

AVON LIFESCIENCES LIMITED

Corp. Office : 'H' Wing, 4th Floor, Tex Centre, Off Saki Vihar Road, Chandivali,
Andheri (E), Mumbai - 400 072, INDIA. • Tel. : +91-22-4287 1210 • Fax : +91-22-4287 1285
E-mail : info@avonlifesciences.com • Website : www.avonlifesciences.com
(CIN : L24110TG1993PLC16112)



Asst. General Manager,
Dept. of Corporate Services.
Bombay Stock Exchange Limited,
14th Floor, P.J.Towers, Dalal Street, Fort,
Mumbai: 400 001

30th June, 2020

Dear Sir/ Madam,

Scrip Name: Avon Lifesciences Limited, Scrip Code: 531541

Sub: OUTCOME OF THE BOARD MEETING: Audited Financial results for the Quarter and financial year ended March 31, 2020.

This is to inform you that the Board of Directors of Avon Lifesciences Limited at their meeting held today i.e. on Tuesday, 30th June, 2020 inter alia approved the Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2020 alongwith the report of statutory auditor thereon.

Please find enclosed a copy of the audited Financials along with audit report from the Statutory Auditors.

The above-referred meeting was commenced at 3:00 p.m. and concluded at 4:15 p.m.

The above is pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for your information and record.

Thank you,
For Avon Lifesciences Limited

Rajendrakumar Kaimal
Director



DECLARATION

[Pursuant to Regulation 33 (3)(d) of SEBI (Listing Obligation and Disclosure Requirement) (Amendment) Regulations, 2016]

I, Rajendrakumar Kaimal, Director of M/s. Avon Lifesciences Limited, having its Corporate Office at H Wing, 4th Floor, Tex Centre, Chandivali, Andheri(E), Mumbai 400 072, Maharashtra, do hereby declare that M/s. N.G. Jain & Co, Statutory Auditors of the Company have carried out audit of the Financial Statements of the Company for the year ended 31st March, 2020 and have issued an Audit Report with unmodified opinion.

Yours sincerely,
For Avon Lifesciences Limited

Rajendrakumar Kaimal
Director

Mumbai
30th June, 2020



CA. Mukesh Mehta

B. Com. F.C.A.

CA. Shantilal Jain

B. Com. F.C.A.

CA. Prince Kothari

B. Com. A.C.A.

N. G. JAIN & CO.
CHARTERED ACCOUNTANTS

320, Hammersmith Ind. Premises Co-op. Soc. Ltd., Narayan Pathare Marg, Off. Sittladevi Temple Road, Mahim (West)
Mumbai - 400 016. Office Phone : +91 22 24440564 / +91 22 24440716 / 249740716

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
AVON LIFESCIENCES LIMITED**

Report on the audit of the Financial Results

Opinion

We have audited the accompanying quarterly financial results of Avon Lifesciences Limited (the company) for the quarter ended 31st March, 2020 and the year to date results for the period from 1st April, 2019 to 31st March, 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 31st March, 2020 as well as the year to date results for the period from 1st April, 2019 to 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibilities for the Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit



procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For N G JAIN & Co
Chartered Accountants**



A handwritten signature in black ink, appearing to read "Prince Kothari".

**Prince Kothari
Partner**

Membership No.: 155819

FRN No.: 103941W

Mumbai

30th June, 2020

UDIN: 20155819AAAABG1793

AVON LIFESCIENCES LIMITED
CIN: L24110TG1993PLC016112

Regd. Office : Ground Floor, D.No. 8-2-684/J/8/A, Bhavani Nagar, Road No.12, Banjara Hills, Hyderabad – 500034
Corp. Office : H Wing, 4th Floor, Tex Centre, Off Saki Vihar Road, Chandivali, Andheri (East), Mumbai - 400 072

Statement of Audited Financial Results for the quarter and Year ended 31st March, 2020

