

**FINANCIAL YEAR
2018 - 19**

BAFNA
PHARMACEUTICALS LTD.,

24th ANNUAL REPORT





BAFNA PHARMACEUTICALS LIMITED

24TH ANNUAL REPORT FINANCIAL YEAR 2018-19

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Cautionary Statement

Statements in this Report, including those relating to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's performance include economic developments within & outside the country, demand and supply conditions in the industry, changes in input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations. Bafna Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

COMPANY SNAPSHOT

Name of Company	:	Bafna Pharmaceuticals Limited
CIN	:	L24294TN1995PLC030698
Incorporation	:	1995
Initial Public Offering	:	2008
Listing	:	(i) BSE & (ii) NSE

Registered Office

Bafna Towers
New No. 68, Old No.299,
Thambu Chetty Street
Chennai – 600 001

Bankers

SBI, IDBI, DBS, DCB, BOC

Share Transfer Agents

Cameo Corporate Services Limited
No.1, Club House Road
Chennai – 600 002

Auditors

M/s. R. SATHYANARAYANAN & CO.,
Chartered Accountants, Chennai

Factories

- (i) No.13, S.V. Koil Street
Madhavaram, Chennai – 600 060
- (ii) 147, Madhavaram Redhills High Road
Grantlyon, Redhills
Chennai – 600 052

Internal Auditors

M/s. Soleti Associates,
Chartered Accountants,
Chennai

Board of Directors

Shri Bafna Mahaveer Chand
Chairman & Managing Director

Shri Paras Bafna
Whole time Director

Shri V. Rajamani
Non-Executive Independent Director

Shri R. Dwarakanathan (upto 21-08-2018)
Non-Executive Independent Director

Shri Babulal Kamlesh Kumar (w.e.f. 08-02-2019)
Non-Executive Independent Director

Shri Sunil Bafna
Non-Executive Independent Director

Smt K. Sabitha
Executive Non-Independent Director

Audit Committee

Shri V. Rajamani
Shri R. Dwarakanathan
Shri B. Kamlesh Kumar
Shri Bafna Mahaveer Chand

Stakeholders Relationship Committee (Investor Grievance and Share Transfer Committee)

Shri Sunil Bafna
Shri Bafna Mahaveer Chand
Shri Paras Bafna

Nomination and Remuneration Committee

Shri Sunil Bafna
Shri V Rajamani
Shri Babulal Kamlesh Kumar

KEY MESSAGE FROM CMD

Dear Shareholders,

The global pharmaceutical industry offers significant opportunities to service the healthcare needs of a growing and ageing global population. The industry has witnessed major investments in developing innovative medicines like monoclonal anti-bodies, immunotherapy drugs and gene therapies. Many of these medicines have seen significant success as they are serving the unmet medical needs of patients, resulting in improved medical outcomes and thus changing the lives of patients.

The industry will have to adapt to this changed scenario, although it also offers significant learning opportunities. These changing dynamics are also likely to have an impact on competition since return ratios on investments in the European and emerging generics business are growing up and down and not every generics company will be able to remain economically viable at the current rate of price .

As a result, companies will have to optimize their future R&D investments. The European and emerging generics market has been an important driver of growth and profitability for Indian pharmaceutical companies between a decade. However, now with the changed dynamics, the importance of other markets has increased. It has also become imperative for companies to identify new engines of growth and invest more in innovation.

It is in this context that Bafna Pharma has been investing in building its global specialty business since the last few years. Through this initiative we are trying to gradually move up in the pharmaceutical value chain. The other key focus area for us will be cost control and product rationalisation, with these efforts spread across R&D projects, manufacturing footprint and other areas. These steps will ensure that we continue to earn reasonable returns on our investments.

Highlights of FY19

As guided at the start of the fiscal, FY19 was a tough year. While we witnessed a decline in our financial performance for the year, the challenges also offer us an opportunity to improve our processes and hence emerge as a much stronger company.

Our FY19 revenues has increased by 46% from Rs. 29.70 Crs to Rs. 43.35 Crs on sale of Manufactured goods which mainly due to the increase in the UK and emerging market sales. We have recorded steady growth in all other markets except the Emerging market.

Operational Performance

Also the operational performance was also hindered as one of the Operational Creditors a case under IBC 2016 and subsequently the case was admitted on 16.07.2018. The entire details have been broadly explained in the Directors' Report vide Page No: 7 to 10 under the heading details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Policy Decision

Your management decided to go slow on the domestic and institutional sales due to low margins.

R&D

R&D is the backbone of our business and a key determinant of our future growth and profitability. Our efforts to move up the pharmaceutical value chain mandate that we keep investing in R&D. Our R&D targeted mainly at developing complex generics and specialty products.



We continue to be disciplined in identifying future R&D projects for the generics market while simultaneously investing in developing a global specialty portfolio. We are also investing in enhancing our product pipeline for emerging markets and other regulated markets.

Nurturing specialty growth

Our journey of building a global specialty business commenced a few years ago, and over the years, we have nurtured this evolving business through increased focus and investments. We have allocated significant resources in building the specialty business. Our specialty initiatives are directed at achieving two main objectives – to build an additional engine of future growth and secondly to move up the pharmaceutical value chain through development and commercialization of branded patented products. While we intend to target the global market with Some specialty products, developed markets are likely to be key contributors to this strategy.

Our specialty portfolio targets Potent Drugs, oncology and Lifestyles segments. We are developing our specialty products pipeline with a focus on improving patient outcomes either by addressing unmet medical needs or by enhancing patient convenience through differentiated dosage forms. Over the past two years, we have also focused on establishing the requisite front-end capabilities for our specialty business.

Commercialization of key specialty products FY19 was a busy year for our specialty business and we crossed many important milestones. The Audit of UK- MHRA was successful and With this clearance, new approvals from this facility for the regulated and emerging Markets are likely to start coming through gradually.

Restructuring and rationalization

Given the tough pricing conditions in the generics market, we continue to make efforts towards optimising our costs. It mandates an unwavering focus on cost control across the organisation. We are trying to achieve better results with lower resources as we try to make the organisation more efficient. Our efforts in this direction will cover multiple operational aspects. The focus will be on optimising our manufacturing footprint as well as generics R&D investments, to ensure a reasonable return on investment as well as overall cost management.

Overall outlook

We are gradually ramping up our global generic specialty business. We plan to increase its contribution to our consolidated revenues in the long term. This will entail significant front-ended investments, with commensurate revenue streams accruing only over a period of time. We are also expecting reasonable growth in our emerging markets business however, as always currency fluctuations continue to be a risk. Given these factors, we expect a low double-digit top line growth in our consolidated revenues for FY19 over FY18.

We are also grateful to our Board of Directors for their guidance and support.

We are thankful for your support as a shareholder.

You have continuously supported our endeavors over the past many years and we hope that you will continue to repose your confidence in us.

Warm Regards

Sd/-

Mahaveer Chand Bafna

Chairman & Managing Director

DIN: 01458211

DIRECTOR'S REPORT

To

The Shareholders

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company together with Audited Accounts for the Financial Year ended 31st March, 2019.

Financial Performance

The summarized Audited Financial Results for the year ended 31st March, 2019 along with comparative figures for the previous year is as under:

(Rs. in Lakhs)

Particulars	Standalone		consolidated	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Total Income	4401.25	7843.51	4401.25	7850.15
Total Expenditure	6224.22	9271.08	6230.53	9321.82
Profit /(loss) before exceptional items and tax	(1822.97)	(1427.56)	(1829.28)	(1471.66)
Tax expenses (Deferred Tax)	150.07	217.52	106.74	219.27
Profit/ (Loss) for the period	(1973.04)	(1645.09)	(1936.02)	(1690.93)
Profit of Non controlling Interest/ Minority interes	-	-	(52.01)	17.28
Exceptional items	-	-	100.99	-
Total Comprehensive Income for the year	(1973.04)	(1645.09)	(1887.05)	(1673.65)

Consolidated Operating Results

The consolidated revenue from operation was Rs. 4401.26 lakhs in comparison to Rs.7850.15 Lakhs of the previous year. The consolidated net loss for the year 2019 was Rs. 1887.05 Lakhs as against FY 2018 of Rs.1673.65 Lakhs.

Standalone Operating Results

The sales and operating income was Rs.4401.25 in comparison to Rs7843.51 Lakhs in the previous year. The operating Loss for the year under review is Rs.1973.04 Lakhs as against Rs.1645.09 Lakhs for the previous year.

Our FY19 revenues has increased by 46% from Rs.29.70 Crs to Rs.43.35 Crs on sale of Manufactured goods which mainly due to the increase in the UK and emerging market. We have recorded steady growth in all other markets except the Emerging Markets

Subsidiary Company & Consolidated Financial Results

The consolidated financial results comprise of M/s. Bafna Pharmaceuticals Limited and its subsidiary M/s. Bafna Life styles Remedies Limited. Consolidated Financial Statements for the year ended 31st March, 2019 forms part of the Annual Report.

As required under the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, the consolidated financial statements of the Company and its subsidiary are attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 133 of the Companies Act, 2013. The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

Material/significant changes in subsidiary:

Until four years back, the Company's subsidiary Company M/s. Bafna Lifestyle Remedies Limited (BLRL) was manufacturing Raricap tablets for strides shasun. The company had to close down operations owing to certain technical audit issues raised by them, and since then, the company has not been a going concern. As a process of initiating the closure process, during the year, all items of PPE (Fixed assets) have been disposed off, and outstanding balance of loan with Holding company has been written back.

A statement pursuant to Section 129 of the Companies Act, 2013, relating to subsidiary companies is attached and forms part of the report.

Change in Capital Structure

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Authorized Capital	4000.00	4000.00
Issued, Subscribed & Paid up Capital	2365.63	2365.63

There is no change in share capital structure during the period.

Fixed Deposits

The company has not accepted / invited any deposits from the public in terms of Section 73 of the Companies Act, 2013

Dividend

Due to losses, the Company has not declared any dividend for the Financial Year.

Reserves

The Company has not transferred any amount to the general reserves during the year.

Material changes and commitments affecting the financial position of the Company:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;

ARIES an Operational Creditor has filed under Section 9 of The Insolvency and Bankruptcy Code 2016 a Petition with The National Company Law Tribunal (NCLT), Single Bench, Chennai which has been admitted as CP/682/IB/2017 against the Company. The National Company Law Tribunal, Single Bench, Chennai has passed an order on 16th July 2018 for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company and declared moratorium and appointed Mr. Gopalsamy Ganesh Babu as an Interim Resolution Professional (IRP). IRP Constituted Committee of Creditors (COC) and subsequently Mr. Radhakrishnan Dharmarajan was appointed as Resolution Professional (RP).

Information Memorandum was presented to COC members after obtaining non disclosure agreement.

UK MHRA audit was expected to happen by January 2019. COC in various meeting dealt on getting through the audit . since UK MHRA is lifeline for the Company , Company presented 12A withdrawn Plan which did not garner requisite voting from COC.

Accordingly, Mr. Mahaveer Chand Bafna (Resolution Applicant) who is also the promoter and is not prohibited u/s. 29(A) of the IBC 2016 submitted resolution plan which was approved by the COC.

The resolution Plan , approved by COC was submitted to the Honorable NCLT, Chennai for approval. Honourable NCLT, Chennai had approved the resolution plan vide its order dated 01st February 2019 and copy of the said order was received by the company on 04th February 2019. The same was intimated to the Stock exchanges on 05th February 2019.

The salient features of Resolution Plan:-

Payments as per resolution plan:

Financial creditors-

70% of admitted claims of all financial creditors i.e SBI, IDBI, DCB, DBS, BOC will be payable.

Total claims admitted Rs.49.23 Crs

(payment proposed Rs.34.46 Crs.)

Operational Creditors- proposes to side an amount of Rs. 6.53 Crs towards operational Creditors. The Operational Creditors shall be paid 100% of the Net Claims amount subject to a maximum aggregate pay- out of Rs 6.53 Crs. In case, Net claim amount exceeds aggregate of Rs 6.53. Crs , the operational creditors shall be paid such Rs.6.53 Crs on pro-rata basis of the net claim amount.

The company had also Allowed window period of 30 days from the date of approval (01 st Feb 2019) of the Plan by the Honorable NCLT, Chennai till 04th March 2019 for the operational creditors to file their claims

ESI and PF dues- Rs.1.94Crs

Workmen dues- Rs.0.24 Crs

Employees dues- Rs.0.32 Crs

Statutory liabilities- Rs.0.13 Crs

Other liabilities- Rs.0.01 Crs

Contingent liabilities- Rs. NIL

For the purpose of resolution plan, the liability arising out of the said case, if any, is being considered as deemed crystallised as on the Resolution Plan approval date. Hence the Resolution Applicant is not disputing the above liabilities any further and instead considering them as deemed crystallised and admitted. Simultaneously, the Resolution Applicant is proposing to pay NIL value against all the contingent liabilities and legal cases pending against the Company.

Further any liability crystallising out of the contingent liabilities or disputed legal cases of the Corporate Debtor or any other unknown or unclaimed liability pertaining to a transaction or incident dating to a period prior to the Insolvency Commencement date or during the CIRP which does not find a place in the approved Resolution Plan, shall be deemed to have lapsed on the approval of the plan; and the Corporate Debtor shall be deemed to have been duly discharged from all legal liability arising from such antecedent claims.

The approved Resolution Plan also covers the writing off Slow Moving Inventories, and Debtors , any Recovery from such current assets shall be written back in the year of Recovery. Any Long pending dues from suppliers of the earlier years which could not be recovered in cash or kind shall also be written off, any Recovery from such current assets shall be written back in the year of Recovery.

Equity shareholders- the capital of existing equity shareholders shall be reduced to 10% of the current holding i.e 2.36 crores shall be reduced to 0.236 crores.

Investment in working capital- The additional need based working capital of Rs.10 Crores shall be invested in the Corporate Debtor for revival of the organization.

Investment in fixed assets- The Resolution Applicant and his investors shall invest in Capex which shall amount to Rs.3.5 Crores in year 1.

Management and control of business- the Management of Corporate Debtor shall vest in the re-constituted Board of Directors and Resolution Applicant and his investors shall jointly appoint the Directors on the Board.

Resolution Plan will be monitored by monitoring committee.

A monitoring committee was set up vide Meeting on 13.02.2019, wherein Radhakrishnan Dharmarajan (RP), S David (SBI representative), Nagabhusanam (IDBI representative), Sridhar and Hema (Corporate debtor representatives) were appointed as the members of Monitoring Committee

A second monitoring committee was conducted on 07.03.2019 and the matter of M/s Saravana Global Holdings who filed an appeal in the NCLAT Delhi, was discussed and Committee appraised COC members about the same.The matter was discussed and committee was advised for further course of action .

A third monitoring committee was held on 04.04.2019 and discussed on the updates on the appeal and committee advised COC to be represented and file their Written submissions through the Lead Bank M/s. STATE BANK OF INDIA.

The Resolution Applicant Mr. Bafna Mahaveer Chand also informed that the MHRA Audit is scheduled on 13.05.2019 .

As time again discussed in various COC Meetings during the CIRP process of Bafna, where in the COC members discussed and deliberated at length regarding the importance of MHRA audit which is paramount and value enhancement for the company. Any failure on MHRA accreditation, the value of the company will be eroded and may not be kept as a going concern. The members of the COC had deferred the publication of expressions of interest citing, criticality of MHRA accreditation as one of the major reasons and the fact that any delay in MHRA accreditation would impact the going concern and viability of the company and this was also one of the key agenda in the First COC minutes (dated 10.8.2018) .

To keep the company as Going Concern and to conduct the UK-MHRA audit successfully , upon the request from the Monitoring Committee, the resolution applicant came forward to arrange an unsecured loan ,which would help to complete the MHRA audit in time, and to enhance value of the assets of the company to all the stake holders

Appeal with NCLAT

Aggrieved by the Order of NCLT, Chennai Saravana Global Holdings Limited and P Shobha (minority shareholders) filed an appeal to National Company Law Appellate Tribunal, New Delhi (NCLAT). NCLAT vide its order dated 28th February 2019 has passed the following Order:-

Until further order the monitoring committee will not handover the possession of corporate debtor to the Resolution Applicant if not yet handed over. In case the possession of the corporate debtor has been handed over the resolution applicant will maintain the status quo and will not alienate, transfer or create third party encumbrance of movable or immovable property of the corporate debtor. The concerned person will ensure that the company remains a going concern.

The case was posted to further hearing on 02nd April 2019

The case was posted to further hearing on various dated namely 25th April 2019, 02nd May 2019 and 07th May 2019 , the Honourable NCLAT instructed the respondents to file their written submission not more than 3 pages and the judgement was reserved on 09th May 2019 by NCLAT.

Conclusion

In view of the pending proceedings against implementation of approved Resolution Plan . No Revision in the Financial statement is considered . However, the financial statement will be restated based on the outcome of the order to be passed by Honorable NCLAT , Delhi as per the plan approved by Honorable NCLT, Chennai .

Hence, The process of Assessment of fair values of assets and liabilities detailed in the Resolution Plan and restatement thereof in the accounts is being deferred to be carried out in the ensuing Financial Year on account of the above mentioned

happenings which had begun during the reporting period and has continued beyond the year end upto the date of Board meeting when the accounts got approved.

Further, a criminal case was filed by M/s. Abhilash Chemicals Private Limited against all the Directors of the Company under Section 138 of the Negotiable Instruments Act for dishonor of cheque.

Further, a criminal case was filed by M/s. Aarti Industries Limited against all the Directors of the Company under Section 138 of the Negotiable Instruments Act for dishonor of cheque.

The above cases are pending before respective court/tribunal. Your Board of Directors of the Company are taking necessary steps to resolve the pending litigations.

Change in the nature of business

Your Company is engaged in manufacture of pharmaceutical products. There is no change in the nature of business during the year compared to previous year.

Risk Management Policy:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Adequacy of Internal Financial Controls with reference to the Financial Statements:

The company has adequate internal financial controls such as defining authority to authorize financial transactions, Internal Audit and review of financial statement mechanism in vogue.

Directors

The Composition of Board and number of meetings attended by them are given in the corporate governance report.

Mr. R.Dwarakanathan, Non-executive Independent Director was resigned from the Board with effect from 21st August 2018. The Board wishes to place on record the valuable services rendered by Mr. R.Dwarakanathan during his tenure.

Mr. Babulal Kamlesh Kumar, was appointed as Non-executive Independent Director on 08th February 2019 for a period of five years. The Board recommends his appointment as Non-executive Independent Director.

The Independent Directors have furnished necessary declarations as required under Companies Act, 2013.

Directors Liable to Retire by Rotation

Mr. Paras Bafna ,being non independent director is liable to retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible offered himself for re-appointment.

The brief resume of the Directors seeking appointment/ reappointment and other information have been detailed in the Notice. Your Board recommends the above appointments/reappointment of Directors in the best interest of the Company.

Details of KMP:

According to section 203 of the Companies Act,2013, the following are the Key Managerial Personnel of the Company

Mr. Mahaveer Chand Bafna- Managing Director

Mr. M. Sridhar- Chief Financial Officer

Mr. Jitendra Kumar Pal- Company Secretary

Auditors

As per the provisions of the Act, R. Sathyanarayanan & Co, Chartered Accountants, Chennai (FRN003656S), Statutory Auditors of the Company was appointed for a period of five years at the annual general meeting held on 2017 till the conclusion of 27th annual general meeting. The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018.

They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does contain some qualification, reservation, adverse remark or disclaimer for which reply has been given in Directors Report.

M/s. R. Sathyanarayanan & Co, Chartered Accountants have given their consent for appointment and also confirmed that their appointment would be within the prescribed limits under Section 141 of the Companies Act, 2013.

Auditors' Report:

The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

Comments on Auditors' Report:

Reply to the qualifications made in Auditor's report:

Qualification	Reply
Major Components of Current Assets – Receivables outstanding for over one year, Long outstanding Advances to suppliers besides Stock of spares and Stores, which have all not been tested for recovery/impairment as per IND AS 36, consequently not restated at fair values in accordance IND AS 113 and not provisioned in the accounts.	In view of the pending proceedings against implementation of approved Resolution Plan .No Revision in the Financial statement is considered . However, the financial statement will be restated based on the outcome of the order to be passed by Honorable NCLAT , Delhi as per the plan approved by Honorable NCLT, Chennai.
Major Components of Current Liabilities – Sundry creditors whose balances are yet to be confirmed, hence not restated at fair values in accordance with IND AS 113.	The process of restructuring of fair values of assets and liabilities detailed in the Resolution Plan and restatement thereof in the accounts is being deferred to be carried out in the ensuing Financial Year on account of the pending proceedings Before NCLAT, Delhi.
a) Certain Balances of Debtors , Creditors, and deposits with Corporate Bodies are subject to Confirmation. b) Closing balances pertaining to advances given to suppliers of materials and others some of them remain unconfirmed.	The Company has sent confirmation letters to the debtors, creditors and other corporate bodies but could not get the confirmation on time. However all the efforts has been taken to obtain the same. These dues are pending for Long Time.
Statutory Dues	The company is undergoing Financial Constraints due to which some statutory Dues are pending . However the company is taking sincere efforts to resolve the issue.
<i>The maintenance of Stocks of Stores and spares requires to be assessed in respect of usefulness and value carried in the books of accounts.</i>	The company is taking adequate steps to ascertain the usefulness and based on the recommendations of the Management , will be decided for write off or sold
<i>During the course of our audit, we observed certain instances of non-deduction of TDS on eligible payments made during the year.</i>	The company will ensure that this has been taken utmost care from the current Financial Year.

Cost Audit

Cost Audit specified under Section 148 of the Companies Act, 2013 does not apply to the Company since the turnover of the Company is less than the limit prescribed.

Listing

The Company's shares are listed at (i) BSE Limited (BSE) with Scrip Code No. 532989 and at (ii) National Stock Exchange of India Limited with Scrip symbol BAFNAPHARM;

Particulars of Employees

- a) Details of employees, employed through out the financial year was in receipt of remuneration for that financial year, in the aggregate, was not less than Rs.1.02 Crores. - Nil -
- b) Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. Eight Lakhs and Fifty Thousand per month - Nil -
- c) Details of employees, if employed through out the financial year or part there of, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - Nil -

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Rules 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to the statement showing the names of the top ten employees in terms of remuneration drawn, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company upto the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Foreign Exchange Earnings and Outgo

The particulars in respect of Foreign Exchange Earnings and Outgo as required under Section 134) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules 2014, are given as in Annexure to this report.

Human Resource, Industrial Relations, Environment, Occupational Health and Safety

The Company is continuously focusing on managing talent and increasingly systematizing the HR processes. We have excellent industrial relations across all facilities including corporate office and strongly believe that the workers will continue to work towards profitable and productive company.

The number of employees as on 31st March, 2019 was 258 as against 258 during FY 2017-18..

Conservation of Energy, Technology Absorption & Research and Development (R &D)

The company is conscious of its responsibility to conserve the energy and has taken measures in relation to conservation of energy and technology absorption. The particulars in respect to conservation of energy, Technology Absorption & Research and Development were given in the annexure to the Board's Report.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2005, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force. The Company has

adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company, as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

Corporate Governance

Report on Corporate Governance and Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, are enclosed elsewhere in the Annual Report and forms part of this report.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Board of Directors has approved policy as per the said Act. and an Internal Complaints Committee was constituted, with following members:

- (i) Smt. S. Hemalatha, (General Manager - Operation) - Chairperson
- (ii) Smt. S. Geetha (Manager Accounts) - Member
- (iii) Smt. K. Ashitha (Admin-in-charge) - Member

The committee placed certificate before the Board of Directors on the status of compliance of the Act. As per the certificate provided by the said committee no complaints were received during the year & that there are no complaints pending as on 31st March, 2019.

Particulars of Loans ,Guarantee and Investment under Section 186 of Companies Act,2013:

During the year under review, the investments made ,the loans advanced, guarantees given and securities provided are within the limits prescribed under Section 186 of the Companies Act,2013. Refer Notes to accounts for the above particulars.

Particulars of contracts or arrangements with Related parties referred to in Sub-Section(1)of Section188:

The transactions entered into by the Company with the related parties were in the ordinary course of business and at arm's length basis. The particulars of transactions are mentioned in Form AOC 2 and is annexed to this report.

Corporate Social Responsibility

Corporate Social Responsibility prescribed under the provisions of Sec 135 of the Companies Act, 2013 is not applicable to the Company, But however Company is committed to improve the quality of life of the work force and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and society.

Secretarial Audit for the FY 2018-19

In terms of Section 204 of the Companies Act, 2013, the rules made there under & other applicable provisions, if any, the company is required to appoint Secretarial Audit or to carry out secretarial Audit of the Company. Your Board of Directors has appointed M/s. A.K. Jain & Associates, Practicing Company Secretaries, Chennai for purpose of Secretarial Audit for the FY 2018-19 at the Board Meeting held on 08.02.2019.

