 03392059), resigned as Independent Director of the Company w.e.f 27th December, 2018.

Ms. Urja Shah, was appointed as additional Independent and Women Director of the Company w.e.f 27th December, 2018.

Mr. Jignesh Patel, was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 27th December, 2018.

Brief profiles of the Directors seeking appointment or reappointment are included in a separate "Annexure B".

### **a. Board meetings**

The Board met 5 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### **b. Evaluation of Board, Committees and Directors**

The Board has carried out the annual evaluation of its own performance, and of each of the directors individually. The manner in which the evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

### **c. 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.

## **FAMILIARIZATION PROGRAMMES**

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz. issue of appointment letters containing terms, duties etc.,

## **AUDITORS**

### **a. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. N G Jain & Co, Chartered Accountants (Registration No. 103941W), were appointed as statutory auditors of the Company from the conclusion of the twenty-fourth annual general meeting (AGM) of the Company held on 31st March, 2018, till the conclusion of the twenty-ninth AGM to be held in the year 2022, subject to ratification of their appointment at every AGM.

### **c. 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 Mr. Mehul Pitroda of M. S. Pitroda & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure C" comments of the Secretarial Auditor in their report are self explanatory.

## **INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK**

The Company has a proper and adequate Internal Financial Control System, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formulated a whistle blower policy with a view to provide a vigil mechanism for the directors and employees of the company to report instances of unethical behavior, fraud or mismanagement.

**RISK MANAGEMENT POLICY**

In accordance with Section 134(3) (n) of the Act, the Company has framed a Risk Management Policy to identify and assess the key risk areas. Your Board has identified any element of risk which may threaten the existence of the Company.

**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.

**INFORMATION ON 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 2018-19.

**LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered under applicable 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, the Company has formed a CSR committee. However due to no operational activity and losses incurred by the Company during the year under review and the previous financial year, the Company did not undertake any CSR activity.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public and there are no outstanding deposits from the public as on 31st March, 2019.

**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 make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) that the annual 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 systems to ensure compliance with the provisions of all applicable laws were in place and 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.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT AND DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are few legal matters//litigations ongoing which have been filed against the company and its Directors during last few years. The Company, through their Counsels/lawyers is getting represented for defending its position.

#### **OTHER INFORMATION / DISCLOSURES**

The Company has in place a policy against sexual harassment at work place in line with the requirements of the concern statute. There was no complaint received during the year, nor there are any pending complaints which need to be redressed.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, the Company has obtained the Annual Secretarial Compliance Report, thereby confirming compliance of the applicable SEBI Regulations and circulars /guidelines issued thereunder, on behalf of the Company.

A Certificate has been obtained from M/s Yogesh Patel & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

#### **CORPORATE GOVERNANCE**

The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, is annexed with the report.

#### **GRATITUDE & ACKNOWLEDGMENTS**

Your directors wish to place on record their sincere thanks and appreciation to all our customers, suppliers, banks, authorities, members and associates for their co-operation and support at all times, and to all our employees for their unstinted contribution to the Company's business, and look forward to continued support.

For and on behalf of the Board of Directors  
**AVON LIFESCIENCES LIMITED**

**Sd/-**  
**Ajit Kamath**  
Chairman  
DIN: 00032799

Mumbai  
30.05.2019

## ANNEXURE – ‘A’ TO THE DIRECTORS’ REPORT

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

The Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2019 is given here below and forms part of the Board’s Report.

#### A. CONSERVATION OF ENERGY

##### (a) Steps taken or impact on conservation of energy:

The Company is engaged in continuous process of energy conservation through improved operational and maintenance practices. The company could not carryout any operational activity during the year under review.

##### (b) The steps taken by the company for utilizing alternate sources of energy: NIL

##### (c) The capital investment on energy conservation equipment: NIL

#### B. TECHNOLOGY ABSORPTION

##### (i) The efforts made towards technology absorption:

NIL

##### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

NIL

##### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NIL

##### (iv) Details of expenditure on Research and Development during the year under review is as under:

(₹ In lakhs)

a)	Capital	-
b)	Recurring	-
c)	Total expenditure	-
d)	Total expenditure as a % of Net Sales	-

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In lakhs)

Particulars	Year 2018-19	Year 2017-18
Foreign Exchange earned	-	-
Foreign Exchange used / outgo	-	-

**ANNEXURE – B****Details of Directors seeking appointment/reappointment in forthcoming Annual General Meeting:**

Name	Mr. Rajendra Kaimal	Ms. Urja Shah
Date of Birth	23.06.1973	25.05.1990
Date of Appointment	30.05.2013	27.12.2018
Nationality	Indian	Indian
Category	Promoter	Independent, Women
Designation	Non Executive Director	Non Executive Independent Director
Qualification / Expertise in Specific Functional Areas	Mr. Rajendra Kaimal, aged 44 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.	Ms. Urja Shah is a qualified Company Secretary, Graduate in Law and a Commerce Graduate. She has varied professional experience and interests ranging from Audit, Consultancy, Advisory, Farming and Astronomy.  Ms. Urja has over 5 years of experience in finance and regulatory field, FEMA, RERA, FSSAI, her experience will help the Company to make planned decisions in future.
Occupation	Service	Profession
Other Directorships/ Directorships held in other companies	1. Avon Lifesciences Limited	1. Acfin Consulting Private Limited
	2. Arch Agro Industries Private Limited	2. Kristy De Cunha Private Limited
	3. Amra Renal Care Limited	3. Seed Catalyst Consulting LLP
	4. Arch Finechemicals Limited	
	5. Arch Pharmalabs Limited	
	6. Arch Pharmachem Ltd	
	7. Arch Herbals Private Limited	
	8. Arch Life Sciences Limited	
	9. Arch Impex Private Limited	
	10. Archplus Sales Private Limited	
	11. Amra Remedies Limited	
	12. Arch Pharmalabs Fz-LLC (UAE)	
Shareholding in the Company	NIL	NIL
Relationship between directors inter-se	NIL	NIL

## ANNEXURE – C FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Avon Lifescience Limited**

Survey No.18, Yawapur Village,

Sadasivpet Mandal Medak District,

Telangana - 502 291.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avon Lifesciences Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us 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 31st March, 2019 ("**Audit Period**") 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 **Avon Lifesciences Limited (the "Company")** for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. (**Foreign Direct Investment and External Commercial Borrowing are not applicable to the Company during the audit period**).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable to the Company during the audit period**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the audit period**)
  - (f) 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
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the audit period**) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the audit period**)
- (vi) As identified, Following are the specific law applicable to the Company.

- (i) The Drugs and Cosmetics Act, 1940;
- (ii) The Narcotic Drugs and Psychotropic Substances Act, 1985;

As confirmed by the management there was no operational Activity carried on by the Company during the period under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with stock exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as follows:

1. A Woman Director has been appointed on 27.12.2018 pursuant to the requirements of Section 149 of the Companies Act, 2013, during the period under review. The company was penalised by BSE Ltd for non compliance of provisions related to appointment of a Woman Director.
2. 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, Customs duty, Excise duty, Service Tax, Cess, GST and any other Statutory dues with appropriate authorities as per the Auditor's report.
3. There were some instances of delay in updating Official Website of the Company.
4. The Company has not appointed Key Managerial Person i.e. Chief Financial Officer as required under Section 203 of the Companies Act, 2013.
5. The Company has appointed Company & Secretary Compliance Officer w.e.f 27.12.2018, during the period under review.
6. The Company has not appointed Internal Auditor in terms of section 138 of the Companies Act, 2013

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company has appointed Ms. Urja Shah, as woman Independent director on 27.12.2018.

As confirmed by the Management adequate notice is given to all directors to schedule the Board Meetings and agenda items 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** 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.

