BAFNA PHARMACEUTICALS LIMITED

Regd Office: No: 299, THAMBU CHETTY STREET, CHENNAI- 600 001.
Tel (044) 42677555 Fax (044) 42677599 CIN: L24294TN1995PLC030698
E-Mail: info@bafnapharma.com Website: www.bafnapharma.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013]

Dear Member(s)

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the resolutions appended below are proposed to be passed as Special Resolutions by way of postal ballot (Postal Ballot Forms and E-voting). The explanatory statement pertaining to the said resolutions setting out the material facts concerning the items and the reasons thereof, as required in terms of Section 102 of the Act, are annexed hereto along with a postal ballot form (the "Form") for your consideration.

The Board of Directors has appointed Mr.Pankaj Mehta, Practising Company Secretary (M.No:A29407), Chennai as the Scrutinizer for conducting the postal ballot (Physical including e-voting) process in a fair and transparent manner.

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, including any statutory modification thereof, the Company has also extended e-voting facility for its Members. For this purpose, the Company has made an arrangement with Central Depositories Services (India) Limited (CDSL) for facilitating e-voting as an alternate for the Members to enable them cast their votes electronically.

Members are requested to read the instructions printed on the Form for voting via postal ballot/ electronic mode. The Members who opt for voting via postal ballot are requested to return the Form in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 pm on 31st July 2016.

The Notice of the Postal Ballot has also been uploaded on the Company's website www.bafnapharma.com.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions in the postal ballot form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5 PM on 31st July 2016 to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions given in the postal ballot form, annexed with this notice. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Managing Director or Whole time Director of the Company after the completion of the scrutiny of the postal ballots (including e-voting).The results shall be declared on or before 2nd August 2016. The results shall be uploaded in the websites of Stock Exchanges, CDSL www.evotingindia.com, and website of the Company www.bafnapharma.com and would also be displayed on the **Company's Notice Board at the Registered office.**

Certified True Copy
For BAFNA PHARMACEUTICALS LTD.,
R.S. GOWDHAMAN
Company Secretary

RESOLUTIONS:

1) ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the extant provisions contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as "the said RegUlations") for preferential issue, provisions of the Memorandum and Articles of Association of the Company, provisions of any rules/regulations/ guidelines framed/issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI") (including any amendment(s) thereto or any reenactment(s) thereof for the time being in force), Listing Agreement entered into with the Stock Exchange where the shares of the Company are listed and other applicable rules/regulations/guidelines framed/issued by any appropriate/statutory authority' and subject to such approvals, permissions,: sanctions and consents (hereinafter referred to as the "Approvals") as may be necessary and required from the any other appropriate authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board"), consent and approval of the members of the Company be and is hereby accorded to the Board to raise funds up to Rs.13.60 Crores (Rupees Thirteen Crores and Sixty Lakhs) by way of offer, issue and allot, in one or more tranche(s), on preferential basis, not exceeding 40,00,000 (Forty Lacs) Warrants carrying an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- (Rupees Ten) each 'at price of Rs. 34/-(Rupees Thirty Four Only) each including premium of Rs. 24/- (Rupees Twenty Four Only) each or at such higher price as may be determined in accordance with the Regulation 76 / 76A of Chapter VII of the Regulations, at a future date not exceeding 18 (eighteen) months from the date of issue of such warrants to the following persons / entities (hereinafter referred to as "the proposed allottees"):