As required under section 204(1) of the Companies Act,2013 the Company has obtained a secretarial audit report. The copy of the Secretarial Audit report in MR3 is attached as an annexure to the Director's Report.

The qualifications made by the Secretarial Auditor and the explanation to the observations are as follows:

S. No.	QUALIFICATION	MANAGEMENT'S EXPLANATION
	a) The Company has not disclosed the Voting Results of the Annual General Meeting held on 29th September, 2018 within the time prescribed under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The delay in reporting was due to inadvertence and unintentional. The Company is taking utmost care to regularize the Company's compliance reporting mechanism. The Board assures that the Company will report all the disclosures within the time prescribed.
	b) The Company has issued and allotted 50,00,000 equity shares of Rs.10/- each on conversion of warrants on preferential basis on 12.02.2018 which are yet to be listed on Stock Exchanges under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.	The delay in listing is due to some clarification required by the Stock Exchanges. The Company has got listing and trading approval for 50,00,000 shares allotted on preferential basis on 20th May 2019.
	c) The composition of board of directors of the company is not in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018.	The Company was in Corporate Insolvency Resolution Process with effect from 16th July 2018, under IBC, 2016. One of the Independent Director R. Dwarkanathan, resigned due to personal reasons. The management has appointed a director in his place and regularized.
	d) The composition of the nomination and remuneration committee of the company is not in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018.	The Company was in Corporate Insolvency Resolution Process with effect from 16th July 2018, under IBC, 2016. One of the Independent Director R. Dwarkanathan, resigned due to personal reasons. The management has appointed a director in his place and regularized.
	e) The Company has received notice from BSE and NSE levying SOP Fines under Regulation 108 of SEBI (Issue of capital and disclosure requirements) Regulations, 2009 amounting to Rs.17,92,014/- and Rs. 18,62,814/- respectively for delay in submission of complete listing application for allotment of 50,00,000 equity shares of Rs.10/- each on conversion of warrants on preferential basis with the Stock Exchanges i.e. NSE and BSE.	The delay in listing is due to some clarification required by the Stock Exchanges. However the Company has paid the necessary Fines to both the exchanges. The Company has also got listing and trading approval for 50,00,000 shares allotted on preferential basis on 20th May 2019.

Appointment of M/s.Soleti Associates., Chartered Accountant, Chennai as Internal Auditors & approved their Scope, Functions, Periodicity & Methodology

In terms of Section 138 of the Companies Act,2013 & other applicable provisions, if any, Board of Directors at the Board Meeting held on 28.05.2018 has appointed Mr.CA Rengasubramaniam,Partner of M/s.Soleti Associates, Chartered Accountants, Chennai as Internal Auditors and further approved their Scope, Functions, and Periodicity & Methodology

Audit Committee

In terms of Section 177 of the Companies Act, 2013 and other applicable provisions if any and as per the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit committee comprises of 4 Directors out of which 3 are Non-Executive Independent Directors. The terms of reference of Audit Committee includes matters specified in section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

The Audit Committee was re-constituted with effect from 08th February 2019 and its composition is as follows:-

Mr. V Rajamani- Chairman

Mr. Sunil Bafna- Member

Mr. Babulal Kamlesh Kumar – Member

Mr. Paras Bafna- Member

Nomination & Remuneration Committee

In terms of Section 178 of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors at the Board Meeting held on 30.05.2014 has renamed the existing "Remuneration Committee" of the Board of Directors as "Nomination & Remuneration Committee". The Policy of Nomination & Remuneration Committee was detailed in the corporate governance report. The constitution, terms and references and other details are elaborated in the Corporate Governance report annexed with this report.

The Nomination and Remuneration Committee was re-constituted with effect from 08th February 2019 and its composition is as follows:-

Mr. Sunil Bafna- Chairman

Mr. V Rajamani- Member

Mr. Babulal Kamlesh Kumar – Member

Stakeholders Relationship Committee

In terms of Section 178 of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors at their meeting held on 30.05.2014 renamed the existing "Investor Grievance & Share Transfer Committee" as "Stakeholders Relationship Committee". The constitution, terms and references and other details are elaborated in the Corporate Governance report annexed with this report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required under the Listing Agreement with the Stock Exchange is enclosed in the Annual Report and forms part of this Report. Certain Statements in the report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance & outlook.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed along with the Director's Report.

Number of Board Meetings:

The Board of Directors met 6 times during the year under review and the gap between 2 meetings did not exceed 120 days.

Directors Responsibility Statement

Your Directors wish to inform that the Audited Accounts contains Financial Statements for the financial year ended 31st March, 2019 are in full conformity with the requirements of the Companies Act, 2013. They believe that the Financial Statements reflect fairly the form and substance of transaction carried out during the year and reasonably present your Company's financial conditions and result of operations.

Your Directors further confirm that in preparation of the Annual Accounts

- The applicable accounting standards had been followed and wherever required, proper explanations relating to material departures have been given;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Accounts have been prepared on a "going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Green Initiatives

Electronic copies of the Annual Report 2018-19 and the Notice of the 24th AGM are sent to all members whose email addresses are registered with the Company / depository participants. For members who have not registered their email addresses, physical copies are sent in the permitted mode.

Acknowledgement and Appreciation

Your Directors would like to thank Company's Bankers - SBI, DBS, DCB, BOC & IDBI for their continued support and they would also like to express their gratitude for the co-operation and assistance extended to the Company by its Customers, Suppliers, Technical Consultants, Contractors, Government and Local Authorities, etc. The Directors also wish to thank all its Shareholders for their unstinted support. The Directors would like to sincerely thank and place on record their appreciation of the consistent and dedicated services of the employees at all levels who have immensely contributed to the performance of the Company during the period under review.

On behalf of the Board of Directors

For BAFNA PHARMACEUTICALS LIMITED
(CIN L24294TN1995PLC030698)

Sd/-

Sd/-

Paras Bafna

Bafna Mahaveer Chand

(DIN: 01933663)

(DIN: 01458211)

Place: Chennai

Whole Time Director

Chairman & Managing Director

Date: 27.05.2019

ANNEXURE TO THE DIRECTOR'S REPORT

Information pursuant to Section 134 of the Companies Act, 2013
read with the Companies (Accounts) Rules, 2014.

FORM - A

Disclosure of particulars with respect to Conservation of Energy

A. Conservation of Energy Power & Fuel Consumption

SI. No.	Particulars	2019	2018
1.	Purchased: Units (Lakhs) Total Amount (Rs. In lakhs) Rate / Unit (Rs.)	Units 21.98 Lakhs Rs. 204.81 Lakhs Rs. 9.32 per Unit	Units 17.85 Lakhs Rs. 159.85 Lakhs Rs. 8.96 per Unit
2.	Own Generation Through Diesel Generator Units (KSH) in lakhs Unit per Lt. of Diesel Cost/Unit (Rs.)	Units 1.23 Lakhs Unit 2 Per Litre Rs. 36.59 Per Unit	Units 1.51 Lakhs Unit 2 Per Litre Rs. 30.58 Per Unit

The company is conscious of its responsibility to conserve the energy and has taken measures in relation to conservation of energy and technology absorption. No additional investments have been made during the year.

B. Consumption per Unit of Production:

In view of number of products with different sizes, shapes & other parameters, being manufactured by the company, it is not practicable to give information on consumption of fuel per unit of production.

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT (R&D)

(a) Specific areas in which R&D is carried out by your company

R&D is a process intended to create new or improved technology that can provide a competitive advantage to our business. Also focusing on process development for improving operational efficiency.

During the year the company has received prestigious DSIR (Department of Science and Industrial Research) certification for our R&D centre. DSIR is a department under the Ministry of Science and Technology, Government of India.

- Product Development and report of new formulations.
- Stability studies of new formulations as per ICH guidelines
- Technology Transfer and Process validation of new formulations
- Technology Transfer and Analytical method validation of new formulations
- Dossier preparation for regulatory approval
- Registration of Products in various countries with respective regulatory requirements
- Trouble shooting in existing Products
- Bioavailability studies to confirm therapeutic efficacy

(b) **Benefits derived as a result of the above**

- these give us a unique selling point (USP) & then patents can be acquired for these products
- R&D is able to build business advantage over its competitors by bringing innovative products
- Improving Quality of existing drug products in the market to deserve a good market output
- Attracting more customers and scope for new business

(c) **Future plan of action**

- To enhance the quality and efficacy in all our medical formulations
- To achieve and maintain consistency in quality
- Upgrading of new process and product technology to improve product stability and efficacy
- To upgrade green technology for process and manufacturing operations
- Product development for new customers, Product registration for regulated and emerging markets
- Technology transfer and stability studies

(d) **Expenditure on R&D**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Recurring/Revenue	75.27	37.09
Total	75.27	37.09

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) **Efforts in brief, made towards technology absorption, adaptation and innovation:**

With latest technology, its development & up-gradation enable us to provide technically superior, process efficient and International standards product.

The company has its own R&D centre's which have been developing and improving process for manufacture of Delayed release tablets, Sustained Release Tablets, Orally Disintegrating Tablets, Liquidorals, Syrups, Suspensions & Dry Syrup formulations.

- The R&D centre has been upgraded and adopted various methods of drug particle coating with a gastro-resistant polymers of various genre to improve drug safety and efficacy and technology is absorbed into process scale up of branded generics with innovative methodologies involving combination with taste masking technology (with Ion-Exchange resins)-for producing efficacious generics with highly taste masked bitter drugs.
- The R&D centre also absorbed and adopted innovative techniques of Multi-layer Coating technology which is subjected to scale up levels to produces table and effective dosage forms - especially applicable for drug products that are pH sensitive and for intestinal release and gastric resistance.
- Participating and Collaboration with scientific conference and research institutions for the development and further research of new drug formulations and novel technologies
- Procuring scientific journals and standard pharmacopoeia editions for the R & D library upgrade.
- Collaborations with institutions in providing research related guidance and facilities to interns scholars.

(b) **Benefits derived as a result of the above efforts:**

- Control of drug therapy is achieved
- Drug administration can be made convenient
- The safety margin of high potency drug can be increased
- Drugs with shorter half-life can be given in less frequent dose with better compliance
- Less fluctuating blood plasma concentrations
- Bioavailability enhancement of poorly soluble drugs
- Targeting drug delivery at most absorbing sites to improve bioavailability
- Reduction of adverse effects due to avoidance of dose dumping
- Rapid onset of action can be achieved
- Taste masking of bitter oral liquid drug formulations

(c) **Details of technology imported during the last 5years**

No technology has been imported during the past five years.

FORM C

(a) **Activities relating to exports, initiative taken to increase exports, developments of new export markets for products and services and export plans.**

In this context, I would like to inform you that during FY 2019, your company got registrations for 41 products (i) 3 in Houduras (ii) 2 in Kenya (iii) 9 in Nepal (iv) 10 in Nigeria (v) 2 in Peru (vi) 11 in Srilanka (vii) 1 in Tanzania (viii) 3 in UK. As on date we have over **167** Product registrations and 204 Product applications is pending for approval across the globe.

(b) **Foreign Exchange earned and used**

- (i) Your Company has earned foreign exchange of Rs. 2604.00 Lakhs (previous year Rs. 2066.00 Lakhs)

Foreign Exchange Outgo

- (ii) Outgo was Rs.216.00 Lakhs (previousyearRs.411.00 Lakhs) on account of international travel & purchase of foreign currency.

On behalf of the Board of Directors

For BAFNA PHARMACEUTICALSLIMITED
(CIN L24294TN1995PLC030698)

Sd/-

Sd/-

Paras Bafna

Bafna Mahaveer Chand

(DIN: 01933663)

(DIN: 01458211)

Whole Time Director

Chairman & Managing Director

Place: Chennai

Date: 27.05.2019

ANNEXURES TO DIRECTOR'S REPORT

A Declaration From Independent Directors on Annual Basis

B Details of Subsidiary in Form AOC -1

C. Secretarial Audit Report

D. Extract of Annual Return in MGT 9

E. AOC 2

A. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has obtained declaration from Independent Directors on annual basis to comply the conditions as laid down SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, read with Sec 149 of the Companies Act, 2013 and Schedule IV of the Companies Act, 2013.

B. Form AOC - 1

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF THE SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART A : SUBSIDIARIES

S. No. : 1
Name of the Subsidiary : Bafna Life Styles Remedies Limited
Reporting period for the Subsidiary concerned, : 31st March 2019
If different from the holding company's reporting period (Same as holding Company)
Reporting currency and Exchange rate as on the last date : NA
of the relevant Financial year in the case of foreign subsidiaries

(Rs.in Lakhs)

	31.03.2019	31.03.2018
Share capital	229.50	229.50
Reserves & Surplus	(284.20)	(422.20)
Total assets	22.67	1224.11
Total Liabilities	22.67	1224.11
Investments	-	-
Turnover	-	-
Profit/ (Loss) before taxation	(6.32)	(44.10)
Deferred tax	(43.33)	1.74
Exceptional items	100.99	-
Comprehensive Income for the period	138.01	(45.84)
Proposed Dividend	NIL	NIL
% of shareholding	62.31	62.31
Names of subsidiaries which are yet to commence operations	NIL	NIL
Names of subsidiaries which have been liquidated or sold during the year	NIL	NIL

PART B: ASSOCIATES AND JOINT VENTURES: NIL

For M/s. R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place: Chennai

Date: 27.05.2019

Sd/-

(BAFNA MAHAVEER CHAND)

DIN 01458211

Managing Director

Sd/-

(PARAS BAFNA)

DIN 01933663

Whole Time Director

C. SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

BAFNA PHARMACEUTICALS LIMITED

299, THAMBU CHETTY STREET,
Chennai – 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. BAFNA PHARMACEUTICALS LIMITED (CIN: L28931TN1986PLC012728)** (hereinafter called as “the company”). The secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that, the following Regulations and Guidelines were not applicable to the Company during the audit period:-

- a) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that, the Company has no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.

We further report that, having regard to the compliance system prevailing in the Company and based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of the following laws applicable specifically to the Company;

- (a) The Factories Act, 1962 as amended from time to time.
- (b) Drug and Cosmetics Act, 1940 and Rules made thereunder.
- (c) Drugs Price Control Order, 2013 and notifications made thereunder.
- (d) The Water (Prevention and Control of Pollution) Act, 1974.
- (e) The Air (Prevention and Control of Pollution) Act, 1981.

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit by other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) *The Company has not disclosed the Voting Results of the Annual General Meeting held on 29th September, 2018 within the time prescribed under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The composition of board of directors of the company is not in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018.*
- c) *The composition of the nomination and remuneration committee of the company is not in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018.*
- d) *The Company has issued and allotted 50,00,000 equity shares of Rs.10/- each on conversion of warrants on preferential basis on 12.02.2018 which are yet to be listed on Stock Exchanges under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.*
- e) *The Company has received notice from BSE and NSE levying SOP Fines under Regulation 108 of SEBI (Issue of capital and disclosure requirements) Regulations, 2009 amounting to Rs.17,92,014/- and Rs. 18,62,814/- respectively for delay in submission of complete listing application for allotment of 50,00,000 equity shares of Rs.10/- each on conversion of warrants on preferential basis with the Stock Exchanges i.e. NSE and BSE.*

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decisions are carried through while there were no dissenting members.
- d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that ARIES an Operational Creditor has filed an insolvency petition under Section 9 of The Insolvency and Bankruptcy Code 2016 before the National Company Law Tribunal (NCLT), Single Bench, Chennai which has been admitted as CP/682/IB/2017 against the Company. Mr. Mahaveer Chand Bafna (Resolution Applicant) who is also the promoter submitted resolution plan which was approved by the COC and by Honorable NCLT, Chennai vide its order dated 01st February 2019 and copy of the said order was received by the company on 04th February 2019. The same was intimated to the Stock exchanges on 05th February 2019.

Aggrieved by the Order of NCLT, Chennai, two shareholders filed an appeal to National Company Law Appellate Tribunal, New Delhi (NCLAT). NCLAT after hearing the case reserved the order on appeal on 09.05.2019.

We further report that based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

For A.K.JAIN & ASSOCIATES

Company Secretaries

Sd/-

BALU SRIDHAR

Partner

M. No. F5869

C.P. No. 3550

Place: Chennai

Date: 27.05.2019

This report is to be read with our letter of even dated which is annexed as Annexure A and form an integral part of this report.

Annexure A

To,

The Members,
BAFNA PHARMACEUTICALS LIMITED
299, THAMBU CHETTY STREET,
Chennai – 600 001

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A.K.JAIN & ASSOCIATES
Company Secretaries

Sd/-

BALU SRIDHAR
Partner
M. No. F5869
C.P. No. 3550

Place: Chennai
Date: 27.05.2019

D. EXTRACT OF ANNUAL RETURN IN FORM MGT 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24294TN1995PLC030698
ii)	Registration Date	:	28/03/1995
iii)	Name of the Company	:	BAFNA PHARMACEUTICALS LIMITED
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	New No: 68, Old No : 299, Thambu Chetty Street, Chennai - 600 001
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	Cameo Corporate Services Limited, Subramaniam Building, No: 1, Club House Road, Chennai – 600 002 Phone: 044 - 28460390 (5 lines), Fax: 044 - 28460129.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	PHARMACEUTICALS	3003	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	Holding Subsidiary/ Associate	% of shares held	Applicable Section
1	BAFNA LIFE STYLE REMEDIES LTD B-22, INDUSTRIAL ESTATE, MOGAPAIR WEST, CHENNAI-600 037	U52599TN1994PLC027134	SUBSIDIARY	62.31	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)	
(i) Category-wise Share Holding	
Name of the Company	: BAFNA PHARMACEUTICALS LIMITED
Face Value	: 10 /-
Paidup Shares as on 01-Apr-2018	: 23656335
Paidup Shares as on 30-Mar-2019	: 23656335
For the Period From	: 01-Apr-2018 To : 30-Mar-2019

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	2955597	0	2955597	12.4938	2955597	0	2955597	12.4938	0.0000
b.	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	DIRECTORS AND THEIR RELATIVES	3280268	0	3280268	13.8663	3280268	0	3280268	13.8663	0.0000
	Partnership Firms	1500	0	1500	0.0063	1500	0	1500	0.0063	0.0000
		3281768	0	3281768	13.8726	3281768	0	3281768	13.8726	0.0000
	SUB - TOTAL (A)(1)	6237365	0	6237365	26.3665	6237365	0	6237365	26.3665	0.0000
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS / FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	6237365	0	6237365	26.3665	6237365	0	6237365	26.3665	0.0000

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1246076	5000	1251076	5.2885	1193870	5000	1198870	5.0678	-0.2206
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	4126337	84249	4210586	17.7989	4017974	63449	4081423	17.2529	-0.5459
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	5271356	5024000	10295356	43.5205	5581807	5012000	10593807	44.7821	1.2616
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	70394	0	70394	0.2975	1651	0	1651	0.0069	-0.2905
	HINDU UNDIVIDED FAMILIES	479437	0	479437	2.0266	0	0	0	0.0000	-2.0266
	NON RESIDENT INDIANS	1112121	0	1112121	4.7011	1109775	0	1109775	4.6912	-0.0099
	Resident HUF	0	0	0	0.0000	433444	0	433444	1.8322	1.8322
	Others	1661952	0	1661952	7.0253	1544870	0	1544870	6.5304	-0.4949
	SUB - TOTAL (B)(2)	12305721	5113249	17418970	73.6334	12338521	5080449	17418970	73.6334	0.0000
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	12305721	5113249	17418970	73.6334	12338521	5080449	17418970	73.6334	0.0000
	TOTAL (A)+(B)	18543086	5113249	23656335	100.0000	18575886	5080449	23656335	100.0000	0.0000
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	18543086	5113249	23656335	100.0000	18575886	5080449	23656335	100.0000	0.0000

ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahaveer Chand Bafna	1485078	6.28	7.96	1485078	6.28	6.28	-
2	Sasikala Bafna	627572	2.65	3.36	627572	2.65	2.65	-
3	Paras Bafna	911671	3.85	4.89	911671	3.85	3.85	-
4	Naveen Bafna	400121	1.69	2.14	400121	1.69	1.69	-
5	Chetna Bafna	2132805	9.02	-	2132805	9.02	-	-
6	Amri Bai Bafna	519891	2.20	2.79	519891	2.20	2.20	-
7	Mahaveer Chand Bafna HUF	158235	0.67	-	158235	0.67	-	-
8	Paras Bafna HUF	492	0.002	-	492	0.002	-	-
	Total	6235865	26.36	-	6235865	26.36	-	-

(iii) Change in Promoters' Shareholding - There is no change in Promoters Shareholding during the year

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	VRUSHALI HIMANSHU SHAH				
	At the beginning of the year 01-Apr-2018	1000000	4.2271	1000000	4.2271
	Sale 06-Apr-2018	-1000000	4.2271	0	0.0000
	Purchase 30-Jun-2018	1000000	4.2271	1000000	4.2271
	At the end of the Year 30-Mar-2019	1000000	4.2271	1000000	4.2271
2	ANUSHREE HIMANSHUBHAI SHAH				
	At the beginning of the year 01-Apr-2018	1000000	4.2271	1000000	4.2271
	Sale 06-Apr-2018	-1000000	4.2271	0	0.0000
	Purchase 30-Jun-2018	1000000	4.2271	1000000	4.2271
	At the end of the Year 30-Mar-2019	1000000	4.2271	1000000	4.2271

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
3	LINDAJEET KAUR RUPRAI				
	At the beginning of the year 01-Apr-2018	667352	2.8210	667352	2.8210
	At the end of the Year 30-Mar-2019	667352	2.8210	667352	2.8210
4	NISHA JIGNESH MEHTA				
	At the beginning of the year 01-Apr-2018	550620	2.3275	550620	2.3275
	At the end of the Year 30-Mar-2019	550620	2.3275	550620	2.3275
5	SUBRAMANIAN P				
	At the beginning of the year 01-Apr-2018	415973	1.7584	415973	1.7584
	At the end of the Year 30-Mar-2019	415973	1.7584	415973	1.7584
6	NIRAV VIKRAM MANIAR				
	At the beginning of the year 01-Apr-2018	400000	1.6908	400000	1.6908
	Sale 06-Apr-2018	-400000	1.6908	0	0.0000
	Purchase 30-Jun-2018	400000	1.6908	400000	1.6908
	At the end of the Year 30-Mar-2019	400000	1.6908	400000	1.6908
7	RAMESH KUMAR CHOPRA				
	At the beginning of the year 01-Apr-2018	383250	1.6200	383250	1.6200
	At the end of the Year 30-Mar-2019	383250	1.6200	383250	1.6200
8	P SHOBHA JT1 : PADAM J CHALLANI				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 06-Apr-2018	255992	1.0821	255992	1.0821
	Purchase 20-Apr-2018	4400	0.0185	260392	1.1007
	Purchase 27-Apr-2018	16122	0.0681	276514	1.1688
	Purchase 04-May-2018	126960	0.5366	403474	1.7055
	Sale 01-Mar-2019	-23025	0.0973	380449	1.6082
	At the end of the Year 30-Mar-2019	380449	1.6082	380449	1.6082
9	GYANMAL JAIN				
	At the beginning of the year 01-Apr-2018	340000	1.4372	340000	1.4372
	At the end of the Year 30-Mar-2019	340000	1.4372	340000	1.4372
10	DHIRENDRA SOMAIYA				
	At the beginning of the year 01-Apr-2018	328200	1.3873	328200	1.3873
	At the end of the Year 30-Mar-2019	328200	1.3873	328200	1.3873
11	VISHWAS JAIN.				
	At the beginning of the year 01-Apr-2018	309435	1.3080	309435	1.3080
	At the end of the Year 30-Mar-2019	309435	1.3080	309435	1.3080

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mahaveer Chand Bafna (Managing Director)				
	At the beginning of the year 01-04-2018	1485078	7.96	1485078	6.28
	At the end of the year 31-03-2019	1485078	7.96	1485078	6.28
2	Paras Bafna (Whole time Director)				
	At the beginning of the year 01-04-2018	911671	4.89	911671	3.85
	At the end of the year 31-03-2019	911671	4.89	911671	3.85
3	Sunil Bafna (Independent Director)				
	At the beginning of the year 01-04-2018	5000	0.02	5000	0.02
	At the end off the year 31-03-2019	5000	0.02	5000	0.02

V. INDEBTEDNESS

(Rs. In Lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4410.59	217.37	-	4627.96
ii) Interest due but not paid	25.31	-	-	25.31
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	4435.90	217.37	-	4653.27
Change in Indebtedness during the financial year	-	-	-	0.00
Addition	-	4.07	-	4.07
Reduction	26.17	8.38	-	34.55
Net Change Indebtedness	-26.17	-4.31	-	-30.48
At the end of the financial year				
i) Principal Amount	4284.98	213.06	-	4498.04
ii) Interest due but not paid	124.75	-	-	124.75
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4409.73	213.06	0.00	4622.79

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Bafna Mahaveer Chand Managing Director	ParasBafna WholeTime Director	Sabitha Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.60	14.40	8.41	41.41
	(b) Value of perquisites u/s17(2)Income-tax Act,1961	-	-	-	-
	(c) Proitsinlieuofsalaryundersection17(3) Income-tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of pro it - others,specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	18.60	14.40	8.41	41.41
	Total (A) Remuneration for the purpose of Schedule V	-	-	-	41.41

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		V. Rajamani	R. Dwarakanathan	Kamlesh Kumar	Sunil Bafna	
1	Independent Directors Fee for attending board/committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(1)	0.715	-	-	0.55	1.265
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(2)					
	Total (B)=(1+2)	0.715	-	-	0.55	1.265
	Total Managerial Remuneration (A+B) (For Remuneration U/s197)					42.675

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.36	8.42	17.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (C)	9.36	8.42	17.78

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

ANNEXURE - E**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Particulars	Details			
(a)	Name of the related party and nature of relationship	Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	Bafna Mahaveer Chand & Paras Bafna	Bafna Mahaveer Chand, Paras Bafna & Naveen Bafna
(b)	Nature of contracts / arrangements / transactions	Payment of Rent	Leasing / Hire purchase	Finance loan and equity in cash or kind	Rendering of service
(c)	Duration of the contracts / arrangements/transactions	2018-2019	2018-2019	2018-2019	2018-19
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment of Rs.19,80,000/- towards Rent to Shri. Bafna Mahaveer Chand	Payment of Rs.6,75,000/- towards leasing and hirepurchase	Loan from Rs.2,13,60,000/-	Salary payment Rs. 37,09,000/-
(e)	Date(s) of approval by the Board	27-05-2019	27-05-2019	27-05-2019	27-05-2019
(f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil

CORPORATE GOVERNANCE

For the year ended 31st March, 2019

Corporate Governance provides that a company is directed in such a way that it performs efficiently and effectively, keeping in view the long term interest of the shareholders, while respecting laws and regulations of the land and contributing as a responsible corporate body to the national exchequer.