For **M S Pitroda & Co.,**  
Practising Company Secretary

**Sd/-**  
**Mehul Pitroda**  
Proprietor  
ACS No. 43364  
CP No. 20308

Place: Mumbai  
Date:30.05.2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



**'Annexure A'**

To,  
The Members,  
**Avon Lifescience Limited**  
Survey No.18, Yawapur Village,  
Sadasivpet Mandal Medak District,  
Telangana - 502 291.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M S Pitroda & Co.,**  
Practising Company Secretary

**Sd/-**  
**Mehul Pitroda**  
Proprietor  
ACS No. 43364  
CP No. 20308

Place: Mumbai  
Date: 30.05.2019

**ANNEXURE - D****Form no. MGT-9 – Extract of Annual return**As on financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L24110TG1993PLC016112
2.	Registration Date	3 August 1992
3.	Name of the Company	Avon Lifesciences Limited
4.	Category of the Company/ Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office and contact details	Survey No. 18, Yawapur, Sadasivpet(M), Medak, Hyderabad, Telangana - 502291 022-4287 1210
6.	Whether Listed Company	Yes, Listed on BSE Limited
7.	Name, address and contact details of Registrar and Transfer Agent	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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the product/service	% total turnover of the company
1	Pharmaceutical products	21002 & 21005	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
	<b>HOLDING COMPANY</b>				
	<b>DIRECT SUBSIDIARIES</b>				
	<b>STEP DOWN SUBSIDIARIES</b>				
	<b>ASSOCIATE COMPANIES</b>				

Not applicable

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of 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
<b>A. Promoters</b>								
<b>1. Indian</b>								
a) Individual / HUF	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0
c) State Govt/s	0	0	0	0	0	0	0	0
d) Bodies Corp.	10709100	0	10709100	44.95	10709100	0	10709100	44.95
e) Banks/Financial Institutions	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0
<b>Sub-total A1:</b>	<b>10709100</b>	<b>0</b>	<b>10709100</b>	<b>44.95</b>	<b>10709100</b>	<b>0</b>	<b>10709100</b>	<b>44.95</b>
<b>2. Foreign</b>								
a. NRIs-Individuals	0	0	0	0	-	0	0	0
b. other- Individuals	0	0	0	0	-	0	0	0
c. Bodies Corp.	0	0	0	0	-	0	0	0
d. Banks / FI	0	0	0	0	-	0	0	0
e. Any other	0	0	0	0	-	0	0	0
<b>Sub-total A2:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter A=A1+A2</b>	<b>10709100</b>	<b>0</b>	<b>10709100</b>	<b>44.95</b>	<b>10709100</b>	<b>0</b>	<b>10709100</b>	<b>44.95</b>
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds/UTI	0	0	0	0	-	0	0	0
b) Banks/ Financial Institutions	157500	100	157600	0.66	157500	100	157600	0.66
c) Central Govt.	0	0	0	0	-	0	0	0
d) State Govt.(s)	0	0	0	0	-	0	0	0
e) Venture Capital Funds	0	0	0	0	-	0	0	0
f) Insurance Companies	0	0	0	0	-	0	0	0

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	
g) Foreign Institutional Investors	0	0	0	0	-	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	-	0	0	0	-
i) Others	0	0	0	0	-	0	0	0	-
<b>Sub-total B1:</b>	<b>157500</b>	<b>100</b>	<b>157600</b>	<b>0.66</b>	<b>157500</b>	<b>100</b>	<b>157600</b>	<b>0.66</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate (including clearing member)</b>									
i. Indian	978851	29501	1008352	4.23	703569	29501	733070	3.08	-27.30
ii. Overseas	0	0	0	0	-	0	0	0	-
<b>b. Individuals</b>									
i. Individual shareholders holding nominal share capital up to ₹1 lakh	4171893	103815	4275708	17.95	3994407	100415	4094822	17.19	-4.23
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6206969	1325000	7531969	31.61	7981837	0	7981837	33.50	5.97
c) Others (specify) – NRIs - Non Repatriable	12371	0	12371	0.05	12671	0	12671	0.05	2.43
d) NRIs - Repatriable	122100	7800	129900	0.55	128100	7800	135900	0.57	4.62
<b>Sub-Total (B) (2):-</b>	<b>11492184</b>	<b>1466116</b>	<b>12958300</b>	<b>54.39</b>	<b>12820584</b>	<b>137716</b>	<b>12958300</b>	<b>54.39</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	<b>11649684</b>	<b>1466216</b>	<b>13115900</b>	<b>55.05</b>	<b>12978084</b>	<b>137816</b>	<b>13115900</b>	<b>55.05</b>	<b>0.00</b>
<b>C) Shares held by Custodians for GDRs &amp; ADRs</b>	0	0	0	0	-	0	0	0	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>22358784</b>	<b>1466216</b>	<b>23825000</b>	<b>100.00</b>	<b>23687184</b>	<b>137816</b>	<b>23825000</b>	<b>100.00</b>	<b>0</b>

**(II) Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
<b>PROMOTERS- DOMESTIC COMPANIES</b>								
1.	ARCH PHARMALABS LIMITED	10709100	44.95%	0	10709100	44.95%	0	0
	<b>Total</b>	<b>10709100</b>	<b>44.95%</b>	<b>0</b>	<b>10709100</b>	<b>44.95%</b>	<b>0</b>	<b>0</b>

**(III) Change in Promoters' Shareholding (please specify if there is no change)**

Sr. No	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
1		Not Applicable						

**(vi) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):**

Sr No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year	% of total equity shares of the Company				No. of shares	% of total shares of the company
	MEHUL PRAVIN CHANDRA SHAH	170636	0.72%				306523	1.29%
				20.04.2018	2200	Mkt Purchase		
				22.06.2018	1100	Mkt Purchase		
				01.06.2018	7000	Mkt Purchase		
				10.08.2018	6753	Mkt Purchase		
				17.08.2018	2700	Mkt Purchase		
				24.08.2018	1000	Mkt Purchase		

Sr No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year	% of total equity shares of the Company				No. of shares	% of total shares of the company
				05.10.2019	1500	Mkt Purchase		
				12.10.2018	1318	Mkt Purchase		
				19.10.2018	500	Mkt Purchase		
				14.12.2018	111816	Mkt Purchase		
	UGRABHAI VANARSHIDAS PATEL	288000	1.21%				288000	1.21%
	SANJAY LUTHRA	258223	1.08%				258223	1.08%
	GAUTAM RASIKLAL ASHRA	136863	0.57%				218141	0.92%
				31.08.2018	5551	Mkt Purchase		
				29.09.2018	9449	Mkt Purchase		
				05.10.2018	5000	Mkt Purchase		
				12.10.2018	10000	Mkt Purchase		
				01.03.2019	10924	Mkt Purchase		
				08.03.2019	-2500	Mkt Sale		
				15.03.2019	9729	Mkt Purchase		
				22.03.2019	3125	Mkt Purchase		
				29.03.2018	30000	Mkt Purchase		
	SIDDHARTH CHIMANLAL SHAH	2000	0.00%				177000	0.74%
				28.12.2018	175000	Mkt Purchase		

Sr No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year	% of total equity shares of the Company				No. of shares	% of total shares of the company
	ANKUR SANDEEP AGRAWAL	120297	0.51%				165297	0.69%
				27.04.2018	45000	Mkt Purchase		
	DARSHANA MEHUL SHAH	144663	0.61%				164198	0.69%
				22.06.2018	1050	Mkt Purchase		
				10.08.2018	6426	Mkt Purchase		
				17.08.2018	5309	Mkt Purchase		
				24.08.2018	3350	Mkt Purchase		
				31.08.2018	2000	Mkt Purchase		
				05.10.2018	1400	Mkt Purchase		
	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CO	157500	0.66%				157500	0.66%
	SAK FOREX MARKETS PRIVATE LIMITED	147049	0.62%				152049	0.64%
				12.10.2018	5000	Mkt Purchase		
	JAYANTILAL G MEHTA	125000	0.52%				125000	0.52%

**(v) Shareholding of Directors and Key Managerial Personnel (KMP):**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ajit Kamath	-	-	-	-
Mr. Rajendra Kaimal	-	-	-	-
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	-	-	-	-
At the End of the year	-	-	-	-

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,048,671,751	156,032,788	0	1,204,704,539
ii) Interest due but not paid	418,629,186	0	0	418,629,186
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,467,300,937	156,032,788	0	1,623,333,725
<b>Change in indebtedness during the financial year</b>				
Additions	423,197,317	0	0	423,197,317
Reduction	0	0	0	0
Net Change	423,197,317	0	0	423,197,317
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,224,531,301	156,032,788	0	1,380,564,089
ii) Interest due but not paid	665,966,953	0	0	665,966,953
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1,890,498,254</b>	<b>156,032,788</b>	<b>0</b>	<b>2,046,531,042</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

Sr No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total
		NIL	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as a % of profit - others, specify	-	-
5	Others, please specify Provident and other Funds Performance Bonus	-	-
	<b>Total</b>	-	-

