



Kobo Biotech Limited

(Formerly Known as Avon Lifesciences Limited)

27th ANNUAL REPORT 2019-20

Kobo Biotech Limited

(Formerly Known as Avon Lifesciences Limited)

CIN: L24110TG1993PLC01611

Regd. Off: Ground Floor, D.No. 8-2-684/J/8/A, Bhavani Nagar, Road No. 12, Banjara Hills, Hyderabad - 500034, Telangana

CONTENTS

1.	Corporate Information	2
2.	Notice	3
3.	Director's Report.....	9
4.	Secretarial Audit Report.....	15
5.	Extract of Annual Return	18
6.	Management Discussion & Analysis Report	26
7.	Report on Corporate Governance	28
8.	Auditor's Report.....	39
9.	Balance Sheet	46
10.	Statement of Profit and Loss Account	47
11.	Notes to Financial Statement	48
12.	Cash Flow Statement	58

Effective 19th October, 2020, your company's name has been changed to KOBO BIOTECH LIMITED from erstwhile AVON LIFESCIENCES LIMITED

Board of Directors

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

Registered Office

Regd. Office: Ground Floor. D. No. 8-2-684/J/8/A. Bhavani Nagar,
Road No. 12. Banjara Hills, Hyderabad - 500 034

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

Plant Location

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

Bankers & Financial Institutions

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

Registrars & Share Transfer Agents

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting of the members of Kobo Biotech Limited (Formerly Avon Lifesciences Limited) will be held on Wednesday, the 30th day of December, 2020 at 04:00 P.M. (IST), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
- 2 To appoint a Director in place of Mr. Ajit Kamath (DIN: 00032799), who retires by rotation and 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 Rs. 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, 2021, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ajit Kamath and/or Mr. Rajendrakumar 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."

By Order of the Board
For Kobo Biotech Limited

13th November, 2020
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. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs ("MCA") has vide its General Circular No 14/2020 dated April 08, 2020, General Circular No 17/2020 dated April 13, 2020 and the General Circular No. 22/2020 dated June 15, 2020 (collectively referred to as "said Circulars") permitted the holding of the Annual General Meeting (AGM or the Meeting) through VC/ OAVM, without the physical presence of the Shareholders at the venue.

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has decided to convene its ensuing 27th AGM through VC/ OAVM, and the Shareholders can attend and participate in the ensuing AGM through VC/ OAVM. The attendance of the shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.

3. Members desirous of any information or queries on accounts or relevant reports are requested to send their queries at least ten days in advance to the Company at its email info@avonlifesciences.com to enable the Company officials to collect the relevant information and answer them during the meeting or by written communication post meeting.

4. Body Corporate members intending to appoint their authorized representative are requested to send a duly certified copy of the Resolution authorizing their representative to participate and vote at the Meeting.
5. Relevant documents referred to in the accompanying notice and explanatory statements are open for inspection by the members at the corporate office of the Company on all working days between 11.00 a.m. and 2.00 p.m. or through electronic means on request.
6. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
7. 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.
8. 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.
9. **Provide PAN, Bank details etc:** Shareholders mandatorily need to provide to the Company or Share Transfer Agent (STA) their PAN and Bank Account details. If you have not furnished so far, please provide self-attested copy of PAN card, cancelled cheque with bank detail. To update your current address, provide self-signed copy of latest address proof (aadhar card, passport, driving license, election voter card or utility bill in the name of sole or first holder.
10. **Nomination:** Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to section 72 of the Companies Act 2013 read with relevant rules. Members desiring to avail of this facility may send their nomination in the prescribed form no. SH13 duly filled in and signed to the Company or RTA.

Member may contact secretarial department on 022 4287 1210 for guidance to avail facilities or matters as mentioned in this Notice.
11. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA at info@avonlifesciences.com; xlfield@gmail.com.
12. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA at info@avonlifesciences.com; xlfield@gmail.com.
13. In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company is sending this Notice in electronic form only and has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the Ballot form. The hard copy of this Annual Report and pre-paid business envelope will not be sent to the Members for this Annual General Meeting. The instructions for remote e-voting are appended to this Notice.
14. Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company have appointed Mr. Mehul Pitroda, Company Secretary (Membership No.ACS-43364) of M/s. M. S. Pitroda & Co., Practising Company Secretaries as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
15. For the purpose of dispatch of this Notice, shareholders of the Company holding shares in demat / physical form as on 27th November, 2020 has been considered. Any person, who acquire shares of the Company and becomes member of the Company after 27th November, 2020 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.

16. The Members whose name appears in the Register of Members/list of Beneficial Owners as received from Depositories as on 24th December, 2020 ("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.
17. The scrutinizer will submit his report to the Chairman and/or to the Company Secretary duly authorized by Chairman, after completion of the scrutiny of the votes received through e-voting in a fair and transparent manner. The results of the e-voting shall be declared by the Chairman or the Company Secretary duly authorised on or around 31st December, 2020.
18. For e-voting, please read carefully the "Procedure/ instructions for e-voting" enumerated herein:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, 27th December, 2020 (09:00 AM) and ends on Tuesday, 29th December, 2020 (05:00 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 (record date) of 24th December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	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.
OR Date of Birth (DOB)	<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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to

mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of KOBO Biotech Limited/ Avon Lifesciences Ltd to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed 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.
- (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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@avonlifesciences.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 19th December, 2020 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@avonlifesciences.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Item No. 3: - Approval for remuneration of Cost Auditor

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Santiram Chattopadhyay & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending on 31st March 2021, to conduct audit of cost accounting records of the Company as may be required for cost audit under the Companies Act 2013 and Rules made thereunder, at a remuneration of Rs.10,000/- and applicable taxes and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors. The Board recommends the Ordinary Resolution for the above matter as set out in the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Board's Report

To,

The Members of Kobo Biotech Limited,

(Formerly Avon Lifesciences Limited)

Your Directors are pleased to present their 27th Annual Report on your Company's operations along with the Audited financial statements for the financial year ended on 31st March, 2020.

SUMMARY OF STANDALONE FINANCIAL RESULTS

(Rs. in Lakhs)

	Year Ended 31.03.2020	Year Ended 31.03.2019
TOTAL INCOME	3.44	3.39
EBITDA/ (LBITDA)	(65.33)	(168.54)
Profit/ (Loss) before Tax	(2100.62)	(2,445.95)
Profit/ (Loss) after Tax	(2100.62)	(2,445.95)
Earnings/ (Loss) Per Share (EPS)(in Rs.)	(8.82)	(10.27)

DIVIDEND

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

OPERATIONS REVIEW

The operational activities at the plant of the Company could not be resumed for operations owing to certain regulatory clearances still required and the feasibility assessment of the product profile.

The company is in the process of developing APIs (Active Pharmaceutical Ingredients) in various therapeutic segments which will be commercialized at its Solapur site in future. 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 United States Food & Drug Administration (USFDA).

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.

The COVID-19 pandemic has disrupted the global economy creating unprecedented challenges; economic activity in India too was almost at a standstill due to the nationwide lockdown from end-March 2020. However, as stated above there were no operational activity during the year hence there is no major impact on the operations of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, of the state of affairs of your company 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 are given in Form MGT – 9