Sl No	Details of the Proposed Allottees (Name & Address)	Category	PAN	Maximum No of Warrants to be issued
1	Mr.Dipak Prabhakar Radive Flat No: 1, Ekvira Society, Plot No 50/B, Pestom Sagar, Road No: 4, Chembur , Mumbai - 400089	Others – Non- Promoters	AFDPR9355P	500000
2	Mr.Sushant Ramchandra Jhadav, No:5, First Floor, Satya Niwas, Perin Nariman Stree, Fort, Mumbai - 400001	Others – Non-Promoters	AGZPJ0813B	250000
3	Mr.Gopal P Bhanushali (HUF), No: 93/95, Bazaar Gate Street, Perin Nariman Stree, Fort, Mumbai - 400001	Others – Non-Promoters	AABHG9763R	250000
4	M/s Innovative Deviates Pvt Ltd Devashish Building, Near West Hotel, Elisbridge, Ahemedabad -3	Others – Non-Promoters	AABCI4706M	1000000
5	Mr.Samir Rohitbhai Shah, 2/3, Suyog Bungalow, Opp Ashwarj Buglow,Prahaladnagar, Ahmedabad -380051	Others – Non-Promoters	AQCPS6044E	100000
6	Mr.Viraj Samir Shah, 2/3, Suyog Bungalow, Opp Ashwarj Buglow,Prahaladnagar, Ahmedabad -380051	Others – Non-Promoters	EVOPS6044E	100000
7	Ms Amoli Samir Shah, 2/3, Suyog Bungalow, Opp Ashwarj Buglow,Prahaladnagar, Ahmedabad -380051	Others – Non-Promoters	FRIPS7518M	100000
8	Mrs Reshma Nayanbhai Shah, 2/3, Suyog Bungalow,Opp Ashwarj Buglow,Prahaladnagar, Ahmedabad -380051	Others-Non-Promoters	BCIPS4289P	100000
9	M/s Shwetsam Stock Holding Pvt Ltd, 2/3, Suyog Bungalow,Opp Ashwarj Buglow,Prahaladnagar, Ahmedabad -380051	Others – Non-Promoters	AARCS7025H	600000
10	Mr. Bafna Mahaveer Chand, 96, A P Road, Choolai, Chennai – 600112.	Promoters	AACPB6411G	500000
11	Mrs. Sasikala Bafna 96, A P Road, Choolai, Chennai – 600112.	Promoters	AASPB2718E	500000
Total				4000000

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid warrants to the proposed allottees and the Equity Shares resulting from the exercise of the entitlement of the warrant holders to subscribe to the Equity Shares shall be made at such time(s) as the Board may in its absolute discretion decide, subject however, to applicable guidelines, notifications, rules and regulations and the terms and conditions given herein below:

a) The price including premium of the equity shares to be allotted on exchange / surrender of the said warrants to the proposed allottees shall not be lower than the minimum price determined as per provisions of Regulation 76 / 76A of the Regulations;

b) As per the provisions of Regulation 71 of the Regulations, the Relevant Date for determining the price of the Equity Shares to be allotted on exchange / surrender of the said warrant shall be 3rd July, 2016;

c) In accordance with the provisions of the Chapter VII of the SEBI (ICDR) Regulations,, 25%(Twenty Five Percent) of the Consideration payable against the warrants , shall be paid by the Warrant Holder(s) to the company on or before the allotment of warrants ;

d) Each of the said warrant shall carry a right, entitling its registered owner to apply at his option and seek allotment of one Equity Share of Rs. 10/- each at price of Rs.34/- each (including premium of Rs.24/-) each or at such price as may be determined as per provisions of Regulations, upon exchange / surrender of each warrant to the Company along with payment of balance 75 % of the issue price of the Equity Share;

e) Against each of the said warrants, the registered owner of the warrant shall be entitled to apply for, at his option, and seek allotment of one Equity share in the manner aforesaid, within the period not exceeding 18 months from the date of issue of the said warrants. The Board of Directors of the Company at its discretion shall decide the time within which the application for equity shares against exchange / surrender of the said warrants shall be made, subject to the aforesaid time limit;

f) In case the warrant holder do not apply for the equity shares of the Company against exchange / surrender of the said warrants as aforesaid within the time that may be fixed by the Board of Directors in this regard, then the amount paid up on each of the said warrants shall be forfeited and all the rights attached to the said warrant shall lapse *ipso facto;*

g) Upon exchange / surrender of each of the said warrants, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the warrants is entitled to apply;

