



**SECRETARIAL COMPLIANCE REPORT**  
**of**  
**BAFNA PHARMACEUTICALS LIMITED**  
**For the Financial Year ended 31<sup>st</sup> March, 2023**

We, **M/s. A K Jain & Associates, Practicing Company Secretaries**, have examined:

- (a) all the documents and records made available to us and explanation provided by **M/s. BAFNA PHARMACEUTICALS LIMITED** ("the Listed Entity");
- (b) The filings/ submissions made by the listed entity to the Stock Exchanges;
- (c) Website of the listed entity;
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended 31<sup>st</sup> March, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

and circulars/ guidelines issued thereunder;

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1	<b>Secretarial Standards:</b>		
	The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NA
2	<b>Adoption and timely updation of the Policies:</b>		
	<ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities.</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI.</li> </ul>	Yes	NA
3	<b>Maintenance and disclosures on</b>		





	<b>Website:</b>		
	<ul style="list-style-type: none"> <li>The listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.</li> </ul>	Yes	NA
<b>4</b>	<b>Disqualification of Director:</b>		
	None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013.	Yes	NA
<b>5</b>	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b>		
	<p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	NA	The listed entity does not have any material subsidiary
<b>6</b>	<b>Preservation of Documents:</b>		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NA
<b>7</b>	<b>Performance Evaluation:</b>		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every	Yes	NA





	financial year as prescribed in SEBI Regulations.		
<b>8</b>	<b>Related Party Transactions:</b>		
	(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	Yes	NA
	(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee.	Not Applicable	NA
<b>9</b>	<b>Disclosure of events or information:</b>		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NA
<b>10</b>	<b>Prohibition of Insider Trading:</b>		
	The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	No	<p>The Company did not comply with the Regulations 3(5) &amp; 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 upto quarter ended on 30.09.2022.</p> <p>Thereafter the Company has started to maintain Structured Digital Database as per Regulations 3(5) &amp; 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015</p>





<b>11</b>	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b>		
	No action(s) has been taken against the listed entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein(**).	No	The Actions taken against the Listed Entity / its Promoters by the Stock Exchanges is provided under Paragraph (a).
<b>12</b>	<b>Additional Non-compliances, if any:</b>		
	No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No	<p>a) The Company did not have a Company Secretary cum Compliance Officer as required under Regulation 6 of SEBI (LODR) Regulations, 2015 during the period from 12.08.2022 to 31.03.2023.</p> <p>b) The composition of the Stakeholders Relationship Committee did not comprise of requisite number of Directors, as prescribed under Regulation 20(2A) of SEBI (LODR) Regulations, 2015, during the period from 14.01.2023 to 31.03.2023.</p> <p>c) No Stakeholders Relationship Committee meeting was held during the year under review as prescribed under Regulation 20(3A) of SEBI (LODR) Regulations, 2015.</p>





		<p>d) The Company has belatedly submitted the Statement of Investor Complaint, with the National Stock Exchange, for the quarter ended 30.09.2022 as prescribed under Regulation 13(3) of SEBI (LODR) Regulations, 2015.</p> <p>e) The Company did not comply with the Minimum Public Shareholding requirements as prescribed under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 from 01.04.2022 to 19.09.2022 and 21.10.2022 to 24.02.2023.</p> <p>g) The composition of Board of Directors of the Company is not in compliance with Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015 with effect from 14.01.2023.</p>
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Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019:

Sr. No	Particulars	Compliance Status (Yes/No / NA)	Observations /Remarks by PCS*
<b>1</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	(i) If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or (ii) If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or (iii) If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No such instances during the Audit Period
<b>2</b>	<b>Other conditions relating to resignation of statutory auditor</b>		
	<b>(i) Reporting of concerns by Auditor with respect to the listed entity to the Audit Committee:</b> (a) In case of any concern with the management of the listed entity such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. (b) In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information /		No such resignation





	<p>explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>(c) The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p><b>(ii) Disclaimer in case of non-receipt of information:</b></p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	
3	The listed entity has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	No such resignation