At the present competitive world including many parts of INDIA, all leading corporate budget adequate time and resources to improve the CORPORATE GOVERNANCE which plays a definite and decisive role in presenting and preserving the IMAGE of the corporate (Cultivated and maintained over the years.) The higher the image of the corporate, higher is the level of confidence of the share holders in the functioning of the Board .This in turn will help the corporate to raise short term working capital from banks and long term funds from different organisations at short notice at cheaper rates. Share holders appreciate the integrity and openness of the management.

I. COMPANY'S PHILOSOPHY

Your Company believes in professionalism of management, transparency and sound business ethics. It encourages wide participation from all stakeholders.

II. BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director oversee the functional matters of the Company. The Board of Directors consists of Executive & Non-Executive Independent Directors.

Agenda for Board meetings:

The Chairman & Managing Director finalizes the agenda for the Board & Committee meetings. The agenda for the Board Meeting inter alia are

- (i) Minutes of meetings of Committee(s) including subsidiary company;
- (ii) Declaration by directors & notice of interest of directors;
- (iii) Details of utilization of issue proceeds;
- (iv) Terms of Appointment, remuneration & resignation of Directors, CEO, Statutory Auditors, Internal Auditor and Cost auditor;
- (v) Operating plans of business, business risk exposures, its management & related action plans;
- (vi) Quarterly and annual results, Auditors Report & the Report of the Board of Director's;
- (vii) Limited Review report of Auditors, Reconciliation of Share Capital Audit, Showcause, demand, prosecution & penalty notices, statement of compliances from various statutory authorities, non-compliance of any regulatory, statutory or listing requirements & details pertaining to delay in share transfer, etc;
- (viii) Loans & investments made ,borrowings made, guarantees given, major investment, collaboration agreement;
- (ix) Details of significant transactions, related party transactions & arrangements with subsidiary company, sale of material nature of investments, subsidiaries, assets which are not in normal course of business including material default in financial obligations;
- (x) Cost Audit Report, Internal audit report,significant changes in accounting policies and internal controls, changes in government policies & its impact thereof on directors responsibilities;

III. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Balu Sridhar, partner of A.K.Jain & Associates, Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure A.

The Board comprises of 6(Six) Directors, out of which 3(Three) are Executive Directors, 3(Three) are Non- Executive and Independent Directors mentioned below:

Name of Director	DIN	Position	Directorship in other public Limited Companies incorporated in India	Membership / Chairmanship across all other companies in which the Person is a Director
Shri Bafna Mahaveer Chand	01458211	Chairman & Managing Director	NIL	NIL
Shri Paras Bafna	01933663	Whole Time Director	NIL	NIL
Shri Sunil Bafna	01458225	Non-Executive Independent Director	NIL	NIL
Shri V. Rajamani	00052868	Non-Executive Independent Director	Morgan Industries Limited	NIL
Shri R. Dwarakanathan (upto 21.08.2018)	01933653	Non-Executive Independent Director	NIL	NIL
Smt K. Sabitha	02643259	Executive Non-Independent Director	Bafna Lifestyles Remedies Limited	NIL
Babulal Kamelesh Kumar	01218959	Non-Executive Independent Director	Bafna Lifestyles Remedies Limited	Nil

During the year under review six Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

(1) 28.05.2018	(2) 28.05.2018	(3) 13.08.2018	(4) 05.09.2018
(5) 13.11.2018	(6) 08.02.2019	-	-

The details of attendance of directors at the Board Meetings during the financial year 2018-19 and the last AGM held on 29th September 2018 are as follows:

Name of Director	No. of Meetings Attended	Last AGM Date (29.08.2018)
Shri Bafna Mahaveer Chand	6	A
Shri ParasBafna	6	A
Shri R Dwarakanathan	-	A
Shri Sunil Bafna	6	A
Shri V Rajamani	6	P
Smt K Sabitha	6	P
Babulal Kamelesh Kumar	-	N.A

“P” represents Present “A” represents Absent “NA” represent Not Applicable

None of the Non-executive Independent Directors has any pecuniary relationship or transactions with the company.

Other than the Managing Director and the Whole Time Director ,all other Directors attending meetings of the Board & Audit Committee are entitled to sitting fees of Rs. 5,000/- for every meeting attended by them.

Necessary quorum was present at all these meetings. No other compensation is paid/payable to Non-Executive Directors.

The agenda and notes on agenda are circulated to the Directors, in advance,in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Remuneration to Directors:

- Since, all the non executive directors are independent directors ,there were no pecuniary transactions had been entered with or payments had been made to the non executive directors, except sitting fees. The detail of the sitting fees paid to the Non Executive Directors is detailed in Part VI of Form MGT-9 annexed with the Directors’ report.
- All elements of remuneration package of individual directors are detailed in Part VI of Form MGT-9annexed with the Directors’ report.

Details of Director seeking re-appointment at the ensuing Annual general meeting have been furnished in the Notice convening the meeting of the Shareholders.

The details of shares held by the Directors of the Company are furnished below:

Name of the Director	No of equity shares
Shri Bafna Mahaveer Chand	14,85,078
Shri ParasBafna	9,11,671
Shri Sunil Bafna	5,000

I. Audit committee

The Audit committee comprises of 4 Directors out of which 3 are Non-Executive Independent Directors as at 31st March 2019. The composition of Committee till 21st August 2018 was:-

- Shri V.Rajamani - Chairman
- Shri R. Dwarkanathan - Member
- Shri Sunil Bafna - Member
- Shri Mahaveer Chand Bafna - Member

Upon the resignation of Shri R. Dwarkanathan, the Audit Committee was re-constituted with effect from 08th February 2019 and the composition of the Committee is as under:-

- Shri V.Rajamani - Chairman
- Shri Sunil Bafna - Member
- Shri Paras Bafna - Member
- Shri B KamleshKumar - Member

The Composition of the Audit Committee as on 31st March, 2019 is as follows

- Shri V.Rajamani - Chairman
- Shri Sunil Bafna - Member
- Shri Paras Bafna - Member
- Shri B KamleshKumar - Member

During 2018-19 the details of the meetings attended by the members were as follows:

Name of Directors	Status	No. of Meetings attended
Shri V. Rajamani	Chairman	4
Shri R. Dwarakanathan	Member	-
Shri Bafna Mahaveer Chand (till 08.02.2019)	Member	4
Shri B Kamlesh Kumar (w.e.f 08.02.2019)	Member	-
Shri Paras Bafna (w.e.f 08.02.2019)	Member	1
Shri Sunil Bafna (wef 28.05.2018)	Member	4

The dates on which the Audit Committee Meetings were held are as follows

(1) 28.05.2018 (2)13.08.2018 (3)13.11.2018 (4) 08.02.2019

The quorum of two Independent Directors as required by the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, was present in all the Audit Committee Meetings held during the year. Shri V. Rajamani, the Chairman of the Audit Committee was present in the 23rd Annual General Meeting held on 29th September,2018 and provided clarifications to the shareholders queries.

The terms of reference of the Committee inter alia includes the following:

1. To review Appointment, re-appointment and replacement, if any shall be recommended for Statutory Auditor, Internal Auditor, and Cost Auditor by the Audit Committee to the Board including the remuneration/fees payable to them.
2. To review the financial reporting process and to ensure financial statements are correct, sufficient and credible.
3. To review with the management, the quarterly & annual financial statements before submission to the Board for approval, including reasons for changes in accounting policies and practices, reviewing the Audit Report including qualifications, if any and ensuring for corrective measures, major accounting entries involving estimates based on the exercise of judgment by the management, audit findings and adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements.
4. To review with the management, the statement of uses/application of funds raised through preferential issue and making appropriate recommendations to the Board to take up steps in this matter.
5. To review with the management, the act of Statutory including Cost Auditor s and Internal Auditors, sufficiency of internal control systems including the structure of internal audit department, reporting structure, coverage & frequency of internal audit and also discussing with internal auditors.
6. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
7. Appointment of MD after assessing the qualifications, experience & background, etc. of the candidate.
8. To review the following information
 - The management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Internal audit reports relating to internal control weaknesses;
9. Reviewing the financial statements including the investments made by the unlisted subsidiary of the Company.
10. To seek information from any employee, to obtain outside legal or other professional advice, to secure attendance of outsiders with relevant expertise, if it considers necessary and such other powers.

Audit Committee meetings are generally attended by CFO, CS, Statutory Auditors, Internal Auditors and other Senior Management persons.

II. NOMINATION & REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

The Composition of Nomination and Remuneration Committee till 21st August 2018 was:-

- | | | |
|------------------------|---|----------|
| • Shri R.Dwarakanathan | - | Chairman |
| • Shri V.Rajamani | - | Member |
| • Shri SunilBafna | - | Member |

Consequent of the resignation of Shri R. Dwarkanathan the Composition of the Nomination & Remuneration Committee has been re-constituted. The Composition Committee as on 31st March, 2019 is as follows:

- Shri Sunil Bafna - Chairman
- Shri V. Rajamani - Member
- Shri Babulal Kamlesh Kumar - Member

Shri Babulal Kamlesh Kumar was inducted as a member w.e.f 08th February 2019.

This committee comprise of three members all of them being Independent Directors. The terms of reference of the Committee inter alia includes the following:

1. To review market practices and to decide / make recommendations to the Board on remuneration packages applicable to the Managing Director, Executive Directors and the Senior Executives of the Company.
2. The Committee may also decide on the commission and/or other incentives payable taking into account the individual performance as well as that of the company.
3. The remuneration committee thus assesses the overall compensation structure and policies of the company with an objective to attract, retain and motivate employees and to consider grant of stock options to employees, etc.
4. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
5. Succession planning of the Board of Directors and Senior Management Employees;
6. Identifying and selecting candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
7. Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;

During the financial year 2018-19 committee meeting was held on 28.05.2018, 13 .08.2018, 13.11.2018 and 08.02.2019 and the details of attendance of the committee is as follows:

Name	No. of meeting attended
Shri R. Dwarakanathan (till 21 st August 2018)	-
Shri V.Rajamani	4
Shri Sunil Bafna	4
Shri Babualal Kamlesh Kumar (w.e.f 08.02.2019)	-

III. STAKEHOLDERS RELATIONSHIP COMMITTEE (FORMERLY INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE)

The composition of the Investor Grievance and Share Transfer Committee as on 31st March, 2019 is as follows

- Shri. SunilBafna - Chairman
- Shri. Bafna Mahaveer Chand - Member
- Shri. Paras Bafna - Member

The responsibilities of the Committee inter alia are:

1. The Committee shall oversee share transfers; monitor the redressal of shareholders & investors complaints.
2. The Committee shall also review the processes and service standards adopted by the Registrar and Share Transfer Agents, the complaints received by the Company and their resolution. There were five complaints received and resolved during the year 2018-19 and there are no pending complaints as on 31st March,2019.

SEBI vide Circular Ref CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. The Company has received five complaints during the year under review. The Five complaints were resolved during the year.

Name and Designation of Compliance Officer	:	Jitendra Kumar Pal
Number of shareholders' complaints received so far	:	5
Number not solved to the satisfaction of shareholders	:	NIL
Number of pending complaints	:	NIL

IV. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 08.02.2019, inter alia, to discuss

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole.
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between them management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Majority of the independent Directors were present at the meeting.

V. GENERAL BODY MEETINGS

Date, Time and Venue of the last three Annual General Meetings

FY ended	Date	Time	Venue	If special resolution was passed
31 st March 2016	28.09.2016	03.00 PM	147, Madhavaram Redhills High Road, Grantlyon Village, Chennai -600052	No
31 st March,2017	30.09.2017	02.00 PM	147, Madhavaram Redhills High Road, Grantlyon Village, Chennai -600052	No
31 st March 2018	29.09.2018	10.00 AM	Andhra Social and Cultural Association, Krishna Hall, No.22, Vijayaraghava Road, T. Nagar, Chennai - 600 017	Yes

In compliance with the provisions of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules,2014, the company has provided members the facility to exercise their votes by electronic means / Ballot form for all the resolutions detailed in the Notice sent for the AGM.

Extra-Ordinary General Meetings

During the period under review there were no Extra-ordinary General Meetings.

Special Resolution passed through Postal Ballot

There was no special resolution passed through postal ballot during the year under review.

CMD Certification

The Chairman & Managing Director of the Company give quarterly and annual certification on financial reporting and internal controls to the Board in terms of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Whistle Blower Policy / Vigil Mechanism

In terms of Section 177 of the Companies Act, 2013, rules made there under & other applicable provisions, if any, Board of Directors has approved Whistle Blower Policy/Vigil Mechanism at the Board Meeting held on 30.05.2014. Prior to this, no person was denied access to the Audit Committee.

Risk Management Policy

In terms of Section 134, 177, Schedule IV of the Companies Act, 2013, rules made there under & other applicable provisions, if any, Board of Directors has approved Risk Management Policy.

Board Evaluation framework

In terms of Section 134, 178, Schedule IV of the Companies Act, 2013, rules made there under & other applicable provisions, if any, Board of Directors has approved Board Evaluation Framework. Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) REGULATION, 2015, the performance of all the Directors have been evaluated by the Board periodically at its respective meetings as to their contribution for the betterment and progress of the Company. The board also, carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process

Succession plan for Board & Senior Management

In terms of Section 178 of the Companies Act, 2013, rules made there under & other applicable provisions, if any, Board of Directors has approved Succession Plan for Board & Senior Management.

Nomination policy for Board of Directors, key executives & Senior Management

In terms of Section 178 of the Companies Act, 2013, rules made there under & other applicable provisions, If any, Board of Directors has approved Nomination policy for Board of Directors, Key Executives & Senior Management.

Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members & Senior Management of the Company. In accordance with Schedule IV of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors has approved Code of Conduct for Directors & Senior Management.

Code of Conduct for prohibition of insider trading:

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India(SEBI)(Prohibition of Insider Trading) Regulations,2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code.

All the Directors & Senior Management have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors. A declaration to this effect signed by the Chairman & Managing Director, is given below

Declaration on Compliance with Code of Conduct

Pursuant to SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, it is hereby affirmed that for the financial year ended March31,2019, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

Sd/-

Bafna Mahaveer Chand
(DIN 01458211)
Managing Director

VI. DISCLOSURES

- (a) In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the companies (Accounting Standards) Rules, 2006, the company has identified the related parties covered there in and details of transactions with such related parties have been disclosed in Note No.30 of standalone and Note No.32 of consolidated to the Accounts forming part of this Annual report. Transactions with related parties entered into by the company are in the normal course of business on arm's length basis and do not have potential conflicts with the company. During FY'19, the company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the company at large. The register of contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board/Audit Committee. The interested Directors are neither eligible to participate in the discussion, nor do they vote on such matters.
- (b) The Company has generally complied with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, and SEBI Regulations and guidelines. No penalties were imposed or strictures were passed against the company with regard to the Capital Market.
- (c) The Company has complied with the mandatory requirements of 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). And the company has complied some of the non-mandatory requirements also.

VII. MEANS OF COMMUNICATION

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

The quarterly & annual financial results of the company are generally published in English Newspaper in Business Standard & Vernacular (Tamil) language in Makkal Kural.

The same is updated at the website of the company at www.bafnapharma.com.

VIII REMOTE E-VOTING AND BALLOT VOTING AT THE AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on 20th June 2019 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

Annexure A: Certificate from Company Secretary in Practice

CERTIFICATE

***[Pursuant to Clause 10 of Part C of Schedule V of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]***

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **BAFNA PHARMACEUTICALS LIMITED (CIN: L24294TN1995PLC030698)** I hereby certify that :

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

For A. K. JAIN & ASSOCIATES
Company Secretaries

Sd/-

BALU SRIDHAR
Partner

M.No. F5869
C.P.No.3550

Place: Chennai
Date: 27.05.2019

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting	:	Thursday, the 27 th June, 2019 at 03.00 PM
Venue	:	Andhra Social & Cultural Association, Krishna Hall, No.22, Vijayaraghava Road, T. Nagar, Chennai-600017
Financial Year	:	The Accounting year covers the period from 1st April to 31st March.
Financial reporting for the quarters ending on (tentative)		
30th June, 2019	:	Before 14 th August, 2019
30th September, 2019	-	Before 14 th November, 2019
31st December, 2019	-	Before 14 th February, 2020
31st March, 2020	-	Before the end of 30 th May, 2020
Book Closure Dates	:	24.06.2019 to 27.06.2019 (both dates inclusive)
Dividend Payment Date	:	Not Applicable
Cut-off date for taking list of Shareholders fore-voting	:	20.06.2019
Registered Office	:	Bafna Pharmaceuticals Limited New No. 68, Old No. 299, Thambu Chetty Street, Chennai - 600001
Listing on Stock Exchange	:	(i) BSE Limited. Stock code (BSE)532989 (ii) National Stock Exchange of India Limited Scrip Symbol (NSE)BAFNAPHARM Listing fee for the financial year 2018-19 has been paid. Listing fee for the financial year 2019-20 has not yet paid.
Depositories	:	a) The National Securities Depository Limited 4th Floor, Trade World, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 b) Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street, Mumbai-400001
ISIN No.	:	INE878I01014
Number of Shareholders	:	8425 (As at 31st March, 2019)

Shareholding Pattern as at 31st March, 2019

Particulars	Holding (%)
Promoters & Promoters Group	26.36%
Total (A)	26.36%
Public – Institutions	0.00
Total (B)	0.00
Public – Non Institutions	
Bodies Corporate	5.07
Individuals	62.03
Others	6.54
Total (C)	73.64
Total (A+B+C)	100.00

Distribution of Shareholding as on 31st March, 2019

Share Holding	Share Holders		Share Holding	
Shares	Number	% of Total	Shares	% of Total
1-100	3707	41.6049	155253	0.6562
101-500	3339	37.4747	966445	4.0853
501-1000	824	9.2480	709123	2.9976
1001-2000	428	4.8035	682427	2.8847
2001-3000	168	1.8855	442916	1.8722
3001-4000	75	0.8417	272967	1.1538
4001-5000	92	1.0325	443986	1.8768
5001-10000	124	1.3916	926637	3.9170
10001- and above	153	1.7171	19056581	80.5559
TOTAL	8910	100.00	23656335	100.0000

Share market data: Monthly Share Price movement during the financial year ended 31st March, 2019 at BSE & NSE

The closing market price of equity share for the year ending 31st March, 2019 (last trading day of the year was 29th March 2019) was Rs. 10.95 on BSE & Rs. 9.65 on NSE.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-18	30.35	27.00	58572	30.75	27.10	346990
May-18	29.50	23.15	29431	30.40	23.15	499055
Jun-18	25.00	22.00	21234	26.45	21.95	234221
Jul-18	24.10	20.55	14855	24.70	20.05	318470

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Aug-18	23.50	18.50	22232	23.00	18.65	361797
Sep-18	20.95	13.65	21369	21.85	11.45	316760
Oct-18	14.00	10.91	8202	15.55	10.30	239860
Nov-18	15.35	13.41	3913	15.00	12.50	158434
Dec-18	13.50	11.31	4342	14.70	11.00	205570
Jan-19	12.25	10.00	11472	12.00	9.65	197901
Feb-19	11.00	8.71	24050	11.00	7.90	321393
Mar-19	11.88	10.05	13970	12.20	9.30	349320

Reconciliation of Share Capital Audit:

Practicing Company Secretaries carry out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital . As on 31st March, 2019,the audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. And also the report of the Practicing Company Secretaries as required under SEBI (LODR) Regulation, 2015, is forwarded to the Stock Exchanges within the prescribed time.

Share Transfer System:

The Company has appointed Share Transfer Agent M/s.Cameo Corporate Services Ltd, Chennai which carries out the entire Share related works. Share transfers will be registered and returned within a period of fifteen days from the date of receipt, if all the documents are accurate in all aspects. The Stakeholders Relationship Committee (Investor Grievance and Share Transfer Committee) meeting takes place as per the requirements/circumstances then prevailing.

Depository system

Dematerialization is the process of converting physical shares (share certificates) into an electronic form. Shares once converted into dematerialized form are held in a Demat account. As per SEBI directive the equity shares are to be traded in demat mode compulsorily by all investors w.e.f. 26th June, 2000.

The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of its shares. Company's shares are eligible for dematerialization in both NSDL Depository System and CDSL Depository System.

Company's shares are under compulsory demat mode and members are requested to dematerialize their share for operational convenience. The ISIN of the scrip is INE878I01014.

As on 31st March, 2019, around 99.39 % of the total equity capital of the Company was held in dematerialized form and only 0.61 % of the total equity capital of the Company was held in physical form.

Outstanding GDRs/ ADRs/warrants or any Convertible instruments, Conversion date and likely impact one equity:

Nil

Plant Location

This information forms part of the 'Company SnapShot' section in the AnnualReport.

Address for Correspondence:

The Company has appointed Cameo Corporate Services Limited as its Share Transfer Agents. All communications with regard to transfer, transmission, instructions / enquiries on Electronic Clearing Service (ECS), dividend, dematerializing of shares, etc. should be addressed to the Share Transfer Agents at the following address:

Registrars and share Transfer Agents (RTA) : Cameo Corporate ServicesLtd.
No.1, Club House Road, Chennai - 600002
Phone 044-28460390-95 fax28460129

E- Mail id of RTA : investor@cameoindia.com

Email id of Company for investor's : cs@bafnapharma.com
Phone:044-42677555

NUMBER OF SHARES / CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Name of the Non-Executive Directors	Number of Equity Shares held
Shri Sunil Bafna	5000
Shri V. Rajamani	NIL
Shri R. Dwarakanathan	NIL
Shri B. Kamlesh Kumar	NIL

REMUNERATION POLICY AND REMUNERATION TODIRECTORS

Executive Directors

The remuneration paid to the Managing Director and the Whole Time Director are approved by the Shareholders of the Company and is subject to the limits laid down under Section 197 and Schedule V to the Companies Act, 2013.

Non-Executive Directors

TheNon-Executive Directors were not paid any amount, other than sitting fees of Rs.5000/-for every Board and Committee Meetings attended by them.

Compliance certificate from Auditors of the company

As required by Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Auditors' certificate annexed else where in the Annual report forms part of this report.