h) The Equity Shares to be offered, issued and allotted as aforesaid against exchange / surrender of the said warrant upon exercise of the option by the warrant holder, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and on allotment such Equity Shares shall rank pari passu in all respect with the existing Equity Shares of the Company;

i) Each of the Equity Shares to be issued and allotted as aforesaid, upon exchange / surrender of the said warrants, and also the entire pre-preferential Equity Shares held, if any, by the proposed allottees shall be subject to the lock in for such period as prescribed under Regulation 78 of the said Regulations;

j) The warrants by itself shall not give to the holder thereof any rights of the shareholders of the Company;

k) The option attached to each of the said warrants shall be independent of each other; and

l) In case the Equity Shares of the Company are either subdivided or consolidated before issues of the aforesaid warrants, or exercise of option by the holders of the said warrants, then the face value, the number of Equity Shares to be acquired upon exercise of the option attached to the said warrants and the price of acquisition of the said Equity Shares by the holders of the warrants, shall automatically stand augmented / reduced in the same proportion, as the present value of the Equity Shares of Rs.10/- each of the Company bears to the newly sub-divided or consolidated Equity Shares, without affecting any right or obligation of the said warrant holders.

Certified True Copy
For BAFNA PHARMACEUTICALS LTD.
R.S. GOWDHAMAN
Company Secretary

RESOLVED FURTHER THAT subject to the applicable provisions, guidelines, notifications, rules and regulations, the Board be and is hereby authorized to decide, modify, alter and amend the terms of offer, issue and allotment of the aforesaid warrants and the Equity Shares resulting from the exercise of the options attached to each of the said warrants by its holders; **PROVIDED THAT** the Equity Shares resulting from the exercise of the option attached to each of the said warrants under this resolution shall be fully paid-up at the time of their allotment.

RESOLVED FURTHER THAT to give effect to the aforesaid resolutions, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee .of Directors or any Director or any other officer(s) of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorized in this regard by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the warrants/shares, execute all such deeds, documents, agreements and writings as may be necessary and take such further steps as are required for allotment and listing on one or more Stock Exchange(s) of the said warrants/shares to be issued, offered and allotted as aforesaid, and to take such other steps that are incidental and ancillary in this regard; and to do, make or accept such alterations, modifications or variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the Board/Committee/such Authorised Person in the best interest of the Company and its shareholders."

By Order of the Board
For Bafna Pharmaceuticals Limited

R. S. Gowdhaman
Company Secretary

Place: Chennai
Date: 17.06.2016

ANNEXURE TO NOTICE

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts concerning the Special Resolutions and the reasons thereof is annexed.

   The Company intends to raise long term funds by way of equity to reduce its borrowings and thereby augment the long term financial resources of the Company. The Company has been exploring various options for raising funds. One of the options considered appropriate under the current circumstances by the Board of Directors of the Company, at its meeting held on 17th June, 2016 subject to necessary approval(s), is the issuance of upto 40,00,000 (Forty Lakhs only) Warrants through a preferential offer to Promoter / Promoter Group / Person Acting in Concert & External Investors (Non-Promoters)

   The price at which such Warrants may be exercised over a period of eighteen months from the date of allotment shall be the price determined as per Regulation 76 / 76A of the SEBI ICDR Regulations, 2009 and as amended from time to time . Currently, the SEBI ICDR Regulations, 2009 provide that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

   The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized Stock Exchange during the 26 weeks preceding, the relevant date; OR the average of the weekly high and low of the closing prices of the related, equity shares quoted on a recognized Stock Exchange during the two weeks preceding the relevant date. 'Stock Exchange' for this purpose shall mean any of the recognized stock exchanges and on which the highest trading volume in respect of the shares of the Company has been traded during the preceding six months prior to the relevant date.