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Abhishek Buddhadev	Mr. Palak Shah	Dr. Sunil Pitroda	Ms. Urja Shah	
1.	Independent Directors					
	• Fee for attending board/committee meetings	40,000	30,000	60,000	60,000	1,90,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>40,000</b>	<b>30,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,90,000</b>
	Other Non-Executive Directors					
	• Fees for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	<b>40,000</b>	<b>30,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,90,000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	Overall Ceiling as per the Act	1 % of the Net Profits of the Company				

Remuneration to key managerial personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
1	Gross Salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others, please specify Provident and other Funds Performance Bonus	-	-	-
	<b>Total</b>	-	-	-

**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)
<b>A COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		

For and on behalf of the Board of Directors  
**AVON LIFESCIENCES LIMITED**

Mumbai  
30.05.2019

Sd/-  
**Ajit Kamath**  
DIRECTOR

Sd/-  
**Rajendra Kaimal**  
DIRECTOR

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GLOBAL PHARMACEUTICAL MARKET

The global active pharmaceutical ingredients market is expected to register a CAGR of approximately 6.2% during the forecast period (2018 - 2023). Active pharmaceutical ingredients are any substance or combination of substances used in a finished pharmaceutical product with pharmacological activity. The expenditure on research & development, favorable government initiatives, and high technological advancements makes North America the dominant market in the forecast period.

#### Rising Demand for Generic Drugs

Generic drugs benefit from the patent expiration of innovative drug as it makes them readily available in the market. The demand to produce quality medicines at lower and affordable costs creates a scenario, where the needs for generic drugs increase. It has been estimated that generic drugs save approximately USD 3 billion every week in the United States. In 2013, unbranded generic drugs accounted for more than 80% of the prescription drugs being distributed, primarily due to their low price for patients, payers, and the healthcare system. Therefore, the rise in the demand for generic drugs is expected to be one of the major drivers for the API market.

Other factors playing a vital role for the growth of this market include the rise in the geriatric population with an increase in chronic and lifestyles related disorders, technological advancements in the process of API manufacture, and rising preference for targeted therapy approach in cancer treatment.

#### Stringent Regulatory Framework

One of the major factors acting as an obstacle is the stringent regulatory framework across several regions. Moreover, the differences in the regulatory requirements in each country have made this an extremely complex market in the recent times. With European Union, several other countries are adopting fierce regulatory requirements and enforcing API inspection system similar to the level of FDA. This is a step towards standardized regulatory framework globally. These factors restrict the growth of companies in many regions and hinder the growth of this market.

Furthermore, other factors such as large capital investment, production cost, as well as variable drug price control policies hamper the growth of this market.

#### Asia-Pacific Expected to Register a High Growth Rate

The Asia-Pacific is expected to register a high growth rate compared to other regions during the forecast period, owing to the factors such as increasing healthcare expenditures, growing aging population creating a huge patient pool, and rising economies in this region.

#### India: Overview, trends and prospects

Indian Active Pharmaceutical Ingredient (API) is facing steep competition from China as China has certain inherent strengths in chemistry, technologies and infrastructural capabilities which they leverage to gain higher market shares. Over a period of time, the Chinese API market has gained high level of market shares given its cost competitiveness.

This has resulted in manufacturing of intermediates and APIs, which moved away from the EU and other parts of the world largely to Asian countries, dominated by China. As a result, many companies in other parts of the world invested in other product areas or possibly curtailed operations, leading to a further concentration in global off take from China.

Pharma exports for April-December 2018-19 are USD 13.94 billion, a growth of 9.32% over the previous year. Exports to the most important and competitive markets of US and EU have grown by 8.74 % and 12.88 % respectively. India's pharmaceutical exports stood at USD 17.27 billion in 2017- 18 and are expected to reach USD 20 billion by 2020. Within exports, entry barriers are significantly higher in the regulated markets as compared to semi-regulated markets due to stringent regulatory norms in the regulated market.

Solvent prices are well linked to crude oil trends wherever the basic constituent is crude derivative. Increase in crude oil price also puts pressure on solvent and indirectly impacts the cost of APIs.

Increase in the KSM (key starting material) price, which are the building blocks for API. This is driven by supply uncertainties emerging out of China, where a lot of KSM manufacturing bases are located. Even in India (another key base for KSMs) there were instances of units being impacted by pollution concerns, leading to supply issues and thus impacting the price of products – though clearly to a lesser extent than China. As KSM manufacturers started to relocate to set up their base outside China, manufacturers hiked their prices as per their own economies, which impacted the KSM pricing and thus API pricing as well. Crude oil price trends / Depreciation of rupee have also impacted the solvents market. These are an important part of the cost composition when it comes to manufacturing of API or intermediates.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

### **RISKS AND CONCERNS**

All businesses are subject to certain element of risks, internal as well as external. The internal risks are controllable risks and Avon attempts to identify such risks and formulate actions to mitigate the effect of such risks. The external risks like change in government policies etc are not within the control of the Company. Particularly the global as well as the Indian Pharmaceutical industry continues to be regulated by various regulatory agencies. Stringent regulatory norms, delay in obtaining regulatory approvals for key products, patent litigations, currency fluctuations, pricing guidelines in the domestic market are certain risks that can affect the Company's business.

Emerging markets are increasingly pivotal in the growth of the pharmaceutical industry. Pharmaceutical companies operating in these markets, whether global or domestic players, are exposed to market-specific social risks that affect public health and may also pose material financial risks.

### **FINANCE**

There was no operational activity during the year under review.

The company is presently developing APIs in various therapeutic segments to be soon commercialised at the Solapur site. The company would be approaching the state FDA for relevant licenses and permissions for manufacturing the new APIs. The company continues to hold a valid Establishment Inspection Report issued by the USFDA in 2016.

### **INTERNAL AUDIT AND CONTROL**

Avon believes that sound internal control systems are necessary prerequisite to good governance. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides assurance on the efficiency of the Company's operations and the security of its assets.

Avon's internal control systems and procedures are designed to enable the reliable reporting of financial statements, reporting timely feedback on the achievement of operational or strategic goals and ensure compliance with laws and regulations. In addition to the statutory audit, the financial and operating controls at various locations of the Company are reviewed by internal auditors who report significant findings to the Audit Committee of the Board. Compliance with various laws and regulations are also monitored.

### **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS**

Avon's HR function is aligned with the 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.

Harmonious relations continued to prevail throughout the year. The focus is on maintaining a high level of motivation and on leadership development and the number of employees are maintained according to business development.

**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.

For and on behalf of the Board of Directors  
**AVON LIFESCIENCES LIMITED**

Mumbai  
30.05.2019

**Sd/-**  
**Ajit Kamath**  
DIRECTOR

## Report on Corporate Governance

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance pertains to system, by which companies are directed and controlled ethically, keeping in mind enhancement of long-term sustainable interests of stakeholders. It refers to blend of law, regulations, ethical and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting and balancing the interests of other stakeholders and the society at large.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in SEBI (Listing Obligations and Disclosure Requirements) 2015 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 [www.avonlifesciences.com](http://www.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 LODR is annexed to the Directors Report.

### 2. BOARD OF DIRECTORS:

The Board as on 31st March, 2019 consists of 2 Non-Executive Promoter Directors and 3 Independent Directors.