On behalf of the Board of Directors

For BAFNA PHARMACEUTICALS LIMITED

(CIN L24294TN1995PLC030698)

Sd/-

Bafna Mahaveer Chand

(DIN: 01458211)

Managing Director

Place: Chennai

Date: 27.05.2019

Certification by Managing Director

I, Bafna Mahaveer Chand, Managing Director of BAFNA PHARMACEUTICALS LIMITED, certify that

1. I have reviewed the financial statements for the year 2018-19 and that to the best of my knowledge and belief
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I accept over all responsibility for establishing and monitoring the Company's Internal Control System for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. I have indicated to the auditors and to the Audit Committee:
 - a. significant changes, if any, in internal control over financial reporting during the year;
 - b. significant changes, if any, in accounting policies during the year;
 - c. instances of significant fraud, if any, of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting. However, there was no such instance.

On behalf of the Board of Directors
For BAFNA PHARMACEUTICALS LIMITED
(CIN L24294TN1995PLC030698)

Sd/-

Bafna Mahaveer Chand
(DIN: 01458211)
Managing Director

Place: Chennai
Date: 27.05.2019

AUDITORS CERTIFICATE ON COMPLIANCE

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of M/S. Bafna Pharmaceuticals Limited.

1. We have examined the compliance of conditions of Corporate Governance by M/s. **Bafna Pharmaceuticals Limited** (the Company) ,for the year ended on 31st March 2019,as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

2. **Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

3. **Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation there of ,adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India(the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 except:

- a. *The composition of board of directors of the company is not in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018*
- b. *The composition of the nomination and remuneration committee of the company is not in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 2018 and December 2018.*
- c. *The Company has received notice from BSE and NSE levying SOP Fines under Regulation 108 of SEBI (Issue of capital and disclosure requirements) Regulations, 2009 amounting to Rs.17,92,014/- and Rs.18,62,814/- respectively for delay in submission of complete listing application for allotment of 50,00,000 equity shares of Rs.10/- each on conversion of warrants on preferential basis with the Stock Exchanges i.e. NSE and BSE.*

and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31,2019.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR R. SATHYANARAYANAN &CO

Chartered Accountants

FRN No 003656S

Sd/-

R. SATHYANARAYAN

Partner

M. No. 028377

Place: Chennai

Date: 27.05.2019 `

MANAGEMENT DISCUSSION AND ANALYSIS

Economic & Industry Overview

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

Pharmaceuticals sector overview

In 2019, drug pricing pressure from regulators, patients, politicians and payers will remain and aggressive negotiation tactics to drive down drug prices are expected.

Pharma's 2019 industry outlook survey reveals that more than 50% of global industry respondents believe that drug pricing and reimbursement constraints will have the greatest negative impact on the pharmaceutical sector in 2019.

This response is not surprising, especially given that increased pressure from the Trump administration led to price freezes in 2018. Despite this pressure, about three dozen drug manufacturers rang in the New Year by raising prices on hundreds of drugs in the United States. The average price increase was about 6.3% and includes branded as well as generic drugs. Both Democrats and Republicans have reacted strongly to these latest increases and it could be an opportunity for bipartisanship to bring the cost of prescription drugs down.

Even though Brexit and US political uncertainty were high-profile news stories in 2018, the respondents in our study viewed them as a distant second at 11% each. By contrast, respondents were mixed on the factors that would have the greatest positive impact. The rise of China, vertical integration and patent expiry of biologics are expected to have an equal impact at 20% each.

cost containment measures such as price and reimbursement cuts are leading to tougher market conditions for drug manufacturers and shrinking profit margins. In response to these pressures, companies are reassessing their strategies and market focus. As a result, companies will need to adopt more flexible pricing strategies to maximise return on investment and negotiate earlier with payers – as early as Phase II. Conversations with payers will also be a lot tougher and go beyond price to demonstration of value to specific patient sub-populations.

Pharma outlook 2019: positive factors

Despite concerns about a trade war between the US and China, it is not a surprise that China is still viewed as a huge market opportunity for the pharmaceutical industry. China has a large population with a growing middle class and it has become a leader in R&D innovation for medicine, particularly regenerative medicine and perhaps even gene editing based on the news from late 2018. The big challenge that companies will face is how to best navigate the Chinese regulatory and commercial landscape.

The healthcare industry saw several big vertical integrations in 2018, for example Aetna/CVS and Cigna/Express Scripts. These deals are touted as opportunities to gain efficiency and lower cost of care, but it is still too early to determine their long-term impact. The one thing that is certain is that this trend will likely continue in 2019 as the industry looks for new ways to control costs and increase margins.

While 30% of respondents believe that patent expiry of biologics will have a major impact in 2019, the immediate impact will be less than expected, particularly in the US. Although several biosimilars are now approved in the US, the pace of their subsequent launch and market growth remains slow and most biosimilars still face stiff legal battles. On average, the price differential between biosimilars and their branded counterparts is only about 30%, significantly less than the cost savings seen with the average generic drug.

Despite the slow start, biosimilars will eventually contribute cost savings in the US, but it will be beyond 2019 and the level of savings will vary because significant uncertainty still exists for reimbursement, automatic substitution, competition from next-generation biologics and litigation.

India

The Indian pharmaceutical industry is the 14th largest market in the world by value; in terms of volume it is the 3rd largest. India manufactures 20% of all generics made globally and exports to 200 countries, with USA as the principal market. Increase in the size of middle-class households coupled with the improvement in medical infrastructure and jump in the penetration of health insurance in the country are expected to boost domestic demand for pharmaceutical products. By 2020, India is anticipated to become the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. India's focus on providing complex and speciality products, customer centricity, regulatory compliance, quality improvement and operational efficiency are expected to enhance exports. Exports from India stood at USD 16.84 billion in FY 2016-17; it is expected to reach USD 20 billion by 2020.

Risks and concerns

The road ahead is challenging for the Global and Indian pharmaceutical sector. The competition is expected to be more aggressive leading to price pressures. Uncertainty in global economic growth coupled with inflationary pressures is expected to impact the growth rate in India and consequently the Company's operations. Pharmaceuticals markets both domestic and international are more prone to regulatory risks apart from regular business risks. Stringent norms by the Regulatory Authority would result in discontinuation of manufacture of specific drugs.

Risk management is integral part of the company's plans, business strategies, monitoring systems and results. It takes in all organizational processes geared to early risk detection, identification and timely implementation of appropriate counter-measures.

Your company constantly reviews its policies and procedures to adhere to ensure conformity to the various regulatory approvals for its manufacturing facilities.

Your company constantly reviews its policies and procedures to adhere to ensure conformity to the various regulatory approvals for its manufacturing facilities.

Company Overview

Internationally, our focus is on expanding the revenue from registered products and applying for registration of products enabling for more revenue generation opportunities.

Your company continues to work towards optimizing the capacities of its manufacturing facilities and also on adding additional capacities aimed at the business opportunities available in line with its strategy. Your Company will try to ensure that it remains competitive in market, in costs and will manage the business more dynamically.

The growth achieved by the company during the last few years has set the pace for future growth. We now feel that the fundamentals are in place and your company is well equipped to meet the future challenges on the strength of its state of the art Manufacturing facilities and R & D wing. Our expanding customer base is a great boon & motivating factor for the company.

The company is in growth/expansion mode requiring further investment and hence we are evaluating various options to raise additional funds.

We are and will be investing in building the necessary system and infrastructure required to manage our growth. We will continue to invest in our manufacturing facilities, R & D, registrations and programs to build revenue. We have acquired and expect to acquire business and technologies as and when the opportunity presents itself.

The company plans to improve EBIDTA margins by following modes:

Focus on increasing revenue from contract manufacturing in regulated markets.

Increase volume from existing emerging markets & further increase revenue by introducing new products.

Expand to new geographies.

Focus on FR&D for launching new products.

Focus on export to Africa, UK and CIS Countries.

Bafna Pharma's Global footprint

S. NO.	NAME OF COUNTRY	NO. OF APPROVALS	NO. OF APPLICATIONS PENDING FOR REGISTRATION
1	Sri Lanka	38	51
2	Nepal	9	19
3	Myanmar	-	7
4	Nigeria	31	17
5	Vietnam	-	6
6	Ghana	-	2
7	Philippines	9	18
8	Yemen	3	11
9	Peru	4	6
10	Honduras	5	9
11	Ukraine	18	14
12	Russia	3	-
13	Tanzania	8	14
14	Tajikistan	3	-
15	Kazakhstan	2	3
16	Ethiopia	5	7
17	Cameroon	6	-
18	Cambodia	2	10
19	Kenya	2	4
20	UK	16	-
21	Costarica	2	-
22	Azerbaijan	1	2
23	Rwanda	-	2
24	Zambia		2
	Total	167	204

Performance and operations review

In view of the strategic decision by Bafna Pharma, we aim to increase the revenue growth in the years to come.

Consolidated Operating Results

The consolidated revenue from operation was Rs. 4401.26 Lakhs in comparison to Rs.7850.15 Lakhs of the previous year. The consolidated net loss for the year 2019 was Rs. 1887.05 Lakhs as against FY 2018 of Rs.1673.65 Lakhs.

Standalone Operating Results

The sales and operating income was Rs.4401.26 Lakhs in comparison to Rs7843.51 Lakhs in the previous year. The operating Loss for the year under review is Rs.1973.04 Lakhs as against Rs.1645.09 Lakhs for the previous year

Internal Control Systems

The company has reasonable internal control systems, with defined guidelines on compliance, which enables it to run its facilities and head office with a fair degree of comfort. Internal Audit is being undertaken by Independent Auditor M/s. Soleti Associates, Chartered Accountant, Chennai, for the Financial year 2018-19.

Internal controls are implemented to safeguard its assets, to keep constant check on cost structure, to provide adequate financial and accounting controls and implement accounting standards. The system incorporates continuous monitoring, routine reporting, checks and balances, purchase policies, authorization and delegation procedures and audit etc. Internal controls are adequately supported by Internal Audit and periodic review by the management.

The Audit Committee meets periodically to review with the management, statutory auditors and with the internal auditors, adequacy/scope of internal audit function, significant findings and follow up there on and findings of any abnormal nature. The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements.

Material Development in Human Resources / Industrial Relations Front

The number of employees as on 31st March, 2019 was 258.

The growth attained by the Company is largely a function of the competence and quality of its human resources. The work environment is very challenging and performance-oriented, recognizing employee potentials by providing them with adequate opportunities. We have made efforts to discipline our hiring process. Acquisition and retention of talent which is in line with your company's goals continues to be a major thrust area.

On behalf of the Board of Directors
For BAFNA PHARMACEUTICALS LIMITED
(CIN L24294TN1995PLC030698)

Sd/-

Bafna Mahaveer Chand
(DIN: 01458211)

Chairman & Managing Director

Place: Chennai
Date: 27.05.2019

Standalone Financial Statements

STANDALONE - AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of Bafna Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to financial statements and the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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 standalone financial statements, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Key Audit Matter

Key Audit Matter	Auditor's Response
<p>Compliance with IND AS 36 and IND AS 113:</p> <p>With a view to resolve the Insolvency and Bankruptcy proceedings initiated on the Company, the Promoter had submitted Resolution plan which was approved by NCLT, Chennai bench. The Resolution plan had proposed restructuring and restating of all assets liabilities which would have resulted in write offs as well as write backs in the books of accounts. However, due to appeal by an aggrieved party, NCLAT has stayed the handing over of the Corporate Debtor to the Resolution applicant and has also instructed that the status of the corporate debtor be maintained as a Going concern.</p> <p>In view of the above, the Company did not test the assets for recovery/impairment as per principles of IND AS 36 nor restated them at fair values as per IND AS 113.</p> <p>Similar is the case of non-restatement at fair values in the case of current liabilities.</p> <p>The Company has deferred the above to be carried out in the ensuing financial year (Ref: Foot note no. 5 of Audited Financial results as well as Note No.3 of IND AS notes to Financial Statements)</p>	<p>We have given a modified opinion in our "Independent Auditors' report on the standalone financial results pursuant to clause 33 of SEBI (Listing obligations and disclosure requirements) Regulations 2015 as follows:</p> <p>a. Major Components of Current Assets – Receivables outstanding for over one year, Long outstanding Advances to suppliers besides Stock of spares and Stores, which have all not been tested for recovery/impairment as per IND AS 36, consequently not restated at fair values in accordance IND AS 113 and not provisioned in the accounts.</p> <p>b. Major Components of Current Liabilities – Sundry creditors whose balances are yet to be confirmed, hence not restated at fair values in accordance with IND AS 113.</p>

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the modified opinion expressed under Key Audit matter:
 - c. Major Components of Current Assets – Receivables outstanding for over one year, Long outstanding Advances to suppliers besides Stock of spares and Stores, which have all not been tested for recovery/impairment as per IND AS 36, consequently not restated at fair values in accordance IND AS 113 and not provisioned in the accounts.
 - d. Major Components of Current Liabilities – Sundry creditors whose balances are yet to be confirmed, hence not restated at fair values in accordance with IND AS 113.

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN

Partner

(Membership No.028377)

Place : Chennai
Date : 27.05.2019

ANNEXURE “A” to the Independent Auditors’ Report on the IND AS Financial Statements of BAFNA PHARMACEUTICALS LIMITED

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BAFNA PHARMACEUTICALS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting of future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, except for the following areas:

- a. *Certain Balances of Debtors, Creditors and Deposits with Corporate bodies are subject to confirmation.*
- b. *Balances pertaining to Advances given to suppliers for supply of materials and others remain unconfirmed.*

However the company has an established set of "internal control over financial reporting criteria" duly taking into consideration the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN
Partner
(Membership No.028377)

Place : Chennai
Date : 27.05.2019

**ANNEXURE 'B' TO the Independent Auditors' Report on the IND AS Financial Statements of
BAFNA PHARMACEUTICALS LIMITED**

On the basis of such checks as we considered appropriate and according to information and explanations given to us during the course of audit, we report that:

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable
 - (c) According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the balance sheet date.
- ii.
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

The maintenance of Stocks of Stores and spares requires to be assessed in respect of usefulness and value carried in the books of accounts.

- iii. According to the information and explanations given to us, the Company had granted unsecured loans to its subsidiary listed in the Register maintained under section 189 of the companies act, 2013. Since the subsidiary did not have any operations for the past few years, and has not been a going concern, the loan has been written off during the year with the approval of the Board.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company *has not been regular* in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, TDS and Service Tax. However, the Company has been regular in remittance of Goods & Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other

material statutory dues, as applicable, with the appropriate authorities. *During the course of our audit, we observed certain instances of non-deduction of TDS on eligible payments made during the year.*

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at 31st March 2019 which have not been deposited, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)	Payment to which the amount relates	Due date	Date of payment
EPF & MP Act 1952	PF Contribution	233.14	Jan 2016 to March 2019	15 th Day of the following month	Not paid
ESI Act 1948	ESI Contribution	40.43	June 2016 to March 2019	21 st Day of the following month	Not paid
Service Tax	Service Tax	19.02	June 2016 to March 2019	05 th Day of the following month	Not paid
Income Tax Act 1961	TDS	14.83	April 2017 to March 2019	07 th Day of the following month	Not paid
Income Tax Act 1961	Income Tax Dues	892.80	AY 2015-16	31 st March 2015	Not paid

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to State Bank of India, and was classified as Non-performing asset as of March 31, 2017 itself, and the same position continues as at the date of Balance sheet under audit. The Company has also availed facilities from other banks namely, IDBI Bank Ltd and Development Credit Bank, Bank of Ceylon and DBS Bank Limited for working capital purposes. The Company has not taken loans or borrowing from Government and has not issued debentures during the year.
- ix. During the year, an Operational Creditor filed under Section 9 of The Insolvency and Bankruptcy Code 2016 a Petition with The National Company Law Tribunal (NCLT), Single Bench, Chennai which was admitted as CP/682/IB/2017 against the Company. The Hon'ble NCLT, Single Bench, Chennai passed an order on 16th July 2018 for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company. Committee of Creditors (COC) approved Resolution plan was submitted by the promoter was in turn approved by the Hon'ble NCLT, Chennai on 1st February 2019. However, an aggrieved shareholder filed an appeal with Hon'ble NCLAT (National Company Law Appellate Tribunal), and the handing over of corporate debtor to the resolution applicant was stayed by them on 28th February 2019. Post several hearing proceedings, which were held between the financial year end and the date of this report, the final judgement is reserved to be passed by the Hon'ble NCLAT, New Delhi.
- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xiii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xv. As per the provisions of clause 3 (xiv) of the order and according to the information and explanations given to us, the Company had made preferential allotment of 50,00,000 equity shares or private placement of shares during the previous year and all the requirements of section 42 of Companies Act, 2013 were complied with and amount raised has been used for the purpose for which funds were raised. . The Company had already obtained in principle approval and during the year, have obtained final approval of 50,00,000 equity shares which were allotted on preferential basis from both BSE Ltd and National Stock Exchange of India Limited.
- xvi. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvii. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order is not applicable to the Company.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN
Partner
(Membership No.028377)

Place : Chennai
Date : 27.05.2019

STANDALONE - BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH, 2019

(All amounts in Rs. Lakhs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
A ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	3,701.90	3,993.67
(b) Capital Work-in-Progress			
(c) Goodwill			
(d) Other Intangible Assets			
(e) Financial Assets			
(i) Investments	5	143.00	143.00
(ii) Trade Receivables			
(iii) Loans			
(iv) Other financials assets	6	3,295.33	3,732.79
(g) Other Non-Current Assets	7	99.50	53.16
Total Non-Current Assets		7,239.73	7,922.61
2 Current Assets			
(a) Inventories	8	928.23	1,067.42
(b) Financials Assets			
(i) Investments			
(ii) Trade Receivables	9	2,483.37	2,427.94
(iii) Cash and Cash Equivalents	10	270.19	270.40
(iv) Bank balance other than mentioned above			
(v) Loans			
(vi) Other financials assets		-	-
(c) Other Current Assets	11	1,142.44	1,063.17
(d) Assets classified as held for sale			
Total Current Assets		4,824.24	4,828.93
Total Assets (1+2)		12,063.97	12,751.55
B EQUITY AND LIABILITIES			
1 (a) Equity Capital	12	2,365.63	2,365.63
(b) Other Equity	13	(286.32)	1,686.73
Total Equity		2,079.32	4,052.37

BALANCE SHEET AS AT 31st MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
2 Liabilities			
(a) Non-Current Liabilities			
(i) Financial Liabilities			
- Borrowings	14	2,298.82	2,324.94
- Trade Payable			
- Other Financial Liabilities			
(ii) Provisions			
(iii) Deferred Tax Liabilities	15	617.87	467.80
(iv) Other non-current liabilities	16	3.00	3.00
Total Non-Current Liabilities		2,919.69	2,795.74
(b) Current Liabilities			
(i) Financial Liabilities			
- Borrowings	17	2,323.97	2,329.10
- Trade Payable			
- Dues to micro and small enterprises			
- Dues to Others	18	3,942.40	2,782.49
- Other Financial Liabilities			
(ii) Other Current Liabilities	19	798.58	791.86
(iii) Provisions			
(iv) Current Tax Liabilities (net)			
Total Current Liabilities		7,064.95	5,903.45
Total Liabilities			
Total Equity and Liabilities		12,063.97	12,751.55
Basis of preparation, measurement and significant accounting policies	2		

Significant Accounting Policies and Notes of Financial Statements 1 to 35 as per our Report of event date**FOR R. SATHYANARAYANAN & CO**

Chartered Accountants

FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

STANDALONE - PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019 (All amounts in Rs. Lakhs)

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
A Income from operations			
(a) Net sales/income from operations	20	4,335.89	4,717.07
(b) Profit On sale of Investment	21	-	3,003.64
(b) Other Income	22	65.36	122.80
Total income from operations net		4,401.25	7,843.51
B Expenses			
(a) Cost of Raw Material Consumed	23	3,329.44	2,680.07
(b) Purchases of Stock in Trade	24	46.36	1,298.95
(c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	25	81.14	409.20
(d) Employee benefits expense	26	901.29	747.49
(e) Depreciation and amortisation expense	27	342.17	364.59
(f) Finance costs	28	212.64	680.53
(g) Other expenses	29	1,311.18	3,090.24
Total expenses		6,224.22	9,271.08
Profit before tax		(1,822.97)	(1,427.57)
Tax expense			
Current Tax			
Deferred Tax		150.07	217.52
Profit for the period		(1,973.04)	(1,645.09)
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period / Year (Comprising profit and other comprehensive Income for the period)		-	-
Total Comprehensive Income for the period / Year (Comprising profit and other comprehensive Income for the period)		-	-
Total other comprehensive income net of tax		-	-
Total comprehensive income for the period		(1,973.04)	(1,645.09)
Earnings per Equity share			
Equity shares of par value Rs. 10 each			
(a) Basic		(8.34)	(6.95)
(b) Diluted		(8.34)	(6.95)
Basis of preparation, measurement and significant accounting policies			

Significant Accounting Policies and Notes of Financial Statements 1 to 35 as per our Report of event date

FOR R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

STANDALONE - CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Rs. Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cash Flow from Operating Activities:		
Net Profit Before Tax	(1,822.97)	(1,427.57)
Adjustments for:		
Depreciation	342.17	364.59
Interest Paid	212.64	680.53
Profit on Sale of Fixed Asset	-	(3,003.64)
Interest Received	(11.72)	(1.50)
Other Income		
Insurance Claim Received	-	(25.06)
Sundry Balance Write Back	-	(5.80)
Lease Rent Received	(0.75)	-
Operating Profit before Working Capital Changes	(1,280.63)	(3,418.45)
Adjustment For:		
[Increase]/decrease in Inventories	139.19	606.57
[Increase]/decrease in Trade Receivables	(55.43)	2,942.38
[Increase]/decrease in Short Term Loans and Advances	(79.27)	(688.35)
Increase/[decrease] in Trade Payables	1,159.92	442.70
Increase/[decrease] in Other Current Liabilities	6.72	(594.58)
Cash generated from Operation	(109.50)	(709.72)
Less: Tax Paid	-	-
Net Cash Used in Operating Activity (A)	(109.50)	(709.72)
Cash Flow from Investing Activities:		
Profit on Sale of Fixed Assets	-	3,003.64
Sale of Fixed Assets	-	1,690.00
Purchase of Fixed Assets	(33.31)	(12.65)
Insurance Claim Received	-	25.06
Sundry Balance Written back	-	5.80
Changes in Long Term Loans and Advances	437.46	(925.33)
Change in Other Non- Current Assets	(63.43)	(8.63)
Interest Received	11.72	1.50
Lease Rent received	0.75	-
Net Cash used in Investing Activities (B)	353.19	3,779.38
Cash Flow from Financing Activities		
Issue of Shares, Warrants & Application Activities	-	1,200.00
Changes in Long Term Borrowings	(26.12)	(1,576.16)
Changes in Short Term Borrowings	(5.14)	(2,008.19)
Interest Paid	(212.64)	(680.53)
Increase / Decrease In investments	-	-
Net Cash from Financing Activities (C)	(243.90)	(3,064.87)
Net Increase/ [Decrease] in Cash or Cash Equivalents [A+B+C]	(0.21)	4.80
Opening Balance of Cash & Cash Equivalents	270.40	265.60
Closing Balance of Cash & Cash Equivalents	270.19	270.40

Significant Accounting Policies and Notes of Financial Statements 1 to 35 as per our Report of event date

FOR R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-
R. SATHYANARAYAN
(Partner)
M.No. 028377

Place : Chennai
Date : 27-5-2019

For and on Behalf of the Board

Sd/-
BAFNA MAHAVEER CHAND
[Managing Director]
[DIN : 01458211]

Sd/-
M.SRIDHAR
[Chief Financial Officer]

Sd/-
PARAS BAFNA
Whole Time Director
[DIN : 01933663]

Sd/-
JITENDRA KUMAR PAL
[Company Secretary]
[M.No: 15338]

4. PROPERTY PLANT AND EQUIPMENT

	LAND	BUILDING	PLANT & MACHINERY	OFFICE EQUIPMENT	LAB EQUIPMENT	OTHER ANCILLARY EQUIPMENTS	HOT AIR VENTILATION COOLING SYSTEMS	ELECTRICAL INSTALLATION	FURNITURE & FITTINGS	VEHICLES	AIR CONDITIONERS & WATER COOLER	COMPUTER	TOTAL
Gross Block													
Balance as at 31st March 2018	19.32	2,176.40	946.38	64.51	794.59	1,620.95	372.59	339.12	183.18	17.82	557.26	161.96	7,254.07
Additions			12.69		10.40							10.22	33.31
Disposals													-
Balance as at 31st March 2019	19.32	2,176.40	959.07	64.51	804.99	1,620.95	372.59	339.12	183.18	17.82	557.26	172.19	7,287.38
Accumulated Depreciation													
Balance as at 31st March 2018	-	659.54	236.03	53.37	560.53	809.39	52.73	312.17	131.35	16.66	281.14	147.48	3,260.40
Additions		73.53	98.60		69.85	35.61	17.70	10.03	13.16	1.16	5.06	0.40	325.08
Disposals													
Balance as at 31st March 2019	-	733.07	334.63	53.37	630.38	845.00	70.43	322.21	144.50	17.82	286.20	147.88	3,585.48
Net Block													
Balance as at 31st March 2018	19.32	1,516.85	710.35	11.14	234.06	811.55	319.87	26.94	51.84	1.16	276.12	14.48	3,993.67
Balance as at 31st March 2019	19.32	1,443.33	624.44	11.14	174.60	775.95	302.17	16.91	38.68	(0.00)	271.05	24.31	3,701.90