   All matters in connection with the Shares of the Company may be addressed to the Company's Registrars & Transfer Agents viz. M/s. Cameo Corporate Services Ltd, No: 1, Club House Road, Chennai – 600002. Members are requested to quote their respective folio numbers / D.P / Client I.D. and also notify the change of address, email id, if any, to the Company's Registrars & Transfer Agents.

To meet the Long term requirements of the Company, it is proposed to mobilize funds upto Rs. 13.60 Crores (Rupees Thirteen Crores and Sixty lakhs Only) by issue and allotment of 40,00,000 warrants convertible into even number of Equity Shares of Rs. 10/- each at a price of Rs. 34/- (including premium of Rs. 24/-) each or at such higher price as may be determined in accordance with the provisions of Regulation 76 / 76A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on preferential basis to the persons (others than promoters) on the terms and conditions as detailed in the Special Resolution set out at Item No. 1 of the notice.

The information as required under Regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 is given here-in-below:

(a) OBJECTS OF THE ISSUE:

The object of this issue is to mobilize funds to meet long term requirements of the Company.

(b) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:

The preferential issue is being made to the promoters Mr. Bafna Mahaveer Chand and Mrs. Sasikala Bafna as well as 9 External Investors (Non-Promoters) as detailed in the notice as item no (i) - Shareholding Pattern Pre And Post Preferential Offer. The aforesaid proposed allottee(s) agreeing to subscribe to the offer has been received. In the event, any of the Equity Shares remaining unsubscribed by the aforesaid proposed allottee(s), for any reason whatsoever, the same will be offered and allotted by the Board at its absolute discretion to any other person / entity/ investor within the same promoter category / class, on the same terms and conditions

(c) SECURITIES TO BE ISSUED:

The resolution set out in the accompanying Notice authorizes the Board to issue to Mr.Bafna Mahaveer Chand, Mrs. Sasikala Bafna and 9 other External Investors as detailed in the annexure. The issue of 40, 00,000 Warrants, entitling the holder of each Warrant to apply for and obtain allotment of one equity share of the face value of 10/- each fully paid-up against each Warrant within eighteen months of its allotment, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI ICDR Regulations, 2009.

(d) RELEVANT DATE:

The Relevant Date for the purpose of determining the price of the shares arising out of the Warrants, in accordance with the pricing method given in Chapter VII of SEBI ICDR Regulations, 2009 is 3rd July 2016 i.e 30 days before the date of the declaration of result of the postal ballot process.

(e) TERMS OF ISSUE OF WARRANTS TO PROMOTERS AS WELL AS 9 EXTERNAL INVESTORS(NON-PROMOTERS)

1. The proposed allotees of Warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the price fixed per Warrant in terms of Chapter VII of SEBI ICDR Regulations, 2009.

2. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of the face value of t 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of eighteen months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/set-off against the issue price of the resultant equity shares.

Certified True Copy
For BAFNA PHARMACEUTICALS LTD.

R.G. GOVINDARAJAN
Company Secretary.

3. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders., to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.

4. Upon receipt of the requisite payment of the remaining 75% of the consideration payable in respect of the Warrants as above, the Board (or .a Committee thereof) shall allot one equity share per Warrant by appropriating 10/-towards equity share capital and the balance amount of Rs 24/- paid against each Warrant, towards the securities premium. The allotment shall only be made in the dematerialized form.

5. In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the Option under the Warrants, the number of shares to be allotted against such Warrants shall stand augmented lathe same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced pro tan to.

6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting froth the exercise of the option under the Warrants, the entitlement of the equity shares under the Warrants shall stand increased in the same proportion in the rights offer and'. such additional equity shares will be offered to the Warrant holder(s) at the same price at which the existing shareholders are offered equity shares.

7. The Warrant(s) by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.

8. The equity shares Issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the Memorandum and Artides of Association of the Company

9. The Company hereby undertakes that —

   a) It would recomputed the price of the securities specified above in terms of the provisions of the SEBI ICDR Regulations, 2009 where it is required to d o so.

   b) If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the SEBI ICDR Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by the allottees.