(a) \*\* The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Minimum Public Shareholding	Regulation 38 of SEBI (LODR) Regulations read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957	The Company did not comply with the Minimum Public Shareholding requirements of 10% for period 01.03.2022 to 31.03.2022	BSE & NSE	Fine Imposed by BSE vide E-Mail Notice Dtd 25.05.2022  Fine Imposed by NSE vide Notice Dtd 25.05.2022	Non-Compliance of Regulation 38 of SEBI (LODR) Regulations, 2015	BSE - Rs.1,29,800/- (Inclusive of GST)  NSE - Rs.1,29,800/- (Inclusive of GST)	The Company did not comply with the Minimum Public Shareholding requirements of 10% due to non-dilution by Promoters of the Company	The Company vide letter dated 08.03.2022 submitted the detailed proposal to NSE and BSE regarding the proposed sale of Equity Shares by SRJR Life Sciences LLP in order to comply with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018. However due to technical issues pertaining to operation of trading account of SRJR Life Sciences LLP and closure of trading window the proposed sale got delayed.  The Company later achieved the Minimum Public Shareholding of 10% on 20.09.2022. The Company had submitted waiver application.	NA





2	Minimum Public Shareholding	Regulation 38 of SEBI (LODR) Regulations read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957	The Company did not comply with the Minimum Public Shareholding requirements of 10% for period 01.04.2022 to 30.06.2022	BSE & NSE	Fine Imposed by BSE vide E-Mail Notice Dtd 17.08.2022  Fine Imposed by NSE vide Notice Dtd 17.08.2022	Non-Compliance of Regulation 38 of SEBI (LODR) Regulations, 2015	BSE - Rs.5,36,900/- (Inclusive of GST)  NSE - Rs.5,36,900/- (Inclusive of GST)	The Company did not comply with the Minimum Public Shareholding requirements of 10% due to non-dilution by Promoters of the Company	The delay in achieving the Minimum Public Shareholding is due to closure of trading window from 01st April 2022 to 29th May, 2022. The Promoters sold a total of 73,762 shares from 01st June, 2022 to 30th June, 2022.  The Company later achieved the Minimum Public Shareholding of 10% on 20.09.2022. The Company had submitted waiver application.	NA
3	Minimum Public Shareholding	Regulation 38 of SEBI (LODR) Regulations read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957	The Company did not comply with the Minimum Public Shareholding requirements of 10% for the quarter ended 31.12.2022	BSE & NSE	Fine Imposed by BSE vide E-Mail Notice Dtd 28.02.2023  Fine Imposed by NSE vide Notice Dtd 14.03.2023	Non-Compliance of Regulation 38 of SEBI (LODR) Regulations, 2015	BSE - Rs.5,42,800/- (Inclusive of GST)  NSE - Rs.5,42,800/- (Inclusive of GST)	The Company did not comply with the Minimum Public Shareholding requirements of 10% due to Purchase of Shares in open market by a Promoter of the Company.	The fall in Minimum Public Shareholding (MPS) below 10% (Decrease by 0.02%) during quarter ended on 31st December, 2022 is due to open market purchase by one of the Promoter.  The Company later achieved the Minimum Public Shareholding of 10% on 25.02.2023. The Company had submitted waiver application.	





(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Disclosure of events or information	Regulation 30 of SEBI (LODR) Regulations, 2015	Delay in submitting the outcome of Meetings of the Board of Directors under Schedule III Part A para A of SEBI (LODR) Regulations, 2015	NA	NA	NA	NA	The Company has belatedly submitted the outcome of Meetings of the Board of Directors, held to consider the financial results for the quarter ended 31.12.2021, with a delay of 1 hour 52 Minutes with the Stock Exchange	The delay was due to technical issues faced by the Company.  The Company has taken necessary steps to avoid such non-compliance in future.	NA
2	Disclosure of encumbered shares	Regulation 31 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations,	Delay in filing the disclosures under Regulation 31 of SEBI (SAST) Regulations, 2011 with respect to the	NA	NA	NA	NA	The Company has belatedly submitted the disclosure regarding the invocation of encumbered shares under	The delay in submission was due to inadvertence.  The Company has taken	





		2011	invocation of encumbered shares					Regulation 31 of SEBI (SAST) Regulations, 2011, with a delay of One Hundred and Thirty Four (134) days, with the Stock Exchange	necessary steps to avoid such non- compliance in future.	
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Place: Chennai  
Date: 27.05.2023

**For A.K.JAIN & ASSOCIATES**  
Company Secretaries



**ANIL KUMAR JAIN**

Partner

M.No. F4851

C.P. No. 3283

UDIN: F004851E000399839