	As at 31st March, 2019	As at 31st March, 2018
5 INVESTMENTS		
1430000 shares @ Rs.10/- Each in BAFNA LIFESTLYES REMEDIES LIMITED (UNQUOTED)	143.00	143.00
1126666 Shares of Rs.100 each in STRIDES HEALTH CARE PVT LIMITED (unquoted)	-	-
	143.00	143.00
Aggregate Book Value of Unquoted Investments	143.00	143.00
Aggregate amount of impairment in Value of Investments	-	-
The company has sold the 1126666 shares has been to M/s. STRIDES HEALTHCARE PVT LTD sold during the Year 2017-18		
6 NON-CURRENT		
Advance to suppliers	2,965.17	2,185.04
Advance Others	330.16	324.82
Advance to subsidiary Company- BLRL	-	1,222.93
	3,295.33	3,732.79
7 OTHER NON-CURRENT ASSETS		
Product Registration	53.16	57.82
New Registrations	63.43	8.63
Less: Amortisation charged to P&L Account	(17.09)	(13.29)
	99.50	53.16
8 INVENTORIES		
Raw material	291.99	322.76
Work In Progress	128.50	154.44
Finished goods	108.08	163.28
Other goods	89.21	112.97
stores and spares	310.45	313.97
	928.23	1,067.42

	As at 31st March, 2019	As at 31st March, 2018
9 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
Considered good		
i) Trade receivables - More than 6 months	1,849.56	1,761.23
ii) Others	633.81	666.71
Considered doubtful		
Less: Allocance for bad and doubtful debts		
	2,483.37	2,427.94
10 CASH AND CASH EQUIVALENTS		
Cash on hand	0.28	4.08
Balance with Banks		
in current accounts	12.54	21.32
Term deposits with original matureity of less than three months		
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with banks		
unpaid dividend		
Margin money deposits	257.37	245.00
Investments in term deposits [with original maturity of more than three months but less than twelve months]		
	270.19	270.40
11 OTHER CURRENT ASSETS		
Deposits with Govt. or Semi Govt. Depot.	27.86	29.67
Deposits with Others	484.75	554.25
TDS Receivable	34.04	28.28
Sales Tax Refund account	4.22	18.60
CENVAT receivable	-	-
GST receivable	572.20	420.06
Prepaid expenses	7.95	0.88
License On hand*	11.43	11.43
	1,142.44	1,063.17

*

	As at 31st March, 2019	As at 31st March, 2018
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12 EQUITY SHARE CAPITAL

	Balance
As at 31st March, 2018	2,365.63
Changes in equity share capital during the year	-
As at 31st March, 2019	2,365.63

	As at 31st March, 2019	As at 31st March, 2018
AUTHORISED CAPITAL		
40,000,000 EQUITY SHARES OF RS. 10/- EACH	4,000	4,000
ISSUED, SUBSCRIBED & FULLY PAID-UP CAPITAL	2,365.63	2,365.63

Equity Shares of Rs. 10/-each fully paid up in cash

	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Amount	Number of shares	Amount
a) Reconciliation of the number of shares				
EQUITY SHARES				
Balance as at the beginning of the year	23,656,335	2,365.63	18,656,335	1,865.63
Add: shares issued during the year		-	5,000,000	500.00
Balance as at the end of the year	23,656,335	2,365.63	23,656,335	2,366

c) Details of equity shares held by shareholders holding more than 5% of the agreegrate shares in the Company

	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	% of holding	Number of shares	% of holding
Bafna Mahaveer Chand	1643313	6.95%	1643313	6.95%
Chetna Bafna	2,132,805	9.02%	2,132,805	9.02%

The Company has not made any issue of Bonus Shares or shares in consideration other than cash in pursuance of any contract during the past five years preceding the reporting year.

e) The Company has not bought back any shares during the five years immediately preceding the reporting year.

	As at 31st March, 2019	As at 31st March, 2018
13 OTHER EQUITY		
A. Summary of Other Equity balance		
Capital Reserve	569.07	569.07
Share Premim	4,131.14	4,131.14
General Reserve	192.35	192.35
Retained Earnings	(5,178.87)	(3,205.83)
Items of other Comprehensive Income		
- Remeasurements of defined benefit plans		
Total Other Equity	(286.32)	1,686.72

STATEMENT OF CHANGES IN OTHER EQUITY

	Reserves and Surplus				Total
	Capital Reserve	Share Preimum	General Reserve	Retained Earnings	
As at 31st March, 2018	569.07	4,131.14	192.35	(3,205.83)	1,686.72
Profit for the year	-		-	(1,973.04)	(1,973.04)
Other comprehensive Income/ Loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,973.04)	(1,973.04)
As at 31st March, 2019	569.07	4,131.14	192.35	(5,178.87)	(282.32)

	As at 31st March, 2019	As at 31st March, 2018
14 BORROWINGS		
Secured		
ADITYA BIRLA FINANCE LIMITED	-	-
DBS WORKING CAPITAL TERM LOAN	203.89	220.85
STATE BANK OF INDIA	1,881.87	1,886.72
Unsecured		
From DIRECTORS	213.06	217.37
	2,298.82	2,324.94
14.1 Secured by First Charge on entire Current Assets and fixed Assets acquired out of Term Loan from SBI.		
14.2 Second pari passu Charge on the entire Fixed assets with Development Credit Bank, DBS Bank and Bank of Ceylon. except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.		
14.3 Personal guarantee of Promoter Directors- Mr. Bafna Mahaveer chand - Chairman and Managing Director and Mr.Paras Bafna- Whole Time Director.		
14.4 State Bank of India has declared the account as NPA on 28.01.2017 and Hence the same is classified under Long Term.		
DBS BANK LIMITED		
14.5 DBS has converted it into WCTL.		
14.6 First Pari Passu Charge on the entire current assets along with other MBA Banks.		
14.7 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned.		
15 DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITIES (NET)	617.87	467.80
	617.87	467.80
16 OTHER NON-CURRENT LIABILITIES		
Trade Deposit	3.00	3.00
Advance for land		
Employee and ex-employee related liabilities		
Total	3.00	3.00

	As at 31st March, 2019	As at 31st March, 2018
17 SHORT TERM BORROWINGS		
SECURED		
<u>INDUSTRIAL DEVELOPMENT BANK OF INDIA</u>		
Cash credit Account	1,003.22	1,090.97
<u>BANK OF CEYLON</u>		
Cash Credit Account	311.05	303.23
Bill Discounting	-	25.73
<u>DEVELOPMENT CREDIT BANK</u>		
Cash Credit Account	1,009.70	909.17
Total	<u>2,323.97</u>	<u>2,329.10</u>

SECURITIES OFFERED**INDUSTRIAL DEVELOPMENT BANK OF INDIA**

17.1 First Pari Passu Charge on the entire current assets along with other MBA Banks

17.2 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

17.3 Personal guarantee of Promoter Directors- Mr. Bafna Mahaveer Chand - Chairman and Managing Director and Mr. Paras Bafna- Whole Time Director.

DEVELOPMENT CREDIT BANK

17.4 First Pari Passu Charge on the entire current assets along with other MBA Banks

17.5 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India

BANK OF CEYLON

17.6 First Pari Passu Charge on the entire current assets along with other MBA Banks

17.7 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

	As at 31st March, 2019	As at 31st March, 2018
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18 TRADE PAYABLE

DUES TO MICRO AND SMALL ENTERPRISES (as per intimation received from vendor)

- a. Principal and interest amount remaining unpaid.
- b. Interest due thereon remaining unpaid.
- c. Interest paid by the Company in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.
- d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Act, 2006.
- e. Interest accrued and remaining unpaid.
- f. Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to these small enterprises.

DUES TO OTHERS

Acceptances

Trade payable

For Goods and Store Purchase

3,460.61

2,470.63

For Others

481.79

311.85

Total**3,942.40****2,782.49****19 OTHER CURRENT LIABILITIES**

Outstanding expenses

458.72

330.99

TDS payable

14.83

16.18

Advance from Customer

125.35

199.42

Income Tax

199.69

245.28

Total**798.58****791.86**

- a. There are no amounts due for payment to the Investor Education and Protection fund under section 125 of the Companies Act 2013 as at 31st March 2019 (2018 : Nil).

	Year ended 31st March, 2019	Year ended 31st March, 2018
20 REVENUE FROM OPERATIONS		
Sale of products		
Sales (Domestic)	1,732.36	2,650.16
Less: Excise Duty on local sales	-	-
	<u>1,732.36</u>	<u>2,650.16</u>
* Domestic sales include sales of Traded goods to the tune of Rs. NIL ('In lakhs) during the Current Year and Rs.1747.50('In Lakhs) in the previous year.		
Sales(Export)	2,603.53	2,065.81
Less: Excise Duty on Export Sales		-
Sub-Total	<u>2,603.53</u>	<u>2,065.81</u>
Other operating revenue		
FR &D INCOME	-	1.10
Grand Total	<u>4,335.89</u>	<u>4,717.07</u>
21 PROFIT ON SALE OF INVESTMENT		
Profit on sale of investment made in Strides Health Care Pvt Ltd	-	3,003.64
	<u>-</u>	<u>3,003.64</u>
22 OTHER INCOME		
Interest Income		
Bank deposits	2.15	2.35
Others	9.57	0.85
Others		
Gain or (Loss) on Exchange Exchange	8.54	9.70
Export Incentive	1.30	3.40
Insurance Claim Received	-	25.06
Rent Received	0.75	-
Sundry Balances Written off	-	5.80
Commission Received	16.29	
Analytical Charges	26.77	75.65
	<u>65.36</u>	<u>122.80</u>

	Year ended 31st March, 2019	Year ended 31st March, 2018
23 COST OF MATERIALS CONSUMED		
Cost Of Raw Materials Consumed		
Opening Stock	322.76	499.70
Add: Purchase	2,235.78	1,449.27
Less: Closing Stock	(291.99)	(322.76)
Raw Material Consumed	2,266.55	1,626.21
COST OF PACKING MATERIAL CONSUMED:		
Opening stock	112.97	158.41
Add:Purchase	362.99	448.73
Less: Closing stock	(89.21)	(112.97)
Packing Material Consumption	386.75	494.17
Manufacturing Expenses		
Consumable Stores	30.35	30.87
Analytical Expenses	23.08	14.75
Power & Fuel	249.92	211.58
Machinery Maintenance	114.76	66.59
Factory Maintenance	74.74	86.10
Chemical Purchase	41.85	31.27
Security Charges	8.04	8.46
Repairs & Maintenance	5.44	8.90
Other Manufacturing	116.68	89.02
TOTAL	664.88	547.56
Freight		
Freight Charges	11.27	12.15
TOTAL COST OF MATERIALS CONSUMED	3,329.44	2,680.07
24 PURCHASE OF STOCK IN TRADE		
Purchase of stock in Trade	46.36	1,298.95
	46.36	1,298.95

	Year ended 31st March, 2019	Year ended 31st March, 2018
25 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK-IN-TRADE		
Closing Inventories :		
Finished Goods	108.08	163.28
Work in progress	128.50	154.44
Total	236.58	317.71
Opening Inventories :		
Finished Goods	163.28	463.52
Work in progress	154.44	263.40
Total	317.71	726.92
Change In Inventories	81.14	409.20
26 EMPLOYEE BENEFITS EXPENSES		
Salary	781.54	634.99
Bonus	31.00	31.00
P.F. Company's Contribution	44.94	39.63
E.S.I Company's Contribution	12.74	12.67
Staff Welfare	31.07	29.21
	901.29	747.49
27 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortisation expenses	342.17	364.59
28 FINANCE COST		
Interest To Bank	196.82	300.88
Bank Charges	15.82	20.77
Interest To Others	-	358.88
	212.64	680.53

	Year ended 31st March, 2019	Year ended 31st March, 2018
29 OTHER EXPENSES		
A. MANAGERIAL REMUNERATION:		
Bafna Mahaveer Chand	18.60	17.10
Paras Bafna	14.40	13.20
	33.00	30.30
B. PAYMENT TO AUDITORS		
Audit Fees	3.50	3.00
Tax Audit Fees	0.50	
Certification & Other Services	0.30	0.50
Service Tax	-	0.63
IT Matters	4.30	4.13
C. INSURANCE EXPENSES		
Insurance	1.02	12.03
	1.02	12.03
D. OTHERS :		
Rent & lease rent	20.84	21.23
Postage & telegram	7.89	5.65
Telephone	3.61	5.53
Conveyance	10.67	13.41
Travelling expenses	15.64	14.93
Printing & stationery	15.82	18.20
Subscription & membership	0.31	1.47
Fees	15.26	3.09
Office maintenance	0.58	0.73
Internal Audit Fees	1.20	0.90
Vehicle maintenance	2.62	1.97
Miscellaneous expenses	8.55	8.87
Professional charges	16.80	46.96
Discount Allowed	-	160.88
Service Tax	-	3.15
Books and Periodicals	-	0.06
Repairs & maintenance	8.41	6.45

	Year ended 31st March, 2019	Year ended 31st March, 2018
29 OTHER EXPENSES - (Contd.)		
Sundry Balances Written off	12.11	2.30
Directors sitting fees	1.27	1.75
Bad debts	947.48	2,617.12
Freight & transportation	75.36	41.10
Advertisement	0.90	0.99
Sales promotion	4.72	5.43
Commission & brokerage	-	6.36
Consultant Fees - Technical	19.75	3.39
Liquidative Damages	0.05	51.10
Packing Charges	0.20	0.26
Exchange Difference	8.69	0.49
Rates & Taxes	11.37	-
Software Maintenance	12.65	-
IRP & RP Fees	16.22	-
Stock Exchange Fees	33.87	-
TOTAL (E)	1,272.86	3,043.78
Grand Total - Other exp	1,311.18	3,090.24

Significant Accounting Policies and Notes of Financial Statements 1 to 35 as per our Report of event date**FOR R. SATHYANARAYANAN & CO**

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

[Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

30 RELATED PARTY DISCLOSURES

As per Indian Accounting Standard 24, the disclosures of transactions with the related Parties are given below:

List of Related Parties where control exists and related Parties with whom transactions have taken place and relationship

30.1 Name of the related Party

- a) Mr. BAFNA MAHAVEER CHAND
- b) Mr. PARAS BAFNA
- b) Mrs. CHETNA BAFNA
- c) Mr. NAVEEN BAFNA

30.2 Directors' Interest

- a) BAFNA LIFESTYLES REMEDIES LIMITED
- c) BHANSILAL & CO (HUF)

30.3 The Directors of the Subsidiary Company Ms. Hemalatha and Ms. Sabitha are the employee of the Company

(Rs. In Lakhs)

Sl. No.	Particulars	Key Management Personnel	Relative of KMP	Total as on 31.03.2019	Total as on 31.03.2018
1	Rendering services	Bafna Mahaveer Chand	Paras Bafna, Naveen Bafna	37.09	37.09
2	Leasing or Hire purchase	-	Bhansilal Bafna (HUF)	6.75	29.25
3	Finance loan and equity in cash or kind	Bafna Mahaveer Chand	Paras Bafna	213.06	217.37
4	Rent	Bafna Mahaveer Chand	-	19.80	19.80

31 FOREIGN CURRENCY TRANSACTIONS

- a) Income of foreign currency Transaction is recorded at the rate of exchange prevailing on the date, when the relevant transaction has taken place. Realized gains or losses on the exchange is recognized in the Profit and loss account.

32 RESEARCH AND DEVELOPMENT EXPENDITURE

(Rs. In lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Expenditure	-	-
Revenue Expenditure	75.27	37.09
	75.27	37.09

33 CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) In respect of Letter of Credit and Bank Gaurantee
- b) Bonds have been executed in favour of Customs Authorities for the purchase of materials and capital goods without payment of duty - 49.90

34 GOODS AND SERVICE TAX

GST is reckoned for the material, Capital Goods, stores and consumables purchased and entered into the factory Premises.

35 GENERAL

- a) The details of Statutory dues pending as at 31 st march 2019 are given below

Name of the Statue	Nature of Dues	Amount (Rs. In Lakhs)	Payment to which the amount Relates	Due Date	Date of Payment
EPF & MP Act 1952	PF Contribution	233.14	Jan 2016 To March 2019	15th Day of the Following Month	Not Paid
ESI Act 1948	ESI Contribution	40.43	June 2016 to March 2019	21st Day of the Following Month	Not Paid
Service Tax	Service Tax	19.02	June 2016 to March 2019	5th Day of the Following Month	Not Paid
Income Tax Act 1961	TDS*	14.83	April 2017 to March 2019	7th Day of the Following Month	Not Paid
Income Tax Act 1961	Income Tax Dues	892.80	Asst Year 2015-2016	31st March 2015	Not Paid

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.) (All amounts in Rs. Lakhs)

- b) Balances under Trade Payables, debtors, loans and advances some of them remain unconfirmed.
- c) Advances given to suppliers for supply of materials and others remain unconfirmed. It was explained that supply will be made in the ensuing year.
- d) Loans and advances include outstanding balances of deposits with Corporate bodies is given below

(Rs. In Lakhs)

Name of the Body Corporate	As at 31st March 2019	As at 31st March 2018
ii) DEEP ENTERPRISES	150.00	-
iii) S KUMAR CORPORATION	170.00	-
iv) GOLD LEAF ENTERPRISES	200.00	-
<p>e) The Company had granted Loan to Subsidiary M/s. BAFNA LIFESTYLES REMEDIES LIMITED (BLRL) during the previous years to the extent of Rs. 1222.93 Lakhs. Subsequent to the discontinuing operations by the subsidiary M/s. BLRL sold its properties and old machines and repaid Rs. 297.95 Lakhs to M/s. BAFNA PHARMACEUTICALS LIMITED during the Current Financial year 2018-2019. The balance of Rs. 924 .98 Lakhs could not be paid by the Subsidiary. Hence, the same had been written off during the current financial year.</p>		
<p>f) The Fixed deposit of sum of Rs. 257.37 (Rs. in Lakhs) (Previous Year Rs. 245.00 (Rs. In Lakhs)) lying with BOC, IDBI, ICICI are under lien against Bank Gaurantee Margin, LC Margin Money.</p>		
<p>g) In view of the Stay of the implementation of the approved Resolution Plan by the NCLAT, New Delhi. No Restatements of Assets and Liabilities (As per Approved Resolution Plan) in the financial statements is considered during the financial year 2018-19. The process of restructuring of fair values of assets and liabilities detailed in the Resolution Plan and restatement thereof in the accounts is being deferred to be carried out in the ensuing Financial Year.</p>		

Significant Accounting Policies and Notes of Financial Statements 1 to 35 as per our Report of event date

FOR R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

STANDALONE - NOTES

Corporate Information, Significant Accounting Policies & Notes to the Financial Statements

A. Corporate information

BAFNA PHARMACEUTICALS LIMITED ('BPL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at No.299, ThambuChetty street, Chennai – 600 001.

The Company's shares are listed and traded on Stock exchanges in India. the Company is engaged in the business of Manufacturing of Pharmaceuticals.

B. Significant Accounting Policies

1 Basis of preparation

- a. The Ministry of Corporate affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies act, 2013 (the 'act') and sub-section 1 of Section 210a of the Companies act, 1956 ('the erstwhile act') in consultation with national advisory Committee on accounting standards vide G.S.R. 111(E) dated 15th February, 2015 notified rules called Companies (Indian Accounting Standard) Rules, 2015 effective April 1, 2015. The MCA wide notification GSR 111(E) dated March 30, 2016 issued certain amendments to IND AS vide Companies (Indian accounting Standards) amendment rules 2016.

The MCA vide notification GSR 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act, requiring companies to prepare the financial statements in compliance with Companies (Indian Accounting Standards) rules, 2015.

The Company which was falling under the Mandatory adoption (Phase II) for listed companies with net worth less than Rs 500 crores (based on audited standalone statements) vide its Board resolution dated 10.11.2017 resolved to adopt Ind AS for the first time in preparation of financial statements for the year ended march 31, 2018, and had adopted the same.

The other amendments to Ind AS notified by the Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Second Amendment Rules, 2018 that apply from 1 April 2018 and that are unrelated to the adoption of Ind AS 115 are primarily clarifications. The Company has prepared its financial statements in compliance with Companies (Indian Accounting Standards) rules and the above amendments as well. The Ministry of Corporate Affairs amended Schedule III on 11 October 2018 notifying certain additional presentation and disclosure requirements such as presentation of trade payables (current/non-current both) on face of the balance sheet as (a) total outstanding dues of micro and small enterprises;and (b) total outstanding dues other than micro and small enterprises

The comparative figures in the Balance Sheet as at March 31, 2019 and that of the previous period and Statement of Profit and Loss and Statement of Cash flow for the same periods have been presented.

- b. The financial statements of the Company have been prepared and presented in accordance with IND-AS principles, however items of current assets and Liabilities have not been measured at fair values on account of reasons stated in (3) below under Basis of Measurement Management evaluates all the applicable accounting standards on going concern basis.

Major items of Current Assets namely, Receivables outstanding for over one year and Advances to suppliers which are long outstanding and carried in the books are yet to be tested for recovery or impairment as per principles underlined in IND AS 36 and hence, not restated at fair values in the accounts in accordance with IND AS 133.

With regard to Current liabilities, the balances of Sundry creditors and others are subject to confirmation, and these also have not been restated at fair values in accordance with IND AS 133.

- c. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities except for Receivables.

2 Statement of Compliance with Ind AS

The Financial Statements comprising Balance Sheet for three periods, Statement of Profit and Loss, Statement of Changes in equity, Statement of Cash flow together with notes for two periods have been prepared in accordance with Ind AS as notified [subject to Clause 1 (b) above] above duly approved by the Board of Directors at its meeting held on 27th May 2019

The Company adopted Ind AS for the first time in preparation of financial statements for the year ended March 31, 2018.

3 Basis of measurement

The financial statements have been prepared on the basis of IND AS formats, however, values of major items of current assets and liabilities have not been measured at Fair values on account of the following series of events which commenced at the end of the accounting period 2018-19, and traversed into the current period as well.

NCLT Matter in Directors report

ARIES an Operational Creditor has filed under Section 9 of The Insolvency and Bankruptcy Code 2016 a Petition with The National Company Law Tribunal (NCLT), Single Bench, Chennai which has been admitted as CP/682/IB/2017 against the Company. The National Company Law Tribunal, Single Bench, Chennai has passed an order on 16th July 2018 for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company and declared moratorium and appointed Mr. Gopalsamy Ganesh Babu as an Interim Resolution Professional (IRP). IRP conducted Committee of Creditors (COC) and subsequently Mr. Radhakrishnan Dharmarajan was appointed as Resolution Professional (RP).

Information Memorandum was presented to COC members after obtaining non disclosure agreement.

The RP informed the members that corporate debtor being MSME and eligible for submission of Resolution plan and the COC deferred the issuance of EOI considering the MHRA audit in the COC meeting held on 27.09.2018 and 30.11.2018 stating that there was Revival cum withdrawal plan under IBC submitted in the Resolution Plan by Mr. Bafna Mahaveer Chand. Since, the Revival cum Withdrawal plan could not garner the desired vote, The COC had asked Mr. Bafna Mahaveer Chand to submit a comprehensive Resolution Plan taking care of all the stake holders.

Accordingly, Mr. Mahaveer Chand Bafna (Resolution Applicant) submitted resolution plan which was approved by the COC.

The resolution Plan, approved by COC was submitted to the Honorable NCLT, Chennai for approval. Honorable NCLT, Chennai had approved the resolution plan vide its order dated 01st February 2019 and copy of the said order was received by the company on 04th February 2019. The same was intimated to the Stock exchanges on 05th February 2019.

The salient features of Resolution Plan:-

Payments as per resolution plan:

Financial creditors-

70% of admitted claims of all financial creditors i.e SBI, IDBI, DCB, DBS, BOC will be payable.

Total claims admitted Rs.49.23 Crs

(payment proposed Rs.34.46 Crs.)

