



AVON

26th 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)

Board of Directors

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

Registered Office

Survey No. 18, Yawapur, Sadasivpet (M),
Medak Dist. Telangana - 502291
Phone: 9949828084 ; Fax: 91-08455-251536

Corporate Office

4th Floor H Wing, Tex Centre,
Chandivali, Andheri (E), Mumbai -400072
Phone: 022-4287 1210
Fax: 022-4287 1285

Auditors

M/s. N. G. Jain & Co.,
Chartered Accountants, Mumbai

Factories

1. Survey No. 18, Yawapur, Sadasivpet (M), Medak Dist.,
Telangana; (Non-Operational)
2. Plot No. E-2, Chincholi Industrial Area Solapur, Maharastra ;
Phone: 0217 – 2357738
Fax-0217-2357339

Bankers & Financial Institutions

State Bank of India
Punjab National Bank
Indian Overseas Bank
JM Financial Asset Reconstruction Company Ltd.

Registrars & Share Transfer Agents

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the 26th 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

30.05.2019
Mumbai

Sd/-
Jignesh Patel
Company Secretary

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.

The instructions for shareholders voting electronically are as under:	For Members holding shares in Demat Form and Physical Form
<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 www.evotingindia.com.</p> <p>(iii) Click on Shareholders.</p> <p>(iv) Now Enter your User ID</p> <ol style="list-style-type: none"> For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company. 	<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"> 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. 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.
<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 www.evotingindia.com 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>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"> 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).

<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 & 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"> • Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. • A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. • After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. • The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. • A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. <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 www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact CDSL on 1800 200 5533 or info@avonlifesciences.com</p> <p>Other information</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 info@avonlifesciences.com 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.