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, 2019 are given below:

SR. No	Name, Designation 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	Non-Executive (Promoter)	5	13	YES	0	3
2	Mr. Rajendra Kaimal	Non-Executive (Promoter)	5	12	YES	3	0
3	Mr. Palak Shah*	Independent Director	4	1	N.a	-	-
4	Dr. Sunil Pitroda	Independent Director	5	1	N.a	-	2
5	Mr. Abhishek Buddhadev	Independent Director	5	1	YES	-	-
6	Ms. Urja Shah**	Independent Director	1	2	N.a	-	-

\*Appointed w.e.f. 27th December, 2018, \*\*Appointed w.e.f. 27th December, 2018 , #details as on 31st March 2019

**Number of Board Meetings:**

During the year, Five (5) Board Meeting were held and the details are given below:

Sr No.	Date	Board Strength	No. of Directors Present
1	30-05-2018	5	5
2	14-08-2018	5	5
3	14-11-2018	5	5
4	27-12-2018	5	5
5	14-02-2019	5	5

**3. COMMITTEES OF THE BOARD:**

As per the requirement of the Companies Act, 2013 read with Rules and SEBI (Listing Obligations and Disclosure Requirements) 2015. The Board of Directors has constituted four Committees i.e. Audit Committee, Stake Holder Relationship Committee, Remuneration and Nomination 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 30-05-2018, 14-08-2018, 14-11-2018 & 14-02-2019. The details of composition of the Committee and their attendance at the meetings are given below:

As on 31st March, 2019 the Composition of the committee was in compliance with as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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. Palak shah	Chairman*	Non-Executive Independent	3
Mr. Abhishek Buddhadev	Chairman#	Non-Executive Independent	1
Mr. Ajit Kamath	Member	Non-Executive (Promoter)	4
Dr. Sunil pitroda	Member	Non-Executive Independent	4

Resigned w.e.f. 27th December, 2018; # Appointed as chairman of Audit Committee w.e.f. 27th December, 2018

**Terms of Reference**

The terms of reference to this committee, inter alia covers all the matters specified under SEBI (Listing Obligations and Disclosure Requirements) 2015 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 statues.

**b) Nomination & Remuneration Committee:**

**Composition, meetings and the attendance during the year**

On 27-12-2018 meeting of the Nomination & Remuneration Committee was held. The details of composition of the Committee and their attendance at the meeting are given below:

As on 31st March 2019, the Composition of the committee is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 178 of the Companies Act, 2013.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Mr. Palak Shah	Chairman*	Non-Executive Independent	1
Mr. Sunil Mansukhlal Pitroda	Member Chairman#	Non-Executive Independent	1
Mr. Rajendra Kaimal	Member	Non-Executive	1
Ms. Urja Shah	Member	Non-Executive Independent	N.a

# Chairman w.e.f. 27th December, 2018; \*Resigned w.e.f. 27th December, 2018

**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.

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

**• Remuneration to Managing Director/Wholetime Directors**

- a) 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.
- b) 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:**

- a) 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.
- b) 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.

- c) 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.
- d) 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:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

**• 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 of KMP and Directors 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 Stake Holder Relationship Committee were held on 30-05-2018, 14-08-2018, 14-11-2018 & 14-02-2019. The details of composition of the Committee and their attendance at the meetings are given below:

As on 31st March, 2019, the Composition of the committee is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 178 of the Companies Act, 2013.

Name	Designation	Category	No. of Meetings Attended
Mr. Rajendra Kaimal	Chairperson	Non-Executive (Promoter)	4
Mr. Palak shah*	Member	Non-Executive - Independent Director	3
Ms. Urja Shah**	Member	Non-Executive - Independent Director	1

\*Resigned w.e.f. 27th December, 2018, appointed w.e.f. 27th December, 2018.

No complaints have been received during the year. No investor grievance remained unattended/pending for more than 30 days.

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

During the financial year 2018-19, no meeting of the committee was held, since the occasion for it did not arise.

**Terms of reference –**

To 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:**

During the year under review, the meeting of Independent Directors was held on 24-02-2019.

**4) GENERAL BODY MEETINGS:**

- a) 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
2018	Friday, 28th day of September, 2018	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad – 500033	No Special Resolution was passed.
2017	Saturday, 31st day of March, 2018, 10.00a.m.	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad – 500033	No Special Resolution was passed.
2016	Monday, 12th day of February, 2018, 10:00 a.m.	Hotel Daspalla, Road no. 37, Jubilee Hills, Hyderabad – 500033	No Special Resolution was passed.

**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 some instances of non-compliance and penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority. However the Company is taking all possible steps to bring online the compliances with various applicable laws.
- 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:**

Pursuant to the regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Chairman and Non - Executive Director has issued a certificate to the Board, for the year ended 31st March, 2019.

**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) A CHART / MATRIX SETTING OUT THE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS:**

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows:

Director	Qualification	Skills / expertise / competencies / experience
Mr. Ajit Kamath	B.com	<ol style="list-style-type: none"> <li>1. He has more than 17 years of experience in the pharmaceutical industry</li> <li>2. He has been involved and instrumental in planning and formulating the overall business strategy and developing business relations for our Company</li> </ol>
Mr. Rajendra Kaimal	B.com, MMS, CMA	<ol style="list-style-type: none"> <li>1. He has over 14 years of experience in the pharmaceutical industry.</li> <li>2. He is over-all in-charge of overseeing the commercial operations</li> </ol>
Dr. Sunil Pitroda	MBBS	<ol style="list-style-type: none"> <li>1. He has over 34 years of experience in the Medicine, Medical and surgical filed.</li> </ol>
Mr. Abhishek Buddhadev	M.com, CS	<ol style="list-style-type: none"> <li>1. He has over 6 years of experience in the field of Secretarial Compliance &amp; Corporate Laws.</li> </ol>
Ms. Urja Shah	LLB, CS	<ol style="list-style-type: none"> <li>1. She has experience and interests ranging from Audit, Consultancy, Advisory, Farming and Astronomy</li> <li>2. She has over 5 years of experience in finance and regulatory field, FEMA, RERA, FSSAI</li> </ol>

## 7) MEANS OF COMMUNICATION

**Financial Results:** The quarterly, half-yearly and annual results of the Company are submitted to the Stock Exchanges on which the company's shares are listed in accordance with the Listing Regulations.

**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.

## 8) GENERAL SHAREHOLDERS' INFORMATION

- Date, Time and Venue of AGM:** Monday, 30th September, 2019  
at 09.00 a.m. Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500 033, Telangana.
- Financial Calendar** 1st April to 31st March
- Board Meetings for Quarterly Results: (tentative and subject to change)**
  - Quarter ending June 30, 2019 - On or before 14 August 2019
  - Quarter ending September 30, 2019 - On or before 14 November 2019
  - Quarter ending December 31, 2019 - On or before 14th February, 2020
  - Quarter ending March 31, 2020 - On or before 30th May, 2020

Annual General Meeting for the Financial - On or before September 30, 2020
- Book Closure dates** N.A.
- Dividend Payment Date** No dividend has been recommended by the Board for the financial year 2018-2019.
- Listing on the stock exchanges** BSE Ltd.
- Payment of Listing fees** Annual listing fees have been paid as per the requirements of Listing Agreement.

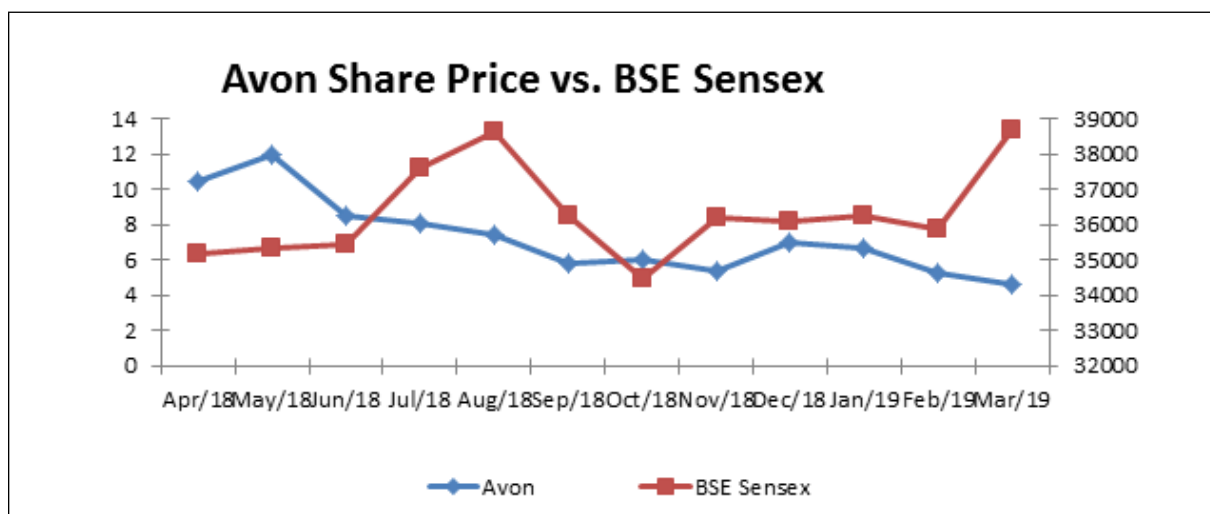
- 8. International Securities Identification Number.** INE881A01015
- 9. Corporate Identification Number** L24110AP1993PLC016112
- 10. Stock Code:**  
**BSE** 531541
- 11. Registered Office** Survey No.18, Yawapur Village, Sadasivpet, Medak Dist., Telangana.  
Tel : 022-4287 1210; Fax: 022-4287 1285
- 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** 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** Survey No.18, Yawapur Village, Sadasivpeth Mandal, Medak Dist, Telangana. (non-operational)  
Plot No. E-2, Chincholi Industrial Area, Solapur, Maharashtra.
- 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, 2019, 2,36,87,184 Equity shares equivalent to 99.42 % of the paid up share capital of the company are held in dematerialized form. The company's shares are currently traded in Z group on the BSE, Mumbai.
- 17. Outstanding GDR/ADR/Warrants or any** As on 31.03.2019, the Company has not issued any of these types of securities, convertible instruments, conversion date and likely impact of Equity.
- 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.