Operational Creditors - Total payment Rs 6.53 Crs

ESI and PF dues - Rs.1.94Cr
Workmen dues - Rs.0.24 Crs
Employees dues - Rs.0.32 Crs
Statutory liabilities - Rs.0.13 Crs
Other liabilities - Rs.0.01 Crs
Contingent liabilities - Rs. NIL

For the purpose of resolution plan, the liability arising out of the said case, if any, is being considered as deemed crystallised as on the Resolution Plan approval date. Hence the Resolution Applicant is not disputing the above liabilities any further and instead considering them as deemed crystallised and admitted. Simultaneously, the Resolution Applicant is proposing to pay NIL value against all the contingent liabilities and legal cases pending against the Company.

Further any liability crystallising out of the contingent liabilities or disputed legal cases of the Corporate Debtor or any other unknown or unclaimed liability pertaining to a transaction or incident dating to a period prior to the Insolvency Commencement date or during the CIRP which does not find a place in the approved Resolution Plan, shall be deemed to have lapsed on the approval of the plan; and the Corporate Debtor shall be deemed to have been duly discharged from all legal liability arising from such antecedent claims.

The approved Resolution Plan also covers the writing off Slow Moving Inventories, and Debtors, any Recovery from such current assets shall be written back in the year of Recovery. Any Long pending dues from suppliers of the earlier years which could not be recovered in cash or kind shall also be written off, any Recovery from such current assets shall be written back in the year of Recovery.

Equity shareholders- the capital of existing equity shareholders shall be reduced to 10% of the current holding i.e 2.36 crores shall be reduced to 0.236 crores.

Investment in working capital- The additional need based working capital of Rs.10 Crores shall be invested in the Corporate Debtor for revival of the organization.

Investment in fixed assets- The Resolution Applicant and his investors shall invest in Capex which shall amount to Rs.3.5 Crores in year 1.

Management and control of business- the Management of Corporate Debtor shall vest in the re-constituted Board of Directors and Resolution Applicant and his investors shall jointly appoint the Directors on the Board.

Resolution Plan will be monitored by monitoring committee.

Radhakrishnan Dharmarajan (RP), S David (SBI representative), Nagabhusanam (IDBI representative), Sridhar and Hema (Corporate debtor representatives) are the members of Monitoring Committee.

Appeal with NCLAT

Aggrieved by the Order of NCLT, Chennai Saravana Global Holdings Limited and P Shobha (minority shareholders) filed an appeal to National Company Law Appellate Tribunal, New Delhi (NCLAT). NCLAT vide its order dated 28th February 2019 has passed the following

Order:-

Until further order the monitoring committee will not handover the possession of corporate debtor to the Resolution Applicant if not yet handed over. In case the possession of the corporate debtor has been handed over the resolution applicant will maintain the status quo and will not alienate, transfer or create third party encumbrance of movable or immovable property of the corporate debtor. The concerned person will ensure that the company remains a going concern.

The case posted to further hearing on 02nd April 2019

Subsequently Mr. Mahaveer Chand Bafna (Resolution Applicant), had filed reply. Resolution Professional, COC and the Company (Corporate Debtor) were made party for hearing with Honourable NCLAT.

The case, posted to further hearings on various dates viz., 25th April 2019, 02nd May 2019 and 07th May 2019, the Honourable NCLAT instructed the respondents to file their written submission not more than 3 pages and subsequent to the written submissions filed by Mr. Mahaveer Chand Bafna (Resolution Applicant) and parties concerned, the judgement was reserved on 09th May 2019 by NCLAT.

Conclusion:

In view of the above, the process of restructuring of assets and liabilities detailed in the Resolution plan and restatement thereof in the Accounts is being deferred to be carried out in the ensuing financial year on account of the abovementioned happenings.

4 Functional and Presentation Currency

These standalone statements are presented in Indian Rupees which is also the company's functional currency.

All financial information presented in Indian rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

5 Adoption of INDAS :

(i) Overall principle adopted in the year of first time adoption:

The Company adopted Ind AS for the first time in preparation of financial statements for the year ended March 31, 2018 by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not permitted by IND AS, by reclassifying certain items from previous GAAP to Ind AS as required under the IND AS, and applying IND AS in the measurement of recognised assets and liabilities. However, the Company had opted for certain mandatory exceptions and availed certain optional exemptions.

(ii) For the Current period:

a. Exemptions from retrospective application of IND AS :

Since the following IND ASs are not applicable to the Company, the company opts for exemption from retrospective application of the same:

IND AS	Description
101	First time adoption of IND AS principles
102	Share based payment
103	Business Combination
104	Insurance contract
106	Exploration and Evaluation of mineral resources
109	Financial Instruments
111	Joint Arrangements
20	Accounting for Government grants and disclosure of government Assistance
27	Separate Financial Statements
28	Investment in Associates and Joint ventures
29	Financial reporting in Hyperinflationary economies
32	Financial Instruments: presentation
40	Investment Property
41	Agriculture

(ii) Adoption of IND ASs applicable to the Company

IND AS 2: Inventories Accounting:

Inventories are measured at the lower of cost and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

The management has identified items of stores and spares to be restated at fair values and disposed off since these are considered no longer usable considering the approval regulations.

IND AS 7: Cash Flow Statement

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities. The Company has presented all the necessary disclosures required in the prescribed format.

IND AS 8: Accounting policies, changes in Accounting estimates and Errors:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

The Company has not adopted a new policy nor has brought about any voluntary change to the Accounting policy.

The Company has made disclosure regarding those IND Ass which are not applicable to the Company.

IND AS 115 is a new standard which has become applicable from 1st of April 2018, and the company has disclosed the methodology adopted as well as the impact arising out of application of the standard vide clause 5 (ii) (vii).

There is no tangible change in respect of accounting estimate and there is no instance of a prior period error to be given effect to.

IND AS 10: Events after the Reporting period:

Reference is drawn to Clause 3 above wherein there is a detailed recital of events relating to Insolvency and Bankruptcy proceedings initiated on the company since July 2018, and also NCLT order passed in favour of the Resolution proposal submitted by the promoter

Subsequently the order was stayed by NCLAT bench vide order dt. 28th February 2019 due to appeal by a corporate opting to exercise their bid.

The first hearing in respect of above was held on 2nd April 2019, followed by couple of hearings wherein the appellant was given opportunity to file their offer. On 9th of May 2019, Orders were reserved.

The impact:

In case of vacation of stay against the NCLT order, implementation of the original Resolution plan submitted by the promoter would commence as a result of which the impact would be as depicted hereinbelow:

In case of acceptance of the appellant's request to float an Expression of interest, then the Resolution plan submitted would be null and void, and the EOI process would commence.

IND AS 12: Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum alternate tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income tax act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of mat is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- (ii) Differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) arising due to taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

IND AS 16: Property, Plant and Equipment:

The Company had elected to continue with the carrying amount from the year of adoption for all of its PPE, intangible asset measured as per previous GAAP and use that as deemed cost as at the date of transition, and did not have any decommissioning liability as on transition date.

Assumptions and Key Sources of estimation Uncertainty

- a. Useful life of Property, Plant & equipment (PPE)

The Company has reviewed the estimated useful lives of PPE at the end of each reporting period.

Asset Category	Management estimate of useful life (in years)
Buildings	30
Plant and Machinery	20
Furniture and fixtures	10
Other equipment	5
Vehicles	8

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. the cost of self constructed assets includes the cost of materials, direct labour and

any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income/other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. the carrying amount of the replaced part is de-recognised. the cost of day to day servicing of property, plant and equipment are recognised in Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of Profit and Loss under Straight Line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in schedule II. Assets costing Rs.5000 or below acquired during the year considered not material and are depreciated in full retaining Re.1/- per asset. the Useful life other than that described in Schedule II adopted are furnished below.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

IND AS 17: Leases

The Company has leased small portion of its Gratylon property and has disclosed the Rent received. It is only the nature of a simple lease arrangement and does not have any unusual covenants attached to it.

IND AS 19: Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

a) Defined contribution plan (Provident fund)

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. the Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

ii) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan (Gratuity Plan) covering eligible employees in accordance with Indian Law. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death while employment or on termination of employment in an amount equivalent to 15 days last drawn salary payable for each completed year of services. The liability for the eligible employees is determined on the basis of actuarial valuation as on the balance sheet date, using projected unit credit method and is funded with Gratuity fund managed by Life Insurance Corporation of India Ltd.

IND AS 21: Effects of change in Foreign exchange rates

The Company computes the exchange rate gains or losses arising as a result of Export sale of goods in respect of:

- a. Differences in rates on account of varying dates of raising invoices and realisations thereof
- b. Restating the outstanding balances from overseas parties on account of export sales effected.
- c. Advance received from overseas parties, supplies yet to be effected, and balance held by company as at year end.

IND AS 23: Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset.

The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

The Company does not have any instance of capitalising borrowal cost to its assets. The Borrowing costs booked in accounts are on account of costs of utilisation of minimum credit facilities extended by banks.

IND AS 24: Related Party disclosures

(Rs.in Lakhs)

Sl. No.	Particulars	Key Management Personnel	Relative of KMP	Total as on 31.03.2019	Total as on 31.03.2018
1	Rendering services	Bafna Mahaveer Chand	Paras Bafna, Naveen Bafna	37.09	37.09
2	Leasing or Hire purchase	-	Bhansilal Bafna (HUF)	6.75	29.25
3	Finance loan and equity in cash or kind	Bafna Mahaveer Chand	Paras Bafna	213.06	217.37
4	Rent	Bafna Mahaveer Chand	-	19.80	19.80

IND AS 33: Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all potential ordinary shares, which include share options granted to employee if any, to the extent that partly paid shares are not entitled to participate in dividends during the period. They are treated as equivalent of warrants or options in the calculation of diluted earnings per share.

IND AS 34: Interim Financial Reporting

This Reporting should enable explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report..

IND AS 36: Impairment of Assets

The carrying amount of the Company's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized if the carrying of amount an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment losses recognised in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. a reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

However, owing to the recital presented in respect of the Insolvency and Bankruptcy proceedings on the Company, and its status with NCLT/NCLAT in the concluding part of Clause 3 hereinabove, effecting restatement by carrying out assessment of Fair values of each class of assets and liabilities have been deferred to the ensuing accounting period. It is proposed that once the stay on stay on the NCLT order is vacated, the fair value assessments as proposed in Resolution plan be carried out. Consequently, the exercise of recognising impairment also has been deferred to the ensuing accounting period.

xiv: IND AS 37: Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using acurrent pre-tax rate that reflects, where appropriate, the risk specified to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. the provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

In the present scenario of NCLT/ NCLAT proceedings as detailed in Clause 3 hereinabove, it can be construed that the accounting and economic impacts of Restatements of Assets and liabilities on account of Write offs, Write backs and the Share capital reduction, etc proposed in the Resolution plan is contingent on the decision of the NCLAT.

A decision resulting in vacation of stay would enable the implementation of the promoters' resolution plan which would result in restructuring the financial position of the company.

A decision on the other side would stall the above process, and would result in restoration of Insolvency and Bankruptcy proceedings and enable any outside bidder to propose an alternate resolution plan.

IND AS 38: Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in the Statement of Profit and Loss.

Amortisation of intangible asset with finite useful lives

Amortisation is recognised in the Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management with respect to the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Ind AS 105: Non-current Assets held in Discontinued operations

The Company does not have any non-current asset/disposal group to be classified as held for sale. However, since there were no operations or business conducted in the case of subsidiary, M/S Bafna Lifestyle Remedies Ltd, this was construed as "Discontinued operations" during the previous period under this standard. The measurement of fair value in this case was deferred taking into consideration IND AS 10: "events occurring after the reporting date" whereby the management had already taken a principle decision to hive off the fixed assets and wind up the subsidiary company. Since it was recognised as "discontinued operations", exception was taken to retrospective application of deemed/notional interest on the loan to subsidiary.

During the current reporting period, the Fixed asset held in the subsidiary company was disposed off (detailed in Notes to Consolidated Financial statements) and the proceeds was used to part settle the loan outstanding to the Holding company. Owing to the proceedings of the Insolvency and Bankruptcy Code 2016 initiated on the company by an operational creditor as detailed under Note no 3 :Basis of Measurement hereinabove, the decision to wind up was deferred by the Company. However, the outstanding balance of the loan from subsidiary company was written off as on 31st March 2019 as the first step towards winding up.

Ind AS 108: Segment Reporting

The Company has only one Segment of Business i.e., Pharmaceuticals and the Financials are depicted as per INDAS requirements.

IND AS 109: Financial Instruments:

The Company is holding equity shares in its subsidiary, which have not been stated at FVOCI owing to the reasons stated in 3 (i) above i.e., since the entity is not a going and is proposed to be wound up. Hence, the company has opted to carry the value of shares at cost.

Debt held in subsidiary has been written off as explained in the same section.

IND AS 112: Disclosure of interests in other entities:

There is no other interests except for investment in Subsidiary, which is being carried at cost value as explained in III (iii) above. The loss from the entity has been taken into account in the Consolidated Financial statements.

IND AS 113: Fair Value Measurements:

This Standard requires disclosure of the following:

- a. for assets and liabilities that are measured at fair value on a recurring or non recurring basis in the balance sheet after initial recognition, the valuation techniques and inputs used to develop those measurements, and
- b. for recurring fair value measurements using significant unobservable inputs, effect of the measurements on profit or loss or other comprehensive income for the period.

However, owing to the recital presented in the concluding part of (3) hereinabove, restatement carrying out an assessment of Fair values of each class of assets and liabilities have been deferred to the ensuing accounting period. It is proposed that once the stay on the NCLT order is vacated, restructuring process as proposed in Resolution plan be carried out.

IND AS 114: Regulatory Deferral Accounts

The Company's operations are subject to Technical Regulatory regimes such as MHRA of UK, WHO and various licences/approvals. They are pertinent in terms of maintaining high world class standards in order to enable procurement of export orders. However, they are not exactly linked to product rates or neither is there any control factor on the prices that it would charge its customers.

Hence, there would be no direct monetary impact on the company, except for certain degree of Regulatory risks since the obtention of orders hinges on clearance of licences and approvals. There would be no impact on the rates or prices, and hence, does not require any specific disclosures.

IND AS 115: Revenue from Contract with customers:

This new contract contains principles that an entity will apply to determine the measurement of revenue and the timing of when it is recognised. The underlying principle is that the entity will recognise revenue to depict transfer of goods or services to customers at an amount the entity expects to be entitled to in exchange for these goods and services.

The Company adopts a five-step process:

Identify contract with customer: Most of these are peripherally documented with regard to quantity and rate, since the quality factor is an implied conclusion considering the strict regulatory environment which the company is subject to.

Identify separate performance obligations: This is an integral part since it is very pertinent in a product/formulation segment in pharma sector.

Determine the transaction price : The tests that are applied in order to judge whether the company's experience is not predictive of the outcome of the contract:-

Whether the amount of consideration is highly susceptible to factors outside the influence of the entity.

Whether there would be any uncertainty about the amount of consideration not capable of being resolved over a period of time.

Whether we have experience in handling similar type of contracts

Whether the contract has large number and broad range of deliverables and consideration amounts.

Allocate transaction price to the separate performance obligation:

The Company assesses whether there are single or multiple performance obligations and accordingly, follows 2 price estimation methods: i) Costs plus a reasonable margin ii) evaluation of stand-alone prices of similar or same product(s). The Company also prefers discounts or preferences to customer if certain conditions/ policies are met.

Recognise Revenues i.e., raising of invoices as and when the defined performance obligations are fulfilled and when the customer obtains control over the goods or services. The tests applied are: Whether: i) the customer has unconditional obligation to pay, ii) customer has legal title, iii) customer has physical possession iv) customer has the risks and rewards of ownership of the goods (v) the customer has accepted the goods.

Most of the company's contracts begin and end with the same accounting period, and hence, the necessity for restating the contract values does not arise.

6. Critical Accounting Judgments, Assumptions and Key Sources of estimation Uncertainty

a. An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The exception has been in the case of Receivables whereby the Management, in its judgement, has retained certain outstanding balances which are more than 12 months as current.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

b. Financial instruments

(i) Financial assets - Investment in subsidiaries, associates and joint ventures:

- a. Regarding the Company's investments in its wholly subsidiary, Bafna Lifestyle Remedies Limited (BLRL) in the form of Equity shares, it which has controlling stakes over the entity's affairs and it has been explained as per IND AS 112 hereinabove. The Company has opted to state the investment at Indian GAAP values, and not to adopt FVTOCI as at the reporting date.

The Company does not have any associates or Jointventures.

(ii) Financial assets - other than investment in subsidiaries, financial assets comprises of Trade receivables, cash and cash equivalents and other financial assets like Advances to suppliers, Subsidiary company and to others.

Initial recognition:

All financial assets are recognised initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognised immediately in Statement of Profit and Loss). Purchase or sale of financial asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement:

- i) Trade receivable :An impairment analysis is performed at each reporting date. the expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

The Company, had, during the last period, effected measurements at Fair value by conducting a realistic assessment on the probability of recoverability and have recognised the impairment vide FVTPL methodology.

However, in respect of the current reporting period, due to the reasons stated in Clause 3 hereinabove: Basis of Measurement hereinabove, since the restructuring based on resolution plan submitted is stayed by NCLAT, restatement at fair values has been deferred.

- ii) Other financial assets

As explained in IND AS 105 in respect of Advances to Subsidiary, M/s Bafna Lifestyle Remedies Limited, the same has been written off applying the principles of prudence since the subsidiary is no longer a going concern.

Derecognition on financial asset

Financial assets are derecognised when the contractual right to cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

c. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortised cost
- at fair value through the Statement of Profit and Loss

Financial liabilities at amortised cost

the Company is classifying the following under amortised cost;

- a) Borrowings from banks
- b) Borrowings from others
- c) trade payables
- d) other financial Liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through Statement of Profit and Loss

There are no financial liabilities of the Company that held for trading purposes.

De-recognition of financial liabilities

A financial liability is de-recognised when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Derivative financial instruments

The Company does not have any foreign exchange forward contracts and options, and neither has the company designated any hedge instruments.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

Reclassification of financial assets

The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

d. Share capital

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognised as deduction from equity, net of any tax effects.

7. Financial risk management

The company has exposure to the following risks from its use of financial instruments.

7.1 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Based on such evaluations, the Company has retained outstanding balances of certain parties the age of which is beyond one year after the process of carrying out impairment.

7.2 Liquidity risk : The Company manages liquidity risk by reasonably monitoring forecast and actual cash flows.

7.3 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. the major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

7.4 Commodity price risk - the primary commodity price risks that the Company is exposed to include API prices that could adversely affect the value of the Company's financial assets or expected future cash

7.5 Foreign currency risk management - The Company makes export sales to countries outside India. the Company is, therefore, exposed to foreign currency risk principally arising out of foreign currency movement against the Indian Currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

- 7.6 Foreign currency sensitivity analysis the Company is principally exposed to foreign currency risk against USD, Euro and GBP

(Fig in Lakhs)

Particulars	USD	GBP	EURO
As at 31 st March 2019			
- Liabilities	-	-	-
- Assets	6.78	0.52	0.31
As at 31 st March 2018			
Liabilities	0.59	1.70	-
Assets	7.96	0.74	-

- 7.7 Interest rate risk management

The Company is exposed to interest rate risk because of borrowal of short term funds at floating interest rates. The Management, considering the current status, considers it apt not to dwell on any sensitivity analysis or conduct any tests of risk analysis since it is in the process of carrying out a restructuring exercise.

8. Capital Management

The Company's capital comprises of equity share capital, retained earnings and other equity attributable to equity holders. the primary objective of company's capital management is to maximise shareholders value.

9. Legal proceedings / Contingent Liabilities / Contingent Assets

The Legal position in respect of NCLT proceedings has been detailed in Clause 3 : Basis of Measurement herein above.

10. Dues to micro and small enterprises

The Company has not received any letter from any vendor claiming their status as micro/small enterprises, accordingly the amount paid/payable to these parties is considered to be nil.

17. Contribution to Corporate Social Responsibilities

Sec 135 of Companies act 2013, requires Company to spend towards Corporate Social responsibility, which however is not applicable to this Company.

Consolidated Financial Statements

CONSOLIDATED - AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED

Report on the Audit of the Consolidated IND AS Financial Statements

Opinion

We have audited the accompanying Consolidated IND AS financial statements of Bafna Pharmaceuticals Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") together which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, notes to consolidated financial statements and the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2019, the Consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements, 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, representations, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Key Audit Matter

Key Audit Matter in respect of Holding Company	Auditor's Response
<p>Compliance with IND AS 36 and IND AS 113:</p> <p>With a view to resolve the Insolvency and Bankruptcy proceedings initiated on the Company, the Promoter had submitted Resolution plan which was approved by NCLT, Chennai bench. The Resolution plan had proposed restructuring and restating of all assets liabilities which would have resulted in write offs as well as write backs in the books of accounts. However, due to appeal by an aggrieved party, NCLAT has stayed the handing over of the Corporate Debtor to the Resolution applicant and has also instructed that the status of the corporate debtor be maintained as a Going concern.</p> <p>In view of the above, the Company did not test the assets for recovery/impairment as per principles of IND AS 36 nor restated them at fair values as per IND AS 113.</p> <p>Similar is the case of non-restatement at fair values in the case of current liabilities.</p> <p>The Company has deferred the above to be carried out in the ensuing financial year (Ref: Foot note no. 5 of Audited Financial results as well as Note No.3 of IND AS notes to Financial Statements)</p>	<p>We have given a modified opinion in our "Independent Auditors' report on the standalone financial results pursuant to clause 33 of SEBI (Listing obligations and disclosure requirements) Regulations 2015 as follows:</p> <p>a. Major Components of Current Assets – Receivables outstanding for over one year, Long outstanding Advances to suppliers besides Stock of spares and Stores, which have all not been tested for recovery/impairment as per IND AS 36, consequently not restated at fair values in accordance IND AS 113 and not provisioned in the accounts.</p> <p>b. Major Components of Current Liabilities – Sundry creditors whose balances are yet to be confirmed, hence not restated at fair values in accordance with IND AS 113.</p>

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Note no 3 of the consolidated financial statements disclose the facts about the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN

Partner

(Membership No.028377)

Place : Chennai

Date : 27.05.2019

**ANNEXURE “A” to the Independent Auditors’ Report on the Consolidated IND AS Financial Statements of
BAFNA PHARMACEUTICALS LIMITED for the year ended 31st March 2019**

Report on the Internal Financial Controls Over Financial Reporting under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BAFNA PHARMACEUTICALS LIMITED** (“the Holding Company”) as of March 31, 2019 in conjunction with our audit of the consolidated IND AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective board of directors of Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its businesses, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary company incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s and its subsidiary company incorporated in India internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN

Partner

(Membership No.028377)

Place : Chennai

Date : 27.05.2019

Annexure B to the Independent Auditors' Report

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, except for the following areas (with respect to Holding Company):

- a. *Certain Balances of Debtors, Creditors and Deposits with Corporate bodies are subject to confirmation.*
- b. *Closing Balances pertaining to Advances given to suppliers for supply of materials and others remain unconfirmed.*

However, the company has an established set of "internal control over financial reporting criteria" duly taking into consideration the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.SATHYANARAYANAN & CO**
Chartered Accountants
(Firm's Registration No.003656S)

Sd/-

R. SATHYANARAYAN

Partner

(Membership No.028377)

Place : Chennai

Date : 27.05.2019

CONSOLIDATED - BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(All amounts in Rs. Lakhs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
A ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	3,701.90	4,486.04
(c) Goodwill	5	3.58	3.58
(e) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables			
(iii) Loans			
(iv) Other financials assets	6	3,295.33	4,419.56
(g) Other Non-Current Assets	7	99.50	53.16
Total Non-Current Assets		7,100.31	8,962.33
2 Current Assets			
(a) Inventories	8	928.23	1,067.42
(b) Financials Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	2,483.37	2,427.94
(iii) Cash and Cash Equivalents	10	271.32	295.12
(iv) Bank balance other than mentioned above		-	-
(v) Loans		-	-
(vi) Other financials assets			
(c) Other Current Assets	11	1,163.98	1,083.43
(d) Assets classified as held for sale			
Total Current Assets		4,846.90	4,873.91
Total Assets (1+2)		11,947.21	13,836.24
B EQUITY AND LIABILITIES			
1 (a) Equity Capital	12	2,365.63	2,365.63
(b) Other Equity	13	(459.81)	1,427.24
Equity Attributable to Equity Shareholders		1,905.82	3,792.87
(d) Non controlling Interests	14	(20.61)	(72.63)
Total Equity		1,885.21	3,720.24

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

Particulars	Note	As at 31st March,2019	As at 31st March,2018
2 Liabilities			
(a) Non-Current Liabilities			
(i) Financial Liabilities			
- Borrowings	15	2,298.82	2,324.94
- Trade Payable		-	-
- Other Financial Liabilities		-	-
(ii) Provisions			
(iii) Deferred Tax Liabilities (Net)	16	617.87	511.13
(iv) Other non-current liabilities	17	63.22	1,295.25
Total Non-Current Liabilities		2,979.91	4,131.32
(b) Current Liabilities			
(i) Financial Liabilities			
- Borrowings	18	2,323.97	2,329.10
- Trade Payable		-	-
- Dues to micro and small enterprises		-	-
- Dues to Others	19	3,955.86	2,861.02
- Other Financial Liabilities			
(ii) Other Current Liabilities	20	802.27	794.56
(iii) Provisions		-	-
(iv) Current Tax Liabilities (net)		-	-
Total Current Liabilities		7,082.09	5,984.68
Total Liabilities		10,062.00	10,116.00
Total Equity and Liabilities		11,947.21	13,836.24
Basis of preparation, measurement and significant accounting policies	2		

Significant Accounting Policies and Notes of Financial Statements 1 to 36 as per our Report of event date**FOR R. SATHYANARAYANAN & CO**Chartered Accountants
FRN No: 003656 SSd/-
R. SATHYANARAYAN
(Partner)
M.No. 028377Place : Chennai
Date : 27-5-2019

For and on Behalf of the Board

Sd/-
BAFNA MAHAVEER CHAND
[Managing Director]
[DIN : 01458211]Sd/-
M.SRIDHAR
[Chief Financial Officer]Sd/-
PARAS BAFNA
Whole Time Director]
[DIN : 01933663]Sd/-
JITENDRA KUMAR PAL
[Company Secretary]
[M.No: 15338]

CONSOLIDATED - STATEMENT OF PROFIT AND LOSS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Rs.Lakhs)

	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
A Income from operations			
(a) Net sales/income from operations	21	4,365.36	4,717.07
(b) Profit On sale of Investment	22	-	3,003.64
(c) Other Income	23	65.36	129.44
Total income from operations net		4,401.26	7,850.15
B Expenses			
(a) Cost of Raw Material Consumed	24	3,329.44	2,681.04
(b) Purchases of Stock in Trade	25	46.36	1,298.95
(c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	26	81.14	409.20
(d) Employee benefits expense	27	901.29	747.49
(e) Depreciation and amortisation expense	28	347.62	397.41
(f) Finance costs	29	212.66	694.29
(g) Other expenses	30	1,312.03	3,093.43
Total expenses		6,230.53	9,321.82
Profit before tax		(1,829.28)	(1,471.66)
Tax expense			
Current Tax			
Deferred Tax		106.74	219.27
Profit for the period		(1,936.02)	(1,690.93)
Profit of Non controlling Interest /Minority Interest		(52.01)	17.28
Exceptional Item		100.99	
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period / Year (Comprising profit and other comprehensive Income for the period)		-	-
Total Comprehensive Income for the period / Year (Comprising profit and other comprehensive Income for the period)		(1,887.05)	(1,673.65)
Total other comprehensive income net of tax		-	-
Total comprehensive income for the period		(1,887.05)	(1,673.65)
Earnings per Equity share			
Equity shares of par value Rs. 10 each			
(a) Basic		(11.48)	(9.24)
(b) Diluted		(11.48)	(9.24)
Basis of preparation, measurement and significant accounting policies	2		

Significant Accounting Policies and Notes of Financial Statements 1 to 36 as per our Report of event date

FOR R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

CONSOLIDATED - STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Rs.Lakhs)

Particulars	Year ended As at 31st March, 2019	Year ended As at 31st March, 2018
Cash Flow from Operating Activities:		
Net Profit Before Tax	(1,829.28)	(1,471.66)
Adjustments for:		
Depreciation	347.62	397.41
Interest Paid	212.66	694.29
Loss/(Profit) on Sale of Fixed Asset	-	(3,003.64)
Interest Received	(11.72)	(3.20)
Other Income	-	-
Insurance Claim Received	-	(25.06)
Sundry Balance Write Back	(3.01)	(12.43)
Lease Rent Received	(0.75)	-
Operating Profit before Working Capital Changes	(1,284.48)	(3,424.29)
Adjustment For:		
[Increase]/decrease in Inventories	139.19	606.57
[Increase]/decrease in Trade Receivables	(55.43)	2,949.64
[Increase]/decrease in Short Term Loans and Advances	(80.55)	(682.36)
Increase/[decrease] in Trade Payables	1,094.84	470.59
Increase/[decrease] in Other Current Liabilities	7.71	(624.89)
Cash generated from Operation	(178.72)	(704.73)
Less: Tax Paid	-	-
Net Cash Used in Operating Activity (A)	(178.72)	(704.73)
Cash Flow from Investing Activities:		
Profit/(Loss) on Sale of Fixed Assets	-	3,003.64
Sale of Fixed Assets	493.24	1,690.00
Purchase of Fixed Assets	(33.31)	(12.65)
Insurance Claim Received	-	25.06
Deferred Tax Written Back	(43.33)	-
Sundry Balance Written back	3.01	12.43
Lease Rent Received	0.75	-
Interest Received	11.72	3.20
Changes in Long Term Loans and Advances	1,124.23	(916.10)
Change in Other Non- Current Assets	(63.43)	(8.63)
Net Cash used in Investing Activities (B)	1,492.88	3,796.95
Cash Flow from Financing Activities		
Issue of Shares, Warrants & Application Activities / Changes in Reserves	138.01	1,200.00
Changes Long Term Borrowings	(1,258.15)	(1,560.40)
Proceed from Short Term Borrowings	(5.14)	(2,008.19)
Interest Paid	(212.66)	(694.29)
Net Cash from Financing Activities (C)	(1,337.94)	(3,062.88)
Net Increase / [Decrease] in Cash or Cash Equivalents [A+B+C]	(23.79)	29.34
Opening Balance of Cash & Cash Equivalents	295.12	265.79
Closing Balance of Cash & Cash Equivalents	271.32	295.12

Significant Accounting Policies and Notes of Financial Statements 1 to 36 as per our Report of event date

FOR R. SATHYANARAYANAN & CO

Chartered Accountants
FRN No: 003656 S

Sd/-

R. SATHYANARAYAN

(Partner)

M.No. 028377

Place : Chennai

Date : 27-5-2019

For and on Behalf of the Board

Sd/-

BAFNA MAHAVEER CHAND

[Managing Director]

[DIN : 01458211]

Sd/-

M.SRIDHAR

[Chief Financial Officer]

Sd/-

PARAS BAFNA

Whole Time Director]

[DIN : 01933663]

Sd/-

JITENDRA KUMAR PAL

[Company Secretary]

[M.No: 15338]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Rs. Lakhs)

4. PROPERTY PLANT AND EQUIPMENT

	LAND	BUILDING	PLANT & MACHINERY	OTHER ANCILLARY EQUIPMENTS	OFFICE EQUIPMENT	LAB EQUIPMENT	HOT AIR VENTILATION COOLING SYSTEMS	ELECTRICAL INSTALLATION	FURNITURE & FITTINGS	VEHICLES	AIR CONDITIONERS & WATER COOLER	COMPUTER	TOTAL
Gross Block													
Balance as at 31st March 2018	104.92	2,503.88	1,183.83	1,617.52	64.51	800.07	359.62	394.15	190.04	17.82	571.10	166.29	7,973.74
Additions			12.69			10.40						10.22	33.31
Disposals													-
Balance as at 31st March 2019	104.92	2,503.88	1,196.52	1,617.52	64.51	810.46	359.62	394.15	190.04	17.82	571.10	176.51	8,007.05
Accumulated Depreciation													
Balance as at 31st March 2018	-	745.88	503.36	614.27	53.52	590.72	52.73	344.28	134.46	16.66	281.61	150.22	3,487.70
Additions	-	75.26	101.12	31.33	-	70.00	17.70	10.91	13.26	1.16	5.08	4.72	330.53
Disposals	85.60	239.42	134.44	-	-	-	-	22.05	3.64		0.38	1.39	486.92
Balance as at 31st March 2019	85.60	1,060.55	738.91	645.60	53.52	660.72	70.43	377.24	151.36	17.82	287.07	156.33	4,305.15
Net Block													
Balance as at 31st March 2018	104.92	1,758.00	680.47	1,003.25	10.99	209.35	306.89	49.87	55.59	1.16	289.48	16.07	4,486.04
Balance as at 31st March 2019	19.32	1,443.33	457.61	971.91	10.99	149.74	289.19	16.91	38.68	(0.00)	284.03	20.18	3,701.90

5. INTANGIBLE ASSETS

	GOODWILL	TOTAL
Gross Block		
Balance as at 31st March 2018	3.58	3.58
Additions	-	-
Disposals	-	-
Balance as at 31st March 2019	3.58	3.58
Accumulated Depreciation		
Balance as at 31st March 2018	-	-
Additions	-	-
Disposals	-	-
Balance as at 31st March 2019	-	-
Net Block		
Balance as at 31st March 2018	3.58	3.58
Balance as at 31st March 2019	3.58	3.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
6 NON-CURRENT - FINANCIAL ASSETS		
Advance to suppliers	2,965.17	2,857.81
Advance Others	330.16	338.82
Advance to subsidiary Company- BLRL		1,222.93
	3,295.33	4,419.56
7 OTHER NON-CURRENT ASSETS		
Product Registration	53.16	57.82
New Registrations	63.43	8.63
Less: Amortisation charged to P&L Account	(17.09)	(13.29)
	99.50	53.16
8 INVENTORIES		
Raw material	291.99	322.76
Work In Progress	128.50	154.44
Finished goods	108.08	163.28
Packing material	89.21	112.97
stores and spares	310.45	313.97
	928.23	1,067.42
9 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
Considered good		
i) Trade receivables - More than 6 months	1,849.56	1,761.23
ii) Others - six months	633.81	666.71
Considered doubtful		
Less: Allocance for bad and doubtful debts	-	-
	2,483.37	2,427.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
10 CASH AND CASH EQUIVALENTS		
Cash on hand	0.30	4.10
Balance with Banks		
in current accounts	13.65	46.01
Term deposits with original maturity of less than three months		
Short term, highly liquid investments		
Treasury bills with original maturity of less than three months		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with banks		
unpaid dividend		
Margin money deposits	257.37	245.00
Investments in term deposits [with original maturity of more than three months but less than twelve months]		
	271.32	295.12
11 OTHER CURRENT ASSETS		
Deposits with Govt. or Semi Govt. Depot.	28.01	31.29
Deposits with Others	484.75	554.25
TDS Receivable	55.42	46.91
Sales Tax Refund account	4.22	18.60
GST receivable	572.20	420.06
Prepaid expenses	7.95	0.88
License On hand*	11.43	11.43
	1,163.98	1,083.43
*		
12 EQUITY SHARE CAPITAL		Balance
As at 1st April, 2018	2,365.63	1,865.63
Changes in equity share capital during the year	-	500.00
As at 31st March, 2019	2,365.63	2,365.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
13 A. OTHER EQUITY		
A. Summary of Other Equity balance		
Capital Reserve	569.07	569.07
Share Premim	4,131.14	4,131.14
General Reserve	185.23	185.23
Retained Earnings	(5,345.25)	(3,458.20)
Items of other Comprehensive Income		
- Remeasurements of defined benefit plans		
Total Other Equity	(459.81)	1,427.24

	As at 31st March, 2019	As at 31st March, 2018
AUTHORISED CAPITAL		
40,000,000 EQUITY SHARES OF RS. 10/- EACH	4,000	4,000
ISSUED, SUBSCRIBED & FULLY PAID-UP CAPITAL	2,365.63	2,365.63

Equity Shares of Rs. 10/-each fully paid up in cash

	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Amount	Number of shares	Amount
a) Reconciliation of the number of shares				
EQUITY SHARES				
Balance as at the beginning of the year	23,656,335	2,365.63	18,656,335	1,865.63
Add: shares issued during the year		-	5,000,000	500.00
Balance as at the end of the year	23,656,335	2,365.63	23,656,335	2,366

c) Details of equity shares held by shareholders holding more than 5% of the agreegrate shares in the Company

	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	% of holding	Number of shares	% of holding
Bafna Mahaveer Chand	1643313	6.95%	1643313	6.95%
Chetna Bafna	2,132,805	9.02%	2,132,805	9.02%

The Company has not made any issue of Bonus Shares or shares in consideration other than cash in pursuance of any contract during the past five years preceding the reporting year.

e) The Company has not bought back any shares during the five years immediately preceding the reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
14 NON CONTROLLING INTEREST		
Share Capital	(72.63)	(55.35)
Revenue profit	93.24	(17.28)
TOTAL	20.61	(72.63)

C. STATEMENT OF CHANGES IN OTHER EQUITY					(All amounts in Rs. Lakhs)
	Reserves and Surplus				Total
	Capital Reserve	Share Premium	General Reserve	Retained Earnings	
As at 31st March, 2018	569.07	4,131.14	185.23	(3,458.20)	1,427.24
Profit for the year	-			(1,887.05)	(1,887.05)
Other comprehensive Income / Loss for the year	-				-
Total comprehensive income for the year	-		-	(1,887.05)	(1,887.05)
As at 31st March, 2019	569.07	4,131.14	185.23	(5,345.25)	(459.81)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
15 BORROWINGS		
Secured		
DBS WORKING CAPITAL TERM LOAN	203.89	220.85
STATE BANK OF INDIA	1,881.87	1,886.72
Unsecured		
From DIRECTORS	213.06	217.37
	2,298.82	2,324.94
SECURITIES OFFERED		
STATE BANK OF INDIA		
15.1 Secured by First Charge on entire Current Assets and fixed Assets acquired out of Term Loan from SBI.		
15.2 Second pari passu Charge on the entire Fixed assets with Development Credit Bank, DBS Bank and Bank of Ceylon. except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.		
15.3 Personal guarantee of Promoter Directors- Mr. Bafna Mahaveer chand - Chairman and Managing Director and Mr. Paras Bafna- Whole Time Director.		
15.4 State Bank of India has declared the account as NPA on 28.01.2017 and Hence the same is classified under Long Term as the company is persuading for resturcuturing with SBI		
DBS		
15.5 First Pari Passu Charge on the entire current assets along with other MBA Banks		
15.6 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.		
16 DEFERRED TAX LIABILITIES (NET)		
DEFERRED TAX LIABILITIES (NET)	617.87	511.13
	617.87	511.13
17 OTHER NON-CURRENT LIABILITIES		
Trade Deposit	3.00	7.00
Lease Deposit (BLRL)	-	22.50
M.R.Impex	60.22	65.32
Bafna Lifestyles Remedies Limited	-	1,200.43
Total	63.22	1,295.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
18 SHORT TERM BORROWINGS		
SECURED		
<u>INDUSTRIAL DEVELOPMENT BANK OF INDIA</u>		
Cash credit Account	1,003.22	1,090.97
<u>BANK OF CEYLON</u>		
Cash Credit Account	311.05	303.23
Bill Discounting		25.73
<u>DEVELOPMENT CREDIT BANK</u>		
Cash Credit Account	1,009.70	909.17
Total	2,323.97	2,329.10
SECURITIES OFFERED		
<u>INDUSTRIAL DEVELOPMENT BANK OF INDIA</u>		
18.1 First Pari Passu Charge on the entire current assets along with other MBA Banks		
18.2 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.		
18.3 Personal guarantee of Promoter Directors- Mr. Bafna Mahaveer chand - Chairman and Managing Director and Mr. Paras Bafna- Whole Time Director.		
<u>DEVELOPMENT CREDIT BANK</u>		
18.4 First Pari Passu Charge on the entire current assets along with other MBA Banks		
18.5 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India personal property of Mr. Bafna Mahaveer Chand and Mr. Paras Bafna		
<u>BANK OF CEYLON</u>		
18.6 First Pari Passu Charge on the entire current assets along with other MBA Banks		
18.7 Second pari passu Charge on the entire Fixed assets except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
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19 TRADE PAYABLE

DUES TO MICRO AND SMALL ENTERPRISES (as per intimation received from vendor)

- a. Principal and interest amount remaining unpaid
- b. Interest due thereon remaining unpaid
- c. Interest paid by the Company in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day
- d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Act, 2006
- e. Interest accrued and remaining unpaid
- f. Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to these small enterprises

DUES TO OTHERS

Acceptances

Trade payable

Sundry Creditors BPL	3,942.40	2,782.49
Sundry Creditors BLRL	13.45	78.53
Total	3,955.86	2,861.02

20 OTHER CURRENT LIABILITIES

Outstanding expenses	462.41	330.99
TDS payable	14.83	18.88
Advance from Customer	125.35	245.28
Income Tax	199.69	199.42
Total(B)	802.27	794.56

- a. There are no amounts due for payment to the Investor Education and Protection fund under section 125 of companies act 125 of the Companies Act 2013 as at 31st March 2018 (31st March 2017 Nil, 1st April 2016 Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	Year ended 31st March, 2019	Year emded 31st March, 2018
21 REVENUE FROM OPERATIONS		
Sale of products		
Sales (Domestic)	1,732.36	2,650.16
Less: Excise Duty on local sales	-	
Sub-Total	1,732.36	2,650.16
* Domestic sales include sales of Traded goods to the tune of Rs. Nil (In lakhs) during the Current Year and Rs. 1,747.50 (Rs. In Lakhs) in the previous year.		
Sales(Export)	2,603.53	2,065.81
Less: Excise Duty on Export Sales	-	
Sub-Total	<u>2,603.53</u>	<u>2,065.81</u>
Other operating revenue		
FR &D INCOME	-	1.10
Grand Total	4,335.89	4,717.07
22 PROFIT ON SALE OF INVESTMENT		
Profit on sale of investment made in Strides Health Care Pvt Ltd	-	3,003.64
	<u>-</u>	<u>3,003.64</u>
23 OTHER INCOME		
Interest Income		
Bank deposits	2.15	2.35
Others	9.57	0.85
Commission Received	13.28	
Gain or (Loss) on Exchange Exchange	8.54	3.40
Export Incentive	1.30	9.70
Insurance Claim Received	-	25.06
Rent Received	0.75	-
Sundry Balances Written off	3.01	12.43
Analytical Charges	26.77	75.65
	<u>65.36</u>	<u>129.44</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	Year ended 31st March, 2019	Year emded 31st March, 2018
24 COST OF MATERIALS CONSUMED		
Cost Of Raw Materials Consumed		
Opening Stock	322.76	499.70
Add: Purchase	2,235.78	1,449.27
Less: Closing Stock	291.99	322.76
Raw Material Consumed	2,266.55	1,626.21
COST OF PACKING MATERIAL CONSUMED:		
Opening stock	112.97	158.41
Add:Purchase	362.99	448.73
Less: Closing stock	89.21	112.97
Packing Material Consumption	386.75	494.17
Manufacturing Expenses		
Consumable Stores	30.35	30.87
Analytical Expenses	23.08	14.75
Power & Fuel	249.92	212.52
Machinery Maintenance	114.76	66.59
Factory Maintenanace	74.74	86.10
Chemical Purchase	41.85	31.27
Security Charges	8.04	8.46
Repairs & Maintenance	5.44	8.93
Other Manufacturing	116.68	89.02
TOTAL	664.88	548.53
Freight		
Freight Charges	11.27	12.15
TOTAL COST OF MATERIALS CONSUMED	3,329.44	2,681.04
25 PURCHASE OF STOCK IN TRADE		
Purchase of stock in Trade	46.36	1,298.95
	46.36	1,298.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	Year ended 31st March, 2019	Year emded 31st March, 2018
26 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK-IN-TRADE		
Closing Inventories :		
Finished Goods	108.08	163.28
Work in progress	128.50	154.44
Total	236.58	317.71
Opening Inventories :		
Finished Goods	163.28	463.52
Work in progress	154.44	263.40
Total	317.71	726.92
Change In Inventories	81.14	409.20
27 EMPLOYEE BENEFITS EXPENSES		
Salary	781.54	634.99
Bonus	31.00	31.00
P.F. Company's Contribution	44.94	39.63
E.S.I Company's Contribution	12.74	12.67
Staff Welfare	31.07	29.21
	901.29	747.49
28 DEPRECIATION AND AMORTISATION CHARGES		
Depreciation and Amortisation expenes	347.62	397.41
	347.62	397.41
29 FINANCE COST		
Interest To Bank	196.84	300.88
Bank Charges	15.82	20.78
Interest To Others	-	372.63
	212.66	694.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	Year ended 31st March, 2019	Year emded 31st March, 2018
30 OTHER EXPENSES		
A. DIRECTORS REMUNERATION:		
Bafna Mahaveer Chand	18.60	17.10
Paras Bafna	14.40	13.20
	33.00	30.30
B. PAYMENT TO AUDITORS		
Audit Fees	3.62	4.00
Tax Audit Fees	0.50	-
Certification & Other Services	0.30	-
Service Tax	-	0.72
	4.42	4.72
C. INSURANCE EXPENSES		
Insurance	1.02	12.03
	1.02	12.03
D. OTHERS :		
Rent & lease rent	20.84	21.23
Postage & telegram	7.89	5.65
Telephone	3.61	5.53
Conveyance	10.67	13.41
Travelling expenses	15.64	14.93
Printing & stationery	15.82	18.20
Subscription & membership	0.31	1.47
Fees	15.51	3.99
Office maintenance	0.97	0.73
Vehicle maintenance	2.62	1.97
Miscellaneous expenses	8.55	11.42
Professional charges	16.80	47.00
Discount Allowed	0.00	160.88
Service Tax	0.00	3.15
Books and Periodicals	0.00	0.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
30 OTHER EXPENSES - (Contd.)		
Repairs & maintenance	8.41	6.45
Sundry Balances Written off	12.11	2.30
Directors sitting fees	1.37	1.75
Bad debts	947.48	2,617.12
Freight & transportation	75.36	41.10
Advertisement	0.90	0.99
Sales promotion	4.72	5.43
Commission & brokerage	0.00	6.36
Consultant - Technical Fees	19.75	3.39
Liquidative Damages	0.05	51.10
Packing Charges	0.20	0.26
Exchange Difference	8.69	0.49
Internal Audit Fees	1.20	0.00
Rates & Taxes	11.37	-
Software Maintenance	12.65	-
IRP & RP Fees	16.22	-
Stock Exchange Fees	33.87	-
TOTAL (E)	1,273.59	3,046.37
Grand Total - Other exp	1,312.03	3,093.43

Significant Accounting Policies and Notes of Financial Statements 1 to 36 as per our Report of event date**FOR R. SATHYANARAYANAN & CO**Chartered Accountants
FRN No: 003656 SSd/-
R. SATHYANARAYAN
(Partner)
M.No. 028377Place : Chennai
Date : 27-5-2019

For and on Behalf of the Board

Sd/-
BAFNA MAHAVEER CHAND
[Managing Director]
[DIN : 01458211]Sd/-
M.SRIDHAR
[Chief Financial Officer]Sd/-
PARAS BAFNA
Whole Time Director
[DIN : 01933663]Sd/-
JITENDRA KUMAR PAL
[Company Secretary]
[M.No: 15338]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

31 RELATED PARTY DISCLOSURES

As per Indian Accounting Standard 24, the disclosures of transactions with the related Parties are given below:

List of Related Parties where control exists and related Parties with whom transactions have taken place and relationship

31.1 Name of the related Party

- a) Mr. BAFNA MAHAVEER CHAND
- b) Mr. PARAS BAFNA
- b) Mrs. CHETNA BAFNA
- c) Mr. NAVEEN BAFNA

31.2 Directors' Interest

- a) BAFNA LIFESTYLES REMEDIES LIMITED
- c) BHANSILAL & CO (HUF)

31.3 The Directors of the Subsidiary Company Ms. Hemalatha and Ms. Sabitha are the employee of the Company

(Rs. In Lakhs)

Sl. No.	Particulars	Key Management Personnel	Relative of KMP	Total as on 31.03.2019	Total as on 31.03.2018
1	Rendering services	Bafna Mahaveer Chand	Paras Bafna, Naveen Bafna	37.09	37.09
2	Leasing or Hire purchase	-	Bhansilal Bafna (HUF)	6.75	29.25
3	Finance loan and equity in cash or kind	Bafna Mahaveer Chand	Paras Bafna	213.06	217.37
4	Rent	Bafna Mahaveer Chand	-	19.80	19.80

32 FOREIGN CURRENCY TRANSACTIONS

- a) Income of foreign currency Transaction is recorded at the rate of exchange prevailing on the date, when the relevant transaction has taken place. Realized gains or losses on the exchange is recognized in the Profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

33 RESEARCH AND DEVELOPMENT EXPENDITURE

(Rs. In lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Expenditure	-	-
Revenue Expenditure	75.27	37.09
	<u>75.27</u>	<u>37.09</u>

34 CONTINGENT LIABILITIES NOT PROVIDED FOR

a) In respect of Letter of Credit and Bank Gaurantee	-	45.90
b) Bonds have been executed in favour of Customs Authorities for the purchase of materials and capital goods without payment of duty	-	-

35 GOODS AND SERVICE TAX

GST is reckoned for the material, Capital Goods, stores and consumables purchased and entered into the factory Premises.

36 GENERAL

a) The details of Statutory dues pending as at 31st March 2019 are given below:

Name of the Statue	Nature of Dues	Amount (Rs. In Lakhs)	Payment to which the amount Relates	Due Date	Date of Payment
EPF & MP Act 1952	PF Contribution	233.14	Jan 2016 To March 2019	15th Day of the Following Month	Not Paid
ESI Act 1948	ESI Contribution	40.43	June 2016 to March 2019	21st Day of the Following Month	Not Paid
Service Tax	Service Tax	19.02	June 2016 to March 2019	5th Day of the Following Month	Not Paid
Income Tax Act 1961	TDS	16.12	April 2017 to March 2019	7th Day of the Following Month	Not Paid
Income Tax Act 1961	Income Tax Dues	892.80	Asst Year 2015-16	31st March 2015	Not Paid
GST - BLRL		2.28	For the year 2018-19		Not Paid

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - (Contd.)

(All amounts in Rs. Lakhs)

- b) Balances under Trade Payables, debtors, loans and advances some of them remain unconfirmed.
- c) Advances given to suppliers for supply of materials and others remain unconfirmed. It was explained that supply will be made in the ensuing Year Loans and advances include outstanding balances of deposits with Corporate bodies is given below

d) (Rs. In Lakhs)

Name of the Body Corporate	As at 31st March 2019	As at 31st March 2018
i) DEEP ENTERPRISES	150.00	150.00
ii) S KUMAR CORPORATION	170.00	170.00
iii) GOLD LEAF ENTERPRISES	200.00	200.00

- e) The Company had granted Loan to Subsidiary M/s. BAFNA LIFESTYLES REMEDIES LIMITED (BLRL) during the previous years to the extent of Rs. 1222.93 Lakhs. Subsequent to the discontinuing operations by the subsidiary M/s. BLRL sold its properties and old machines and repaid Rs. 297.95 Lakhs to M/s. BAFNA PHARMACEUTICALS LIMITED during the Current Financial year 2018-2019. The balance of Rs. 924 .98 Lakhs could not be paid by the Subsidiary. Hence, the same had been written off during the current financial Year.
- f) The Fixed deposit of sum of Rs. 257.37 (Rs. in Lakhs) (Previous Year Rs. 245.00 (Rs. In Lakhs)) lying with BOC, IDBI, ICICI are under lien against Bank Gaurantee Margin, LC Margin Money.
- g) In view of the Stay of the implementation of the approved Resolution Plan by the NCLAT, New Delhi. No Restatements of Assets and Liabilities (As per Approved Resolution Plan) in the financial statements is considered during the financial year 2018-19. The process of restructuring of fair values of assets and liabilities detailed in the Resolution Plan and restatement thereof in the accounts is being deferred to be carried out in the ensuing Financial Year.

Significant Accounting Policies and Notes of Financial Statements 1 to 36 as per our Report of event date**FOR R. SATHYANARAYANAN & CO**Chartered Accountants
FRN No: 003656 SSd/-
R. SATHYANARAYAN
(Partner)
M.No. 028377Place : Chennai
Date : 27-5-2019

For and on Behalf of the Board

Sd/-
BAFNA MAHAVEER CHAND
[Managing Director]
[DIN : 01458211]Sd/-
M.SRIDHAR
[Chief Financial Officer]Sd/-
PARAS BAFNA
Whole Time Director)
[DIN : 01933663]Sd/-
JITENDRA KUMAR PAL
[Company Secretary]
[M.No: 15338]

CONSOLIDATED - NOTES

Corporate Information, Significant Accounting Policies and Notes to the Consolidated Financial Statements

A. Corporate Information

BAFNA PHARMACEUTICALS LIMITED ("the company") is a public limited company domiciled and incorporated in India having its registered office at No. 299, ThambuChetty street, Chennai – 600 001. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in the business of Manufacture of Pharmaceuticals. The Company has a Subsidiary namely, M/S BAFNA LIFESTYLE REMEDIES LIMITED.

B. Significant Accounting Policies

1. Basis of preparation and consolidation

- a. The Ministry of Corporate affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies act, 2013 (the 'act') and sub-section 1 of Section 210a of the Companies act, 1956 ('the erstwhile act') in consultation with national advisory Committee on accounting

Standards vide G.S.R. 111(E) dated 15th February, 2015 notified rules called Companies (Indian Accounting Standard) Rules, 2015 effective April 1, 2015. The MCA wide notification GSR 111(E) dated March 30, 2016 issued certain amendments to IND AS vide Companies (Indian accounting Standards) amendment rules 2016.

The MCA vide notification GSR 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act, requiring companies to prepare the financial statements in compliance with Companies (Indian Accounting Standards) rules, 2015.

The Group which was falling under the Mandatory adoption (Phase II) for listed companies with net worth less than Rs 500 crores (based on audited standalone statements) vide its Board resolution dated 10.11.2017 resolved to adopt Ind AS for the first time in preparation of financial statements for the year ended march 31, 2018, and had adopted the same.

The other amendments to Ind AS notified by the Companies (Indian Accounting Standards) Amendment Rules, 2018 and Companies (Indian Accounting Standards) Second Amendment Rules, 2018 that apply from 1 April 2018 and that are unrelated to the adoption of Ind AS 115 are primarily clarifications. The Group has prepared its financial statements in compliance with Companies (Indian Accounting Standards) rules and the above amendments as well. The Ministry of Corporate Affairs amended Schedule III on 11 October 2018 notifying certain additional presentation and disclosure requirements such as presentation of trade payables (current/non-current both) on face of the balance sheet as (a) total outstanding dues of micro and small enterprises; and (b) total outstanding dues other than micro and small enterprises

The Consolidated financial statements comprise the financial statements of BAFNA PHARMACEUTICALS LIMITED (the holding company), its subsidiary company BAFNA LIFESTYLE REMEDIES LIMITED (the holding company and its subsidiary is referred to as group).

The comparative figures in the Balance Sheet as at March 31, 2019 and that of the previous period and Statement of Profit and Loss and Statement of Cash flow for the same periods have been presented.

- b. The financial statements of the Group have been prepared and presented in accordance with IND-AS principles, however items of assets and Liabilities that have been measured at historical costs on account of reasons stated in (3) below under Basis of Measurement Management evaluates all the applicable accounting standards on a going concern basis.

With regard to Holding Company, Major items of Current Assets namely, Receivables outstanding for over one year and Advances to suppliers which are long outstanding and carried in the books are yet to be tested for recovery or impairment as per principles underlined in IND AS 36 and hence, not restated at fair values in the accounts in accordance with IND AS 133.

With regard to Current liabilities, the balances of Sundry creditors are subject to confirmation, and these also have not been restated at fair values in accordance with IND AS 133.

- c. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities except for Receivables.

The companies considered in consolidation are BAFNA PHARMACEUTICALS LIMITED (the holding company), its subsidiary company BAFNA LIFESTYLE REMEDIES LIMITED (the holding company and its subsidiary is referred to as group).

2 Statement of Compliance with Ind AS

The Consolidated Financial Statements comprising Balance Sheet for three periods, Statement of Profit and Loss, Statement of Changes in equity, Statement of Cash flow together with notes for two periods have been prepared in accordance with Ind AS as notified [subject to Clause 1 (b) above] above duly approved by the Board of Directors at its meeting held on 27th May 2019.

The Group adopted Ind AS for the first time in preparation of financial statements for the year ended March 31, 2018

3 Basis of measurement

The financial statements have been prepared on the basis of IND AS formats, however, values of major items of current assets and liabilities have not been measured at Fair values on account of the following series of events which commenced at the end of the accounting period 2018-19, and traversed into the current period as well.

NCLT Matter in Directors report

ARIES an Operational Creditor has filed under Section 9 of The Insolvency and Bankruptcy Code 2016 a Petition with The National Company Law Tribunal (NCLT), Single Bench, Chennai which has been admitted as CP/682/IB/2017 against the Holding Company. The National Company Law Tribunal, Single Bench, Chennai has passed an order on 16th July 2018 for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company and declared moratorium and appointed Mr. Gopalsamy Ganesh Babu as an Interim Resolution Professional (IRP). IRP conducted Committee of Creditors (COC) and subsequently Mr. Radhakrishnan Dharmarajan was appointed as Resolution Professional (RP).

Information Memorandum was presented to COC members after obtaining non disclosure agreement.

The RP informed the members that corporate debtor being MSME and eligible for submission of Resolution plan and the COC deferred the issuance of EOI considering the MHRA audit in the COC meeting held on 27.09.2018 and 30.11.2018 stating that there was Revival cum withdrawal plan under IBC submitted in the Resolution Plan by Mr. Bafna Mahaveer Chand Since, the Revival cum Withdrawal plan could not garner the desired vote, The COC had asked Mr. Bafna Mahaveer Chand to submit a comprehensive Resolution Plan taking care of all the stake holders.

Accordingly, Mr. Mahaveer Chand Bafna (Resolution Applicant) submitted resolution plan which was approved by the COC.

The resolution Plan, approved by COC was submitted to the Honorable NCLT, Chennai for approval. Honourable NCLT, Chennai had approved the resolution plan vide its order dated 01st February 2019 and copy of the said order was received by the company on 04th February 2019. The same was intimated to the Stock exchanges on 05th February 2019.

The salient features of Resolution Plan:-

Payments as per resolution plan:

Financial creditors-

70% of admitted claims of all financial creditors i.e SBI, IDBI, DCB, DBS,BOC will be payable.

Total claims admitted Rs.49.23 Crs

(payment proposed Rs.34.46 Crs.)

Operational Creditors- Total payment Rs 6.53 Crs

ESI and PF dues- Rs.1.94Crs

Workmen dues- Rs.0.24 Crs

Employees dues- Rs.0.32 Crs

Statutory liabilities- Rs.0.13 Crs

Other liabilities- Rs.0.01 Crs

Contingent liabilities- Rs. NIL

For the purpose of resolution plan, the liability arising out of the said case, if any, is being considered as deemed crystallised as on the Resolution Plan approval date. Hence the Resolution Applicant is not disputing the above liabilities any further and instead considering them as deemed crystallised and admitted. Simultaneously, the Resolution Applicant is proposing to pay NIL value against all the contingent liabilities and legal cases pending against the Company.

Further any liability crystallising out of the contingent liabilities or disputed legal cases of the Corporate Debtor or any other unknown or unclaimed liability pertaining to a transaction or incident dating to a period prior to the Insolvency Commencement date or during the CIRP which does not find a place in the approved Resolution Plan, shall be deemed to have lapsed on the approval of the plan; and the Corporate Debtor shall be deemed to have been duly discharged from all legal liability arising from such antecedent claims.

The approved Resolution Plan also covers the writing off Slow Moving Inventories, and Debtors,any Recovery from such current assets shall be written back in the year of Recovery. Any Long pending dues from suppliers of the earlier years which could not be recovered in cash or kind shall also be written off, any Recovery from such current assets shall be written back in that year.

Equity shareholders- the capital of existing equity shareholders shall be reduced to 10% of the current holding i.e 2.36 crores shall be reduced to 0.236 crores.

Investment in working capital- The additional need based working capital of Rs.10 Crores shall be invested in the Corporate Debtor for revival of the organization.

Investment in fixed assets- The Resolution Applicant and his investors shall invest in Capex which shall amount to Rs.3.5 Crores in year 1.

Management and control of business- the Management of Corporate Debtor shall vest in the re-constituted Board of Directors and Resolution Applicant and his investors shall jointly appoint the Directors on the Board.

Resolution Plan will be monitored by monitoring committee.

Radhakrishnan Dharmarajan (RP), S David (SBI representative), Nagabhusanam (IDBI representative), Sridhar and Hema (Corporate debtor representatives) are the members of Monitoring Committee.

Appeal with NCLAT

Aggrieved by the Order of NCLT, Chennai Saravana Global Holdings Limited and P Shobha (minority shareholders) filed an appeal to National Company Law Appellate Tribunal, New Delhi (NCLAT). NCLAT vide its order dated 28th February 2019 has passed the following

Order:-

Until further order the monitoring committee will not handover the possession of corporate debtor to the Resolution Applicant if not yet handed over. In case the possession of the corporate debtor has been handed over the resolution applicant will maintain the status quo and will not alienate, transfer or create third party encumbrance of movable or immovable property of the corporate debtor. The concerned person will ensure that the company remains a going concern.

The case posted to further hearing on 02nd April 2019

Subsequently Mr. Mahaveer Chand Bafna (Resolution Applicant), had filed reply. Resolution Professional, COC and the Company (Corporate Debtor) were made party for hearing with Honourable NCLAT.

The case, posted to further hearings on various dates viz., 25th April 2019, 02nd May 2019 and 07th May 2019, the Honourable NCLAT instructed the respondents to file their written submission not more than 3 pages and subsequent to the written submissions filed by Mr. Mahaveer Chand Bafna (Resolution Applicant) and parties concerned, the judgement was reserved on 09th May 2019 by NCLAT.

Conclusion:

In view of the above, the process of restructuring of assets and liabilities detailed in the Resolution plan and restatement thereof in the Accounts is being deferred to be carried out in the ensuing financial year on account of the abovementioned happenings, which had begun during the reporting period and has continued beyond the year end, up to the date of Board meeting when the Accounts got approved.

4 Functional and Presentation Currency

These consolidated statements are presented in Indian Rupees which is also the company's functional currency.

All financial information presented in Indian rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

5 Adoption of IND AS :

(i) Overall principle adopted in the year of first time adoption:

The Group adopted Ind AS for the first time in preparation of financial statements for the year ended march 31, 2018 by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not permitted by IND AS, by reclassifying certain items from previous GAAP to Ind AS as required under the IND AS, and applying IND AS in the measurement of recognised assets and liabilities. However, the Group had opted for certain mandatory exceptions and availed certain optional exemptions.

(ii) For the Current period:

a. Exemptions from retrospective application of IND AS :

Since the following IND ASs are not applicable to the Group, hence the option for exemption from retrospective application of the same:

IND AS	Description
101	First time adoption of IND AS principles
102	Share based payment
103	Business Combination
104	Insurance contract
106	Exploration and Evaluation of mineral resources
109	Financial Instruments
111	Joint Arrangements

IND AS	Description
20	Accounting for Government grants and disclosure of government Assistance
27	Separate Financial Statements
28	Investment in Associates and Joint ventures
29	Financial reporting in Hyperinflationary economies
32	Financial Instruments: presentation
40	Investment Property
41	Agriculture

(ii) Adoption of IND ASs applicable to the Group

IND AS 2: Inventories Accounting:

Inventories are measured at the lower of cost and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

The management has identified items of stores and spares to be restated at fair values and disposed off since these are considered no longer usable considering the approval regulations.

IND AS 7: Cash Flow Statement

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities. The Group has presented all the necessary disclosures required in the prescribed format.

IND AS 8: Accounting policies, changes in Accounting estimates and Errors

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

The Group has not adopted a new policy nor has brought about any voluntary change to the Accounting policy.

The Group has made disclosure regarding those IND Ass which are not applicable to the Company.

IND AS 115 is a new standard which has become applicable from 1st of April 2018, and the company has disclosed the methodology adopted as well as the impact arising out of application of the standard under the narration pertaining to the specific IND AS.

There is no tangible change in respect of accounting estimate and there is no instance of a prior period error to be given effect to.

IND AS 10: Events after the Reporting period

Reference is drawn to Clause 3 above wherein there is a detailed recital of events relating to Insolvency and Bankruptcy proceedings initiated on the Holding company since July 2018, and also NCLT order passed in favour of the Resolution proposal submitted by the promoter

Subsequently the order was stayed by NCLAT bench vide order dt. 28th February 2019 due to appeal by a corporate opting to exercise their bid.

The first hearing in respect of above was held on 2nd April 2019, followed by couple of hearings wherein the appellant was given opportunity to file their offer. On 9th of May 2019, Orders were reserved.

The impact:

In case of vacation of stay against the NCLT order, implementation of the original Resolution plan submitted by the promoter would commence as a result of which the impact would be as depicted hereinbelow:

In case of acceptance of the appellant's request to float an Expression of interest, then the Resolution plan submitted would be null and void, and the EOI process would commence.

IND AS 12: Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum alternate tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income tax act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- (ii) Differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) arising due to taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

IND AS 16: Property, Plant and Equipment

The Holding Company had elected to continue with the carrying amount from the year of adoption of IND AS itself for all of its PPE, intangible asset measured as per previous GAAP and use that as deemed cost as at the date of transition, and did not have any decommissioning liability as on transition date.

All items of PPE of Subsidiary company except for Land and Building (which was sold to third party) have been transferred to the Holding Company at an assessed value.

Assumptions and Key Sources of estimation Uncertainty

Useful life of Property, Plant & equipment (PPE)

The Company has reviewed the estimated useful lives of PPE at the end of each reporting period.

Asset Category	Management estimate of useful life (in years)
Buildings	30
Plant and Machinery	20
Furniture and fixtures	10
Other equipment	5
Vehicles	8

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. the cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income/other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. the carrying amount of the replaced part is de-recognised. the cost of day to day servicing of property, plant and equipment are recognised in Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of Profit and Loss under Straight Line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in schedule II. Assets costing Rs.5000 or below acquired during the year considered not material and are depreciated in full retaining Re.1/- per asset. the Useful life other than that described in Schedule II adopted are furnished below.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

IND AS 17: Leases

The Holding Company has leased small portion of its Gratylon property and has disclosed the Rent received. It is only the nature of a simple lease arrangement and does not have any unusual covenants attached to it.

IND AS 19: Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

- a) Defined contribution plan (Provident fund):In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. the Company does not have any legal or constructive obligation to pay further contributions if the

fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

- ii) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan (Gratuity Plan) covering eligible employees in accordance with Indian Law. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death while employment or on termination of employment in an amount equivalent to 15days last drawn salary payable for each completed year of services. The liability for the eligible employees is determined on the basis of actuarial valuation as on the balance sheet date, using projected unit credit method and is funded with Gratuity fund managed by Life Insurance Corporation of India Ltd.

IND AS 21: Effects of change in Foreign exchange rates

The exchange rate gains or losses arise as a result of Export sale of goods in respect of:

- Differences in rates on account of varying dates of raising invoices and realisations thereof
- Restating the outstanding balances from overseas parties on account of export sales effected.
- Advance received from overseas parties, supplies yet to be effected, and balance held by company as at year end.

IND AS 23: Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. other borrowing costs are recognized as expenses in the period in which they are incurred. to the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. the capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset.

The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

The Company does not have any instance of capitalising borrowal cost to its assets. The Borrowing costs booked in accounts are on account of costs of utilisation of minimum credit facilities extended by banks.

IND AS 24: Related Party disclosures

(Rs.in Lakhs)

Sl. No.	Particulars	Key Management Personnel	Relative of KMP	Total as on 31.03.2019	Total as on 31.03.2018
1	Rendering services	Bafna Mahaveer Chand	Paras Bafna, Naveen Bafna	37.09	37.09
2	Leasing or Hire purchase	-	Bhansilal Bafna (HUF)	6.75	29.25
3	Finance loan and equity in cash or kind	Bafna Mahaveer Chand	Paras Bafna	213.06	217.37
4	Rent	Bafna Mahaveer Chand	-	19.80	19.80

IND AS 33: Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all potential ordinary shares, which include share options granted to employee if any, to the extent that partly paid shares are not entitled to participate in dividends during the period. they are treated as equivalent of warrants or options in the calculation of diluted earnings per share

IND AS 34: Interim Financial Reporting

This Reporting should enable explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report..

IND AS 36: Impairment of Assets

The carrying amount of the Company's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment losses recognised in respect of cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

However, owing to the recital presented in respect of the Insolvency and Bankruptcy proceedings on the Company, and its status with NCLT/NCLAT in the concluding part of Clause 3 hereinabove, effecting restatement by carrying out assessment of Fair values of each class of assets and liabilities have been deferred to the ensuing accounting period. It is proposed that once the stay on stay on the NCLT order is vacated, the fair value assessments as proposed in Resolution plan be carried out. Consequently, the exercise of recognising impairment also has been deferred to the ensuing accounting period.

xiv: IND AS 37: Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risk specified to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. the

provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

In the present scenario of NCLT/ NCLAT proceedings as detailed in Clause 3 hereinabove, it can be construed that the accounting and economic impacts of Restatements of Assets and liabilities on account of Write offs, Write backs and the Share capital reduction, etc proposed in the Resolution plan is contingent on the decision of the NCLAT.

A decision resulting In vacation of stay would enable the implementation of the promoters' resolution plan which would result in restructuring the financial position of the company.

A decision on the other side would stall the above process, and would result in restoration of Insolvency and Bankruptcy proceedings and enable any outside bidder to propose an alternate resolution plan.

xv :IND AS 38: Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in the Statement of Profit and Loss.

Amortisation of intangible asset with finite useful lives

Amortisation is recognised in the Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management with respect to the useful life and residual value.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

xvi. Ind AS 105: Non-current Assets held in Discontinued operations

The Holding Company does not have any non-current asset/disposal group to be classified as held for sale. However, since there were no operations or business conducted in the case of subsidiary, M/S Bafna Lifestyle Remedies Ltd, this was construed as "Discontinued operations" during the previous period under this standard.. The measurement of fair value in this case was deferred taking into consideration IND AS 10:"events occurring after the reporting date" whereby the management had already taken a principle decision to hive off the fixed assets and wind up the subsidiary company. Since it was recognised as "discontinued operations", exception was taken to retrospective application of deemed/notional interest on the loan to subsidiary.

During the current reporting period, the Fixed asset held in the subsidiary company was disposed off (detailed under IND AS 16 hereinabove) and the proceeds was used to part settle the loan outstanding to the Holding company. Owing to the proceedings of the Insolvency and Bankruptcy Code 2016 initiated on the company by an operational creditor as detailed under Note no 3 :Basis of Measurement hereinabove, the decision to wind up was deferred by the Company. However, the outstanding balance of the loan from subsidiary company was written off as on 31st March 2019 as the first step towards winding up.

xvii. Ind AS 108: Segment Reporting

The Group has only one Segment of Business i.e., Pharmaceuticals and the Financials are depicted as per INDAS requirements.

xviii. IND AS 109: Financial Instruments:

The Holding Company is holding equity shares in its subsidiary, which have not been stated at FVOCI owing to the reasons stated in 3 (i) above i.e., since the entity is not a going and is proposed to be wound up. Hence, the company has opted to carry the value of shares at cost.

Debt held in subsidiary has been written off as explained in the same section

xix. IND AS 112: Disclosure of interests in other entities

There is no other interests except for investment in Subsidiary, which is being carried at cost value as explained in III (iii) above. The loss from the entity has been taken into account in the Consolidated Financial statements.

xx. IND AS 113: Fair Value Measurements:

This Standard requires disclosure of the following:

- a. for assets and liabilities that are measured at fair value on a recurring or non recurring basis in the balance sheet after initial recognition, the valuation techniques and inputs used to develop those measurements, and
- b. for recurring fair value measurements using significant unobservable inputs, effect of the measurements on profit or loss or other comprehensive income for the period.

However, owing to the recital presented in the concluding part of (3) hereinabove, restatement carrying out an assessment of Fair values of each class of assets and liabilities have been deferred to the ensuing accounting period. It is proposed that once the stay on stay on the NCLT order is vacated, restructuring process as proposed in Resolution plan be carried out.

xxi. IND AS 114: Regulatory Deferral Accounts

The Holding Company's operations are subject to Technical Regulatory regimes such as MHRA of UK, WHO and various licences/approvals. They are pertinent in terms of maintaining high world class standards in order to enable procurement of export orders. However, they are not exactly linked to product rates or neither is there any control factor on the prices that it would charge its customers.

Hence, there would be no direct monetary impact on the company, except for certain degree of Regulatory risks since the obtention of orders hinges on clearance of licences and approvals. There would be no impact on the rates or prices, and hence, does not require any specific disclosures.

xxii. IND AS 115: Revenue from Contract with customers:

This new contract contains principles that an entity will apply to determine the measurement of revenue and the timing of when it is recognised. The underlying principle is that the entity will recognise revenue to depict transfer of goods or services to customers at an amount the entity expects to be entitled to in exchange for these goods and services.

The Holding Company adopts a five-step process:

Identify contract with customer: Most of these are peripherally documented with regard