(Amount in INR Lakhs)

| Sr.No. | PARTICULARS | Quarter Ended | | | Year Ended | |
|--------|--|-----------------|-----------------|-----------------|-------------------|-------------------|
| | | 31.03.2020 | 31.12.2019 | 31.03.2019 | 31.03.2020 | 31.03.2019 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| I | Income from operations | - | - | - | - | - |
| II | Other Income | - | - | 0.59 | 3.44 | 3.39 |
| III | Total Income (I+II) | - | - | 0.59 | 3.44 | 3.39 |
| IV | Expenditure | | | | | |
| | (a) Cost of raw material consumed | - | - | - | - | - |
| | (b) Purchases of stock-in-trade | - | - | - | - | - |
| | (c) Employee benefits expense | 48.20 | 39.72 | 92.71 | 179.63 | 208.40 |
| | (d) Finance Cost | 362.00 | 365.46 | 365.44 | 1,447.47 | 1,444.39 |
| | (e) Depreciation and Amortisation expenses | 144.82 | 149.03 | 181.01 | 587.82 | 614.54 |
| | (f) Exchange(Gain)/Loss | (192.00) | - | (6.18) | (192.00) | (127.48) |
| | (g) Other Expenses | 16.55 | 20.28 | (5.31) | 81.14 | 91.01 |
| | Total Expenses | 379.57 | 574.49 | 627.67 | 2,104.06 | 2,230.86 |
| V | Profit (Loss) before Exceptional Items and Tax (III-IV) | (379.57) | (574.49) | (627.08) | (2,100.62) | (2,227.47) |
| VI | Exceptional items | - | - | - | - | (218.48) |
| VII | Profit (Loss) before Tax (V-VI) | (379.57) | (574.49) | (627.08) | (2,100.62) | (2,445.95) |
| VIII | Tax expenses | | | | | |
| | (a) Current Tax | - | - | - | - | - |
| | (b) Deferred Tax | - | - | - | - | - |
| IX | Net Profit (Loss) after tax (VII-VIII) | (379.57) | (574.49) | (627.08) | (2,100.62) | (2,445.95) |
| X | Other Comprehensive Income | | | | | |
| | (i) Items that will not be reclassified to Profit or Loss | - | - | - | - | - |
| XI | Total Comprehensive Income for the period (IX+X) | (379.57) | (574.49) | (627.08) | (2,100.62) | (2,445.95) |
| XII | Paid-up equity share capital | 2,382.50 | 2,382.50 | 2,382.50 | 2,382.50 | 2,382.50 |
| XIII | Other Equity | | | | (11,179.59) | (9,078.98) |
| XIV | Earnings Per Share (Basic and Diluted) (in Rs) | (1.59) | (2.41) | (2.63) | (8.82) | (10.27) |

Notes:

- The above audited standalone financial results, prepared in accordance with the Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30th June, 2020.
- The Company operates only in one Business Segment i.e. manufacturing Active Pharmaceutical Ingredients (API)/ Bulk Drugs.
- 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 licences 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 is also in talks with a couple of large Indian Pharma Companies to explore contact Manufacturing opportunities at the Solapur Site.
- The number of investor complaints at the beginning and pending at the end of the Quarter were Nil.
- Figures for the quarter ended 31 March are the balancing figures between the audited figures in respect of full financial year and the published year-to-date figures upto the third quarter of the relevant financial year, which were subjected to limited review
- Figures of the previous periods have been regrouped / rearranged wherever considered necessary.

For AVON LIFESCIENCES LIMITED



Mumbai
400072

Ajit Kamath
Director

AVON LIFESCIENCES LIMITED
CIN: L24110TG1993PLC016112

Regd. Office : Ground Floor, D.No. 8-2-684/J/8/A, Bhavani Nagar, Road No.12, Banjara Hills, Hyderabad – 500034
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BALANCE SHEET AS AT 31st MARCH, 2020

(Amount in INR Lakhs)