(f) LOCK-IN PERIOD:

The equity shares arising out of the exercise of the right attached to the Warrants allotted on a preferential basis to the promoters shall be subject to lock-in for a period of three years from the date of trading approval granted for such shares, as specified under Chapter VII of the SEBI ICDR Regulations, 2009 relating to preferential issues.

(g) PARTICULARS OF SUBSCRIBERS TO WARRANTS:

The promoters Mr. Bafna Mahaveer Chand and Mrs. Sasikala Bafna as well as 9 External Investors (Non-Promoters) as detailed in the notice intend to subscribe an aggregate of up to 40,00,000 Warrants under the Preferential Issue . The details are given in (i) - shareholding Pattern Pre and Post Preferential Officer.

(h) UNDER SUBSCRIPTION, IF ANY:

Any of the Warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/investor controlled by the Promoters as well as to External Investor (Non-Promoters) on the same terms and conditions

(i) SHAREHOLDING PATTERN PRE AND POST PREFERENTIAL OFFER:

The shareholding pattern giving the present position as also considering full allotment of warrants to Promoters / Promoter Group / Persons Acting in Concert and equity shares arising out of the conversion thereof, as per the Resolution set out in the accompanying Notice are given, Below;

Category of shareholders	Pre-Issue as on 17.06.2016		Post-Issue	
	No. of Shares	%	No. of shares	%
A Promoter and Promoter Group				
Bafna Mahaveer Chand	1485078	7.96	1985078	8.76
Paras Bafna	911671	4.89	911671	4.02
Naveen Bafna M	397058	2.13	397058	1.75
Paras Bafna –(HUF)	492	0	492	0
Chetna Bafna	2132805	11.43	2132805	9.42
Amri bai Bafna	519891	2.79	519891	2.29
Sasikala Bafna	427572	2.29	927572	4.10
Mahaveer Chand Bafna(HUF)	158235	0.85	158235	0.70
Total (A)	**6032802**	**32.34**	**7032802**	**31.04**
B Public shareholding				
Mutual Funds				
Financial institutions/ Banks	1301	0.01	1301	0.00
Foreign institutional investors	2000	0.01	1000	0.00
Bodies Corporate	1565063	8.39	1565063	6.92
Individual shareholders holding nominal share capital upto Rs.2 lakhs	5026235	26.94	5026235	22.18
Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	4412489	23.65	7412489	32.72
Non Resident Indians	1085558	5.82	1085558	4.79
Clearing members	91108	0.49	91108	0.41
Hindu undivided families	439779	2.36	439779	1.94
Total (B)	**12623533**	**67.66**	**15623533**	**68.96**
C Shares held by Custodians and against which Depository Receipts have been issued	--	--	--	--
Grand Total {A+B+C}	**18656335**	**100.00**	**22656335**	**100.00**

The percentage of post preferential issue of capital that may be held by the proposed allottee(s) is as follows:

Name of the Proposed allottee(s)	Pre allotment holding		Post Allotment holding	
	Number of Shares	% of Holding	Number of Shares*	% of Holding
Shri Bafna Mahaveer Chand	1485078	7.96	1985078	8.76
Smt Sasikala Bafna	427572	2.29	927572	4.10
Mr.Dipak Prabhakar Radive	Nil	Nil	500000	2.21
Mr.Sushant Ramachandra Jadhav	Nil	Nil	250000	1.10
Mr.Gopal P. Bhanushali(HUF)	Nil	Nil	250000	1.10
M/s Innovatie Deviators Pvt Ltd	Nil	Nil	1000000	4.42
Mr. Samir Rohitbhahi Shah	Nil	Nil	100000	0.44
Ms. Viraj Samir Shah	Nil	Nil	100000	0.44
Ms Amoli Samir Shah	Nil	Nil	100000	0.44
Mrs. Reshma Nayanbhai Shah	Nil	Nil	100000	0.44
M/s Shwetsam Stock Holdings Pvt Ltd	Nil	Nil	600000	2.65

* Subject to necessary approvals

Certified True Copy

For BAFNA PHARMACEUTICALS LTD.