**19. Stock Market data relating to shares listed**

Month	Bombay Stock Exchange (Amt. In ₹)	
	High Price	Low Price
Apr-18	12.07	9
May-18	14.28	9.89
Jun-18	11.65	8.16
Jul-18	9.36	7.02
Aug-18	8.75	6.14
Sep-18	8.9	5.8

Month	Bombay Stock Exchange (Amt. In ₹)	
	High Price	Low Price
Oct-18	6.66	4.64
Nov-18	6.9	4.6
Dec-18	7.3	5
Jan-19	7.29	5.84
Feb-19	6.89	4.39
Mar-19	5.82	4.55

Chart showing comparison of Avon Share Price (closing – monthly) with BSE Sensex (closing – monthly):



**20. Distribution of Shareholding as on 31st March, 2019.**

No. of Equity shares	Shareholders		No. of Shares	
	Number	% of Holders	Number	% of shares
Upto 5,000	3936	68.64	7587290	3.18
5,001 - 10,000	711	12.40	6138620	2.58
10,001 - 20,000	387	6.75	6176930	2.59
20,001 - 30,000	163	2.84	4269550	1.79
30,001 - 40,000	82	1.43	2944230	1.24
40,001 - 50,000	98	1.71	4684730	1.97
50,001 - 1,00,000	150	2.62	11549980	4.85
1,00,001 & above	207	3.61	194898670	81.80
<b>Total</b>	<b>5897</b>	<b>100.00</b>	<b>238250000</b>	<b>100.00</b>

## 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, 2019.

**Mumbai**  
**30.05.2019**

**Sd/-**  
**Ajit Kamath**  
**Chairman & Non Executive Director**

## CERTIFICATE FROM CHAIRMAN

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

- a. I have reviewed the financial statements and the cash flow statement for the year under review and certify that:
  - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
  - ii. 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.
- b. 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.
- c. 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.
- d. I have indicated to the auditors and audit committee that -
  - i. there are no significant changes in internal control over financial reporting during the year.
  - ii. there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
  - iii. 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.

**Mumbai**  
**30.05.2019**

**Sd/-**  
**Ajit Kamath**  
**Chairman & Non Executive Director**

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of

### **AVON LIFESCIENCES LIMITED**

We have examined the compliance of conditions of Corporate Governance by AVON LIFESCIENCES LIMITED ('the Company'), for the year ended 31st March, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company is in compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

**for N G Jain & Co**  
**Chartered Accountants**  
**Firm's registration Number: 103941W**

**Sd/-**  
**Prince Kothari**  
**Partner**  
**Membership number 155819**

**Mumbai**  
**30.05.2019**

## Independent Auditor's Report

To

The Members of Avon Lifesciences Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Avon Lifesciences Ltd, which comprise the balance sheet as at 31 March 2019, 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 Indian Accounting Standards (Ind AS) 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 including Indian accounting standards (Ind AS).

- i. In so far as it relates to the Balance Sheet, of the statement of affairs of the company as at 31st March 2019.



- 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 , the Cash Flow Statement of the company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2016 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. 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 litigation on its financial statements refer annexure to the auditor's report paragraph 7 to the financial statement for matter of Income Tax.
    - 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 **N G Jain & Co**  
Chartered Accountants  
Firm's registration number : 103941W

**Sd/-**  
**Prince Kothari**  
Partner  
Membership number 155819

Mumbai  
30.05.2019

## Annexure – A 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 2019, 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) According to the information and explanations given to us and on the basis of our examination of the records of the company the immovable properties are held in the name of the company.
- (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 ₹ 51,015 and the year end balance was ₹ 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 ₹ 3171.40 lacs (Previous year ₹ 3171.40 lacs).
- (iv) In our opinion and according the information and explanations given to us and on the basis of our examination of the records of the company, the company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and 186 of the act.
- (v) The Company has not accepted any deposits from the public hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the act and the rules framed there under are not applicable to the company.
- (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, 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.

Particulars	Amount in ₹
ESIC	31,418
Provident Fund	1,19,96,071
Professional Tax	11,44,015
TDS	18,89,153
Service Tax	28,11,063
Excise Duty	14,97,195
Income Tax	3,27,54,530

- (viii) 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.
- (ix) The Company does not raised any money by way of initial public offer or further public offer (including Debt instruments). We report that no funds raised on short term basis have been used for long term investment by the company. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not provided any remuneration thus the provisions of section 197 read with Schedule V to the Act is not applicable to the company.
- (xii) In our opinion and according the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under consideration.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) As informed to us, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

for **N G Jain & Co**  
Chartered Accountants  
Firm's registration number : 103941W

**Sd/-**  
**Prince Kothari**  
Partner  
Membership number 155819

Mumbai  
30.05.2019

## **Annexure – B to the Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the accompanying standalone financial statements of M/s. Avon Lifesciences Ltd, which comprise the balance sheet as at 31st March, 2019, 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 and internal financial controls of the company.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **N G Jain & Co**  
Chartered Accountants  
Firm's registration number : 103941W

**Sd/-**  
**Prince Kothari**  
Partner  
Membership number 155819

Mumbai  
30.05.2019

**Balance Sheet as at 31st March, 2019**

Particulars	Note	( Amount in ₹ )	
		As at 31 March, 2019	As at 31 March, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	684,193,727	745,611,660
(b) Capital work-in-progress	2	22,506,617	22,506,617
(c) Intangible assets	3	0	0
(d) Intangible assets under development	3	0	0
(e) Financial assets			
(i) Investments	4	121,930,256	121,930,256
(ii) Loans	5	51,015	51,015
(iii) Others	6	0	0
(f) Non-current tax assets (net)	7	0	0
(g) Other non-current assets	8	0	0
<b>Total non-current assets</b>		<b>828,681,615</b>	<b>890,099,548</b>
<b>Current assets</b>			
(a) Inventories	9	532,785,986	554,633,536
(b) Financial assets			
(i) Trade receivables	10	906,062,864	888,271,125
(ii) Cash and cash equivalents	11	866,898	882,947
(iii) Bank balances other than (ii) above	12	428,821	428,821
(iv) Loans	13	7,855,298	7,855,298
(v) Others	14	0	0
(c) Current tax assets (net)	15	57,076,948	57,043,058
(d) Other current assets	16	60,693,656	60,193,643
<b>Total current assets</b>		<b>1,565,770,471</b>	<b>1,569,308,428</b>
<b>Total assets</b>		<b>2,394,452,086</b>	<b>2,459,407,976</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
a) Equity share capital	17	238,250,000	238,250,000
b) Other equity	18	(907,897,553)	(663,302,608)
<b>Total equity</b>		<b>(669,647,553)</b>	<b>(425,052,608)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	349,328,246	414,342,933
(b) Provisions	20	21,084,268	21,084,268
(c) Deferred tax liabilities (net)	21	29,900,649	29,900,649
<b>Total non-current liabilities</b>		<b>400,313,163</b>	<b>465,327,850</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	1,495,287,114	1,351,287,114
(ii) Trade payables	23	544,595,755	515,060,979
(iii) Others	24	620,869,374	550,220,620
(b) Other current liabilities	25	3,034,233	2,564,021
(c) Provisions	26	0	0
(d) Current tax liabilities (net)	27	0	0
<b>Total Current liabilities</b>		<b>2,663,786,476</b>	<b>2,419,132,734</b>
<b>Total equity and liabilities</b>		<b>2,394,452,085</b>	<b>2,459,407,976</b>
<b>Notes forming part of the financial statements</b>	1		