| Particulars | 31.03.2020 | 31.03.2019 |
|---|-------------------|-------------------|
| ASSETS | | |
| Non-Current Assets | | |
| (a) Property, Plant and Equipment | 6,254.39 | 6,841.94 |
| (b) Capital Work-in-Progress | 225.07 | 225.07 |
| (c) Investment Property | - | - |
| (d) Goodwill | - | - |
| (c) Other Intangible Assets | - | - |
| (f) Intangible Assets Under Development | - | - |
| (c) Financial Assets | | |
| (i) Investments | 1,219.30 | 1,219.30 |
| (ii) Trade Receivables | - | - |
| (ii) Loans | 0.51 | 0.51 |
| (ii) Others | - | - |
| (e) Deferred Tax Asset (Net) | - | - |
| (d) Other Non-Current Assets | - | - |
| | 7,699.27 | 8,286.82 |
| Current assets | | |
| (a) Inventories | 5,327.86 | 5,327.86 |
| (b) Financial Assets | | |
| (i) Investments | - | - |
| (ii) Trade Receivables | 9,328.58 | 9,060.63 |
| (iii) Cash and Cash Equivalents | 8.50 | 8.67 |
| (iv) Bank Balances Other than (iii) above | 4.29 | 4.29 |
| (v) Loans | 79.00 | 78.55 |
| (vi) Others | - | - |
| (c) Current Tax Assets (Net) | 571.11 | 570.77 |
| (c) Other Current Assets | 614.86 | 606.93 |
| | 15,934.20 | 15,657.70 |
| TOTAL | 23,633.47 | 23,944.52 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 2,382.50 | 2,382.50 |
| (b) Other Equity | (11,179.59) | (9,078.98) |
| | (8,797.09) | (6,696.48) |
| Liabilities | | |
| Non Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 3,493.28 | 3,493.28 |
| (ii) Trade Payables | | |
| Micro, Small and Medium Enterprises | - | - |
| Others | - | - |
| (ii) Other Financial Liabilities | - | - |
| (b) Provisions | 210.84 | 210.84 |
| (c) Deferred Tax liabilities (Net) | 299.01 | 299.01 |
| (c) Other Non-Current Liabilities | | |
| | 4,003.13 | 4,003.13 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 16,392.87 | 14,952.87 |
| (ii) Trade Payables | 5,707.94 | 5,445.96 |
| Micro, Small and Medium Enterprises | - | - |
| Others | - | - |
| (iii) Other Financial Liabilities | 6,292.82 | 6,208.70 |
| (b) Other Current Liabilities | 33.80 | 30.34 |
| (c) Provisions | - | - |
| (d) Current Tax Liabilities (Net) | - | - |
| | 28,427.43 | 26,637.87 |
| TOTAL | 23,633.47 | 23,944.52 |

For AVON LIFESCIENCES LIMITED



Mumbai
30-Jun-20

Ajit Kamath
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020

(Amount in INR Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|-------------------------------------|-------------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax and extraordinary items | (2,100.62) | (2,445.95) |
| Adjustments for | | |
| Depreciation | 587.82 | 614.54 |
| Interest & Financial Charges | 1,447.47 | 1,444.39 |
| Operating Profits before Working Capital Changes | (65.33) | (387.02) |
| (Increase) / Decrease in Inventories | - | 218.48 |
| (Increase) / Decrease in Debtors | (267.95) | (177.92) |
| (Increase) / Decrease in Loans & Advances | (8.72) | (5.34) |
| Increase / (Decrease) in Current Liabilities | 349.56 | 1,006.54 |
| Increase / (Decrease) in Cash Credit Loan | 1,440.00 | 1,440.00 |
| Cash Generated from Operations | 1,447.56 | 2,094.74 |
| Income Tax | | |
| Net Cash flow from operating Activities (A) | 1,447.56 | 2,094.74 |
| B. Cash Flow from Investing Activities | | |
| Fixed Assets | (0.27) | (0.36) |
| Net Cash Used in Investing Activities (B) | (0.27) | (0.36) |
| C. Cash Flow from Financing Activities | | |
| Change in Share capital | - | - |
| Change in security Premium | - | - |
| Change in Money receivedd against Share warrants | - | - |
| Change in long term borrowings | - | (650.15) |
| Interest & Financial Charges | (1,447.47) | (1,444.39) |
| Net Cash inflow from Financing Activities (C) | (1,447.47) | (2,094.54) |
| Net Increase/(Decrease) in Cash Flow (A+B+C) | (0.18) | (0.16) |
| Opening Balance of Cash and Cash Equivalent | 12.96 | 13.12 |
| Closing Balance of Cash and Cash Equivalent | 12.78 | 12.96 |

For AVON LIFESCIENCES LIMITED



Ajit Kamath
Director

Mumbai
30-Jun-20