R.S. Bafna
Company Secretary

(j) THERE WILL BE NO CHANGE IN THE CONTROL OF THE COMPANY PURSUANT TO THE PREFERENTIAL ALLOTMENT.

Name of the proposed allottee	Ultimate Beneficial Owner
Shri Bafna Mahaveer Chand	Mr.Bafna Mahaveer Chand and Smt.Sasikala Bafna are the ultimate beneficial owner from the promoters category out of the proposed preferential issue.
Smt Sasikala Bafna	

(k). **PROPOSED TIME WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED:**

As required under Chapter VII of SEBI ICDR Regulations, 2009 the Company shall complete the allotment of Warrants as aforesaid on or before the expiry of 15 days from the date of declarations of postal ballot process or in the event the allotment of Warrants would require any approval (s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

OTHERS:

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations, 2009 will be open for inspection at the Registered Office of the Company from 10.00 A.M. to 1.00 P.M. on any working day up to the date of the declaration of the result of the postal ballot process.

The proposed allottes has represented that they have not sold any equity shares of the company during 6 (six) months preceding the relevant date except Mrs Sasikala Bafna who has gifted 60000 shares to her husband Mr. Bafna Mahaveer Chand.

As it is proposed to issue the Warrants on a preferential basis to persons other than the holders of the equity shares of the Company, entitling the holder to apply for and obtain allotment of one equity share of 10/- each against such warrant, a special resolution is required to be approved by the members pursuant to the provisions of Section 62(1) (c) of the Companies Act, 2013 and Chapter VII of SEBI ICDR Regulations, 2009. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall in the first instance, offer all securities for subscription pro rata to the shareholders unless the shareholders in a general meeting decide otherwise. Your Directors therefore recommend the resolution for your approval.

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested in the above referred Resolution except Shri Bafna Mahaveer Chand and Smt Sasikala Bafna being the Promoters.

13. Postal Ballot form received by fax will be rejected as if reply from the shareholder has not been received unless the original postal ballot form is received within prescribed time period.

14. The Scrutinizer's decision on the validity of a Postal Ballot will be final.

15. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Postal Ballot Forms will be rejected.

16. There will be one Postal Ballot for every Folio/Client ID.

17. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.

INSTRUCTIONS FOR E-VOTING

In compliance with the provisions of Clause - 44 of the Listing Regulations read with section 108 of the Companies Act 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Postal Ballot Notice and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

Details of persons to be contacted for issues relating to e-voting:

Cameo Corporate Services Limited
No: 1, Club House road, Chennai- 600002
Ph: (044)- 28460390, Fax (044)-28460129
investor@cameoindia.com

The e-voting module shall be disabled for voting on 31st July 2016 at 5.00 PM Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 17th June 2016 (cut-off / record date for determining the eligibility to vote through postal ballot / electronic mode).

Mr.Pankaj Mehta, (Membership No:A29407 and Certificate of Practice No: 10598) Practicing Company Secretary has been appointed as the scrutinizer to ensure that the postal ballot & e-voting process is conducted in a fair and transparent manner. The Scrutinizer's Report of the votes cast in favour or against, if any, will be submitted on 2nd August 2016, to the Managing Director or Wholetime Director of the Company. The Managing Director / Wholetime Director shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's Notice Board at the registered office & Company's website and on the websites of NSE, BSE & CDSL, immediately, after the Chairperson / Wholetime Director declares the result.

The instructions for shareholders voting electronically are as under:

1) The voting period begins on 2nd July 2016 at 9.00 am and ends on 31st July 2016 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date /Record Date as of 17th June 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2) The shareholders should log on to the e-voting website www.evotingindia.com.
3) Click on Shareholders.
4) 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.
5) Next enter the Image Verification as displayed and Click on Login.
6) 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.