As per our report of even date  
For **N G JAIN & CO**  
Chartered Accountants

**Sd/-**  
**Prince Kothari**  
Partner  
Mem. No. 155819  
Firm Reg No. 103941W

Place : Mumbai  
Date : 30th May, 2019

For and on behalf of the Board of Directors  
**Avon Lifesciences Ltd**

**Sd/-**  
**Ajit Kamath**  
Chairman

**Sd/-**  
**Rajendra Kaimal**  
Director

**Sd/-**  
**Jignesh Patel**  
Company Secretary

## Statement of profit and loss for the year ended 31st March, 2019

(Amount in ₹)

Particulars	Note	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>I Income</b>			
Revenue from operations	28	0	0
Other income	29	0	0
Interest income	30	338,895	397,828
<b>Total Income</b>		<b>338,895</b>	<b>397,828</b>
<b>II Expenses</b>			
Cost of materials consumed	31	0	0
Changes in inventories of finished goods and goods-in-process	32	0	0
Excise duty on sale of goods		0	0
Employee benefits expense	33	20,839,750	24,211,476
Finance costs	34	144,438,678	144,980,445
Depreciation and amortization expense	35	61,454,120	64,449,599
Exchange (Gain) / Loss		(12,748,307)	(617,351)
Other expenses	36	9,102,049	6,615,887
<b>Total expenses</b>		<b>223,086,290</b>	<b>239,640,055</b>
<b>III Profit / (Loss) before exceptional items and tax</b>		<b>(222,747,395)</b>	<b>(239,242,227)</b>
IV Exceptional items		21,847,550	0
<b>V Profit / ( Loss) before tax</b>		<b>(244,594,945)</b>	<b>(239,242,227)</b>
<b>VI Tax expense</b>			
Current tax		0	0
<b>Total tax expense</b>		<b>0</b>	<b>0</b>
<b>VII Profit / ( Loss) for the year</b>		<b>(244,594,945)</b>	<b>(239,242,227)</b>
<b>VIII Other comprehensive income</b>			
<b>Other comprehensive income for the year</b>		<b>0</b>	<b>0</b>
<b>IX Total comprehensive income for the year</b>		<b>0</b>	<b>0</b>
<b>X Earnings per equity share of ₹ 10 each fully paid up</b>			
Basic & Diluted (in ₹)		(10.27)	(10.04)
<b>XI Notes forming part of the financial statements</b>	1 - 36		

As per our report of even date  
For **N G JAIN & CO**  
Chartered Accountants

**Sd/-**  
**Prince Kothari**  
Partner  
Mem. No. 155819  
Firm Reg No. 103941W

Place : Mumbai  
Date : 30th May, 2019

For and on behalf of the Board of Directors  
**Avon Lifesciences Ltd**

**Sd/-**  
**Ajit Kamath**  
Chairman

**Sd/-**  
**Rajendra Kaimal**  
Director

**Sd/-**  
**Jignesh Patel**  
Company Secretary

## Notes to financial statements for the year ended 31st March 2019

### Note 1 Significant accounting policies for the year ended 31st March 2019

#### 1 Basis of Preparation of Financial Statements

The Ind AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provision of the Companies Act, 2013 (to the extent notified) and guideline issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The accounting policies adopted in the preparation of Ind AS financial statement are consistent with those of previous year.

#### 2 Use of Estimates

The preparation of the financial statements in conformity with Ind As requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the period . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 3 Revenue Recognition

1. Domestic sales are accounted for on dispatch of goods to the customer.
2. Export sales are accounted for on the basis of dates of Bill of Lading.

#### 4 Property, plant and equipment

Fixed assets (excluding Freehold Land) are stated at cost of acquisition less accumulated depreciation/ amortization and accumulated impairment losses if any. Freehold Land is carried at historical cost. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

Capital Work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Capital Work-in-Progress is carried at cost, comprising direct cost, related incidental expenses and interest on borrowing to the extent attributed to them.

#### 5 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired

#### 6 Investments

Investments are stated at cost.

#### 7 Foreign Currency

Functional Currency



The Functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees.

- 1 Transactions denominated in foreign currencies are recorded at spot rates / average rates.
- 2 Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- 3 Non monetary foreign currency items are carried at cost.

## **8 Employee Benefits**

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

## **9 Cash and Cash Equivalents**

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

## **10 Inventories**

Raw materials, Stores, Consumables and Packing Materials, Goods- in-Process and finished goods

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

## **11 Interest Income**

Interest income on term deposits is recognised on the time proportion basis using effective interest rate method

## **12 Provisions and contingent liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

## **13 R & D Expenditure**

Expenditure for capital items are debited to respective fixed assets and depreciation at applicable rates. Revenue expenditure is charged to Profit and Loss account.

## **14 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 asset on accumulated losses and unabsorbed depreciation are recognised only to the extent there is certainty of realisation of such asset in future.

## **15 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

- 16 Pursuant to a Court Order and in line with the Management's decision to discontinue manufacturing Active Pharmaceutical Ingredients (APIs) falling under the Controlled Substances category, stock of materials worth ₹ 218.48 Lakhs in value (consists of Raw Material worth ₹1.45 Lakhs & Semi finished and Finished Goods worth ₹ 217.03 Lakhs), which was lying at our Solapur manufacturing site, was destroyed under the supervision of Company representatives and relevant Govt officials. Effect of the said destruction is given under "Exceptional Items" in Sr No. IV.

## 17 Other Notes

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date  
For **N G JAIN & CO**  
Chartered Accountants

Sd/-  
**Prince Kothari**  
Partner  
Mem. No. 155819  
Firm Reg No. 103941W

Place : Mumbai  
Date : 30th May, 2019

For and on behalf of the Board of Directors  
**Avon Lifesciences Ltd**

Sd/-  
**Ajit Kamath**  
Chairman

Sd/-  
**Rajendra Kaimal**  
Director

Sd/-  
**Jignesh Patel**  
Company Secretary

**Note 2 Property, Plant and equipment**

Details of the property, plant and equipment and their carrying amounts are as follows:

Description of assets	Gross carrying amount						Depreciation			Net carrying amount	
	As at 01.04.2018	Additions	Disposals	As at 31.03.2019	As at 01.04.2018	Additions	Disposals	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	
	(Amount in ₹)										
Freehold Land	23,644,792	0	0	23,644,792	0	0	0	0	23,644,792	23,644,792	
Leasehold Land	7,684,137	0	0	7,684,137	0	0	0	0	7,684,137	7,684,137	
<b>Building</b>											
Non Factory	18,047,842	0	0	18,047,842	4,172,650	323,194	0	4,495,844	13,551,998	13,875,192	
Factory	170,542,107	0	0	170,542,107	86,471,157	4,428,224	0	90,899,381	79,642,726	84,070,950	
Plant & Machinery	1,622,209,167	0	0	1,622,209,167	1,013,076,339	55,562,789	0	1,068,639,128	553,570,039	609,132,827	
Lab Equipment	4,698,137	0	0	4,698,137	2,495,860	488,619	0	2,984,479	1,713,658	2,202,277	
Electrical Installations	49,588,046	0	0	49,588,046	46,616,226	165,152	0	46,781,378	2,806,668	2,971,820	
Furniture	9,246,021	0	0	9,246,021	8,229,443	377,594	0	8,607,037	638,984	1,016,578	
Office Equipment	5,558,530	0	0	5,558,530	5,292,100	0	0	5,292,100	266,430	266,430	
Computers	8,516,812	36,186	0	8,552,998	8,134,330	7,535	0	8,141,865	411,133	382,481	
Vehicles	4,393,141	0	0	4,393,141	4,028,966	101,013	0	4,129,979	263,162	364,175	
<b>TOTAL</b>	<b>1,924,128,732</b>	<b>36,186</b>	<b>0</b>	<b>1,924,164,918</b>	<b>1,178,517,072</b>	<b>61,454,120</b>	<b>0</b>	<b>1,239,971,192</b>	<b>684,193,727</b>	<b>745,611,660</b>	
Previous Year	<b>1,924,128,732</b>	<b>0</b>	<b>0</b>	<b>1,924,128,732</b>	<b>1,114,067,473</b>	<b>64,449,599</b>	<b>0</b>	<b>1,178,517,072</b>	<b>745,611,660</b>	<b>810,061,258</b>	
Capital Work in Progress									22,506,617	22,506,617	

( Amount in ₹ )

		As at 31 March, 2019	As at 31 March, 2018
<b>4</b>	<b>Non-current investments</b> Investments in equity instruments of Regal Pharma Pte. Ltd. - Unquoted 3,120,100 Shares of SGD 1 Each in Regal Pharma Pte. Ltd.	121,930,256	121,930,256
	<b>Total</b>	<b>121,930,256</b>	<b>121,930,256</b>
<b>5</b>	<b>Non-current financial assets - Loans</b> Unsecured, considered good Advances	51,015	51,015
	<b>Total</b>	<b>51,015</b>	<b>51,015</b>
<b>6</b>	<b>Other non-current financial assets</b>	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Non-current tax assets</b>	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>8</b>	<b>Other non-current assets</b>	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Inventories</b> Raw materials Goods-in-process Finished goods Stores, Consumables and Packing Material	237,464,944 265,600,559 8,980,585 20,739,898	237,609,662 286,376,936 9,907,039 20,739,898
	<b>Total</b>	<b>532,785,986</b>	<b>554,633,536</b>
<b>10</b>	<b>Trade receivables (Unsecured)</b> Considered good - Others	906,062,864	888,271,125
	<b>Total</b>	<b>906,062,864</b>	<b>888,271,125</b>

( Amount in ₹ )

		As at 31 March, 2019	As at 31 March, 2018
<b>11</b>	<b>Cash and cash equivalents</b>		
	Balance with banks in		
	Current accounts	833,682	850,123
	Cash on hand	33,216	32,824
	<b>Total</b>	<b>866,898</b>	<b>882,947</b>
<b>12</b>	<b>Bank balances other than 11 above</b>		
	Deposits with bank having original maturity period of more than twelve months*	428,821	428,821
	Deposits with bank having original maturity period of upto twelve months*	0	0
	<b>Total</b>	<b>428,821</b>	<b>428,821</b>
<b>13</b>	<b>Current financial assets - Loans</b>		
	<b>Unsecured, considered good</b>		
	Security deposits - Others	7,716,348	7,716,348
	Loans and advances to employees	138,950	138,950
	<b>Total</b>	<b>7,855,298</b>	<b>7,855,298</b>
<b>14</b>	<b>Other current financial assets</b>		
	Other receivables from	-	-
	- Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Current tax assets</b>		
	Balances with government authorities		
	- Direct tax (net of provisions)	57,076,948	57,043,058
	<b>Total</b>	<b>57,076,948</b>	<b>57,043,058</b>
<b>16</b>	<b>Other current assets</b>		
	Advances against goods and services	23,165,039	23,165,039
	Prepaid expenses	197,212	420,912
	Balances with government authorities		
	- Indirect tax	36,346,827	35,623,115
	Export benefits receivable	984,577	984,577
	<b>Total</b>	<b>60,693,656</b>	<b>60,193,643</b>

( Amount in ₹ )

		As at 31 March, 2019	As at 31 March, 2018
<b>17</b>	<b>Equity share capital</b>		
	<b>Authorised</b>		
	40,000,000 equity shares of ₹ 10 each	400,000,000	400,000,000
	<b>Issued</b>		
	23,825,000 equity shares of ₹ 10 each	238,250,000	238,250,000
	<b>Subscribed and paid up</b>		
	23,825,000 equity shares of ₹ 10 each	238,250,000	238,250,000
	<b>Total</b>	<b>238,250,000</b>	<b>238,250,000</b>

**Details of shareholder holding more than 5% equity shares in the company**

	Name of Shareholder	As at 31 March, 2019		As at 31 March, 2018	
		Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
	Arch Pharmed Labs Limited	10,709,100	44.95%	10,709,100	44.95%

(Amount in ₹)

		As at 31 March, 2019	As at 31 March, 2018
<b>18</b>	<b>Other equity</b>		
	<b>State Investment Subsidy</b>		
	As per last balance sheet	2,000,000	2,000,000
	<b>Capital reserve</b>		
	As per last balance sheet	7,000,000	7,000,000
	<b>Securities premium reserve</b>		
	As per last balance sheet	317,051,400	317,051,400
	<b>General reserve</b>		
	As per last balance sheet	130,000,000	130,000,000
	<b>Retained earnings</b>		
	As per last balance sheet	(1,119,354,008)	(880,111,781)
	Add : Profit / (Loss) for the Year	(244,594,945)	(239,242,227)
	<b>Total</b>	<b>(907,897,553)</b>	<b>(663,302,608)</b>

(Amount in ₹)

		As at 31 March, 2019	As at 31 March, 2018
<b>19</b>	<b>Non-current borrowings</b>		
	<b>Secured</b>		
	Term loans from banks	395,211,140	395,211,140
	Deferred Sales Tax Loan from State Govts.	156,032,788	156,032,788
		<b>551,243,928</b>	<b>551,243,928</b>
	<b>Unsecured</b>		
	From Body Corporate	317,140,209	317,140,209
		<b>317,140,209</b>	<b>317,140,209</b>
	<b>Total</b>	<b>868,384,137</b>	<b>868,384,137</b>
	Less: Current maturities disclosed under Other current financial liabilities (Refer note 24)	519,055,891	454,041,204
	<b>Total</b>	<b>349,328,246</b>	<b>414,342,933</b>

**Nature of security and terms of repayments for long-term borrowings**

**Term Loans**

- The Term loans from banks of ₹ 3467.57 Lakhs (Previous year ₹ 3467.57 Lakhs) are secured by way of first pari passu charge on fixed assets, second pari passu charge on current assets, personal / corporate guarantees of promotor directors / company.
- The Term loans from bank of ₹ 484.54 Lakhs (Previous year ₹ 484.54 Lakhs) are secured by way of first pari passu charge on current assets, second pari passu charge on fixed assets, personal / corporate guarantees of promotor directors / company.

**Deferred Sales Tax Loan**

- The Company has been availing interest free Sales Tax deferement loan from States Government Authorities and the balance Outstanding as on 31st March' 2019 was ₹ 1560.33 Lakhs (previous year ₹ 1560.33 Lakhs).

( Amount in ₹ )

		As at 31 March, 2019	As at 31 March, 2018
<b>20</b>	<b>Non-current provisions</b>		
	Leave encashment	3,310,172	3,310,172
	Provision for Tax (Net of Payment)	17,314,553	17,314,553
	Provision for Excise Duty	459,543	459,543
	<b>Total</b>	<b>21,084,268</b>	<b>21,084,268</b>

( Amount in ₹ )

		As at 31 March, 2019	As at 31 March, 2018
<b>21</b>	<b>Deferred tax liabilities (net)</b>		
		29,900,649	29,900,649
	<b>Total</b>	<b>29,900,649</b>	<b>29,900,649</b>
<b>22</b>	<b>Current financial liabilities - Borrowings</b>		
	Secured		
	Working capital loan from banks	1,495,287,114	1,351,287,114
	<b>Total</b>	<b>1,495,287,114</b>	<b>1,351,287,114</b>
<b>Working Capital</b>			
The working capital loans from the banks ₹ 14952.87 Lakhs (Previous year ₹ 13512.87 Lakhs) 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.			
<b>23</b>	<b>Trade payables</b>		
	Acceptances		
	a) Total Outstanding dues of micro enterprises and small enterprises	102,727	102,727
	b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	544,493,028	514,958,252
	<b>Total</b>	<b>544,595,755</b>	<b>515,060,979</b>
<b>24</b>	<b>Other current financial liabilities</b>		
	Current maturities of long-term borrowings (Refer note 19)	519,055,891	454,041,204
	Employee benefits payable	101,365,083	95,454,606
	Other payables	448,400	724,810
	<b>Total</b>	<b>620,869,374</b>	<b>550,220,620</b>
<b>25</b>	<b>Other current liabilities</b>		
	Statutory dues	3,034,233	2,564,021
	<b>Total</b>	<b>3,034,233</b>	<b>2,564,021</b>
<b>26</b>	<b>Current provisions</b>		
		0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>27</b>	<b>Current tax liabilities</b>		
		0	0
	<b>Total</b>	<b>0</b>	<b>0</b>



( Amount in ₹ )

		2019	2018
<b>28</b>	<b>Revenue from operations</b>		
	Sales of products (including excise duty)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>29</b>	<b>Other Income</b>		
	Miscellaneous income	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>30</b>	<b>Interest income</b>		
	- Others	338,895	397,828
	<b>Total</b>	<b>338,895</b>	<b>397,828</b>
<b>31</b>	<b>Cost of materials consumed</b>	0	0
	<b>Total</b>	0	0
	<b>Details of materials consumed</b>		
	Chemicals and Solvents	0*	0
*Refer Note No. 16 of Notes to Accounts.			
<b>32</b>	<b>Changes in inventories of finished goods and goods-in-process</b>		
	<b>Inventory at the end of the year</b>		
	Finished goods	8,980,585	9,907,039
	Goods-in-process	265,600,559	286,376,936
		274,581,143	296,283,975
	<b>Inventory at the beginning of the year</b>		
	Finished goods	9,907,039	9,907,039
	Goods-in-process	286,376,936	286,376,936
		296,283,975	296,283,975
	<b>Total</b>	<b>0**</b>	<b>0</b>
**Refer Note No. 16 of Notes to Accounts			
<b>33</b>	<b>Employee benefits expense</b>		
	Salaries, wages and bonus	19,178,234	22,499,529
	Contribution to provident and other funds	1,279,876	1,519,787
	Staff welfare expenses	381,640	192,160
	<b>Total</b>	<b>20,839,750</b>	<b>24,211,476</b>

( Amount in ₹ )

		2019	2018
<b>34</b>	<b>Finance costs</b>		
	Interest Expenses	144,000,000	143,971,642
	Other financial Charges	438,678	1,008,804
	<b>Total</b>	<b>144,438,678</b>	<b>144,980,445</b>
<b>35</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation on property, plant and equipment	61,454,120	64,449,599
	<b>Total</b>	<b>61,454,120</b>	<b>64,449,599</b>
<b>36</b>	<b>Other expenses</b>		
	Packing Materials, Stores ,spares and Consumables	0	0
	Power and fuel	3,053,058	2,403,387
	Repairs and maintenance	1,110	0
	Insurance	368,964	59,335
	Legal and Professional charges	929,166	875,706
	Rent, Rates & Taxes	14,594	0
	Travelling and conveyance expenses	359,184	0
	Printing and Stationery	310,707	18,719
	Communication Expenses	59,623	61,783
	Miscellaneous expenses	3,930,644	3,121,957
	Payment to auditors (Refer details below)	75,000	75,000
	<b>Total</b>	<b>9,102,049</b>	<b>6,615,887</b>
	Payment to auditors for:		
	Audit fees	75,000	75,000
	<b>Total</b>	<b>75,000</b>	<b>75,000</b>

**Cash Flow Statement of profit and loss for the year ended 31st March, 2019**

(Amount in ₹)

Particulars	Note	2018-2019	2017-2018
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before tax and extraordinary items		<b>(244,594,945)</b>	<b>(239,242,227)</b>
Adjustments for			
Depreciation		61,454,120	64,449,599
Interest & Financial Charges		144,438,678	144,980,445
<b>Operating Profits/(Loss) before Working Capital Changes</b>		<b>(38,702,147)</b>	<b>(29,812,183)</b>
(Increase) / Decrease in Inventories		21,847,550	0
(Increase) / Decrease in Debtors		(17,791,739)	(861,585)
(Increase) / Decrease in Loans & Advances		(533,903)	(762,773)
Increase / (Decrease) in Current Liabilities		100,653,742	202,512,265
Increase / (Decrease) in Cash Credit Loan		144,000,000	143,646,078
<b>Cash Generated from Operations</b>		<b>209,473,502</b>	<b>314,721,801</b>
Income Tax		0	0
<b>Net Cash flow from operating Activities (A)</b>		<b>209,473,502</b>	<b>314,721,801</b>
<b>B. Cash Flow from Investing Activities</b>			
Fixed Assets		(36,186)	0
<b>Net Cash Used in Investing Activities (B)</b>		<b>(36,186)</b>	<b>0</b>
<b>C. Cash Flow from Financing Activities</b>			
Change in Share capital		0	0
Change in security Premium		0	0
Change in Money receivedd against Share warrants		0	0
Change in long term borrowings		(65,014,687)	(169,739,323)
Interest & Financial Charges		(144,438,678)	(144,980,445)
<b>Net Cash inflow from Financing Activities (C)</b>		<b>(209,453,365)</b>	<b>(314,719,768)</b>
<b>Net Increase/(Decrease) in Cash Flow (A+B+C)</b>		<b>(16,049)</b>	<b>2,033</b>
Opening Balance of Cash and Cash Equivalent		1,311,769	1,309,736
Closing Balance of Cash and Cash Equivalent		<b>1,295,719</b>	<b>1,311,769</b>

As per our report of even date  
For **N G JAIN & CO**  
Chartered Accountants

**Sd/-**  
**Prince Kothari**  
Partner  
Mem. No. 155819  
Firm Reg No. 103941W

Place : Mumbai  
Date : 30th May, 2019

For and on behalf of the Board of Directors  
**Avon Lifesciences Ltd**

**Sd/-**  
**Ajit Kamath**  
Chairman

**Sd/-**  
**Rajendra Kaimal**  
Director

**Sd/-**  
**Jignesh Patel**  
Company Secretary



# 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

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 26th ANNUAL GENERAL MEETING of the Company, to be held on Monday, 30th September, 2019 at 09 a.m. at Hotel Daspalla, 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 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Mr. Rajendra Kaimal, who retires by rotation and is eligible for reappointment.
<b>Special Business</b>	
3.	Ratification of remuneration of Cost Auditor
4.	Appointment of Ms. Urja Shah as an Independent Director of the Company
5.	Shifting of Registered Office of the Company from Medak to Hyderabad

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder \_\_\_\_\_

Signature of Proxyholder (s) \_\_\_\_\_

Affix  
₹ 1/-  
Revenue  
Stamp

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



**AVON LIFESCIENCES LIMITED**

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) \_\_\_\_\_

DP ID \*: \_\_\_\_\_ Client ID : \_\_\_\_\_

Regd. Folio No.: \_\_\_\_\_ No. of Shares held : \_\_\_\_\_

Full Name of the Proxy (in BLOCK LETTERS) \_\_\_\_\_

I hereby record my presence at the 26th Annual General Meeting of the Company on Monday, 30th September, 2019 at 09 a.m. at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500033, Telangana.

Signature of Member/ Proxy \_\_\_\_\_

\*Applicable to investors holding shares in electronic form





## AVON LIFESCIENCES LIMITED

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		

I/We hereby exercise my/our vote in respect of the following resolutions(s) as specified in the Notice of AVON LIFESCIENCES LIMITED dated 30th May, 2019 to be passed at the 26th 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) *
<b>Ordinary Business</b>				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Rajendra Kaimal, who retires by rotation and is eligible for reappointment.			
3.	Ratification of remuneration of Cost Auditor			
4.	Appointment of Ms. Urja Shah as an Independent Director of the Company			
5.	Shifting of Registered Office of the Company from Medak to Hyderabad			

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

Place :

Date:

\_\_\_\_\_  
Signature of Member

**Instructions :**

1. In terms of LODR, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, this Form is being provided.
2. A member desiring to exercise vote by Assent/Dissent shall complete this Form with assent (for) or dissent (against) and send at their cost to reach Scrutinizer Mr. Yogesh Patel, Practising Company Secretary, at the Corporate Office of the Company on or before 29th September, 2019 by 5.00 p.m. Any Form received after the said date shall be treated as if the reply from the Members has not been received.
3. In case Members cast their vote both by Physical Assent/Dissent Form and e-voting, then voting done through e-voting shall prevail and voting done by Physical assent/dissent will be treated as invalid.
4. Voting through physical/assent form cannot be exercised by a proxy. However corporate and institutional shareholders shall be entitled to vote through their authorized representative with proof of their authorization.
5. Members are requested not to send any other paper along with Assent/Dissent form and not to write anything on this form. If any such other paper is sent the same will be destroyed by the Scrutinizer.
6. Incomplete unsigned or incorrectly ticked assent/dissent forms will be rejected.
7. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the cut-off date of 24th September,2019.

### Site Map





*If undelivered, please return to:*

**AVON LIFESCIENCES LIMITED**

(Formerly Avon Organics Ltd)

H Wing, 4th Floor, Tex Centre, Off Saki Vihar Road,  
Chandivali, Andheri (East), Mumbai -400072