Certified True Copy
For BAFNA PHARMACEUTICALS LTD.
R.S. GOWDHAMAN
Company Secretary.

7) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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).

8) After entering these details appropriately, click on "SUBMIT" tab.
9) 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.
10) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
12) 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.
13) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14) 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.
15) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17) 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.
18) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
19) 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.

20) 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.

INSTRUCTIONS

Pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), assent or dissent of the Shareholders in respect of the Resolutions contained in the Postal Ballot Notice is being sought through postal ballot process.

All the Equity Shares of the Company are presently held in physical form as well as demat form. The shareholder(s) can opt only one mode of voting, i.e. either by e-voting or postal ballot. If you are opting for e-voting, then do not vote by postal ballot and vice versa. However, in case shareholders cast their vote by postal ballot and e-voting, then voting done through e-voting will prevail and voting done through postal ballot will be treated as invalid.

INSTRUCTIONS FOR VOTING BY POSTAL BALLOT FORM

1. A member / beneficial owner desiring to exercise vote by postal ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expense of the registered member/beneficial owner will also be accepted.

2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the company.

3. This form should be completed and signed by the member/beneficial owner. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named member/ beneficial owner and in his absence, by the next named member/ beneficial owner. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holders.

4. Please note that Postal Ballot shall not be signed by the proxy.

5. Assent or dissent to the proposed resolution/s may be recorded by placing a tick mark (√) in the appropriate column. The assent or dissent received in any other form shall not be considered valid.

6. The voting rights of Shareholders shall be in proportion to their shares in the paid up Equity Share Capital of the Company as on 17th June 2016.

7. Incomplete, unsigned or incorrectly ticked Postal Ballot Form will be rejected.

8. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 31st July 2016. All Postal Ballot Forms received after this date will be strictly treated as if the reply from the member/beneficial owner has not been received.

9. The results of the Voting by Postal Ballot will be announced by the Chairperson or Wholetime Director of the Company, on 2nd August 2016 at the Registered Office of the Company.

10. In case of shares held by Company (ies), Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority, authorizing the signatory to execute and sign the Postal Ballot Form. Further, where the form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form.

11. Members /beneficial owners are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as the envelope will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer. Members /beneficial owners are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.

12. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the date specified in point No.(8) above.

BAFNA PHARMACEUTICALS LIMITED

Regd Office: No: 299, THAMBU CHETTY STREET, CHENNAI- 600 001.
Tel (044) 42677555 Fax (044) 42677599 CIN: L24294TN1995PLC030698
E-Mail: info@bafnapharma.com Website: www.bafnapharma.com

POSTAL BALLOT FORM

Serial No.

1.	Name and Registered Address of the Sole / First named member(s) / Beneficial Owner(s)	
2.	Name(s) of the Joint Holder(s), if any	
3.	Folio No. / DP ID* / Client ID* (*Applicable for investors holding shares in demat form)	
4.	Number of Shares held	

ELECTRONIC VOTING PARTICULARS
(Please read the e-voting instructions annexed herewith before exercising the e-vote)

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD / PIN

I/We hereby exercise my/our vote(s) in respect of the following resolution/s to be passed through Postal Ballot / e-Voting as set out in the Notice of Postal Ballot of the Company dated 17th June 2016 by conveying my/our assent (for) of dissent (against) the said Resolutions by placing the tick mark (√) of the appropriate box below:

Item No.	Description	No. of Shares held	I / We assent to the resolution **(FOR)**	I / We dissent to the resolution **(AGAINST)**
1.	Special Resolution: Preferential Issue of 40,00,000 Share Warrants at a price of Rs.34/=each (including a premium of Rs.24) to Promoters and Non-Promoters.			

Place: Chennai
Date: 17.06.2016

Signature of the Shareholder

Note: Please read the instructions annexed herewith carefully before exercising your vote

Certified True Copy
For BAFNA PHARMACEUTICALS LTD.
R.S. [illegible]
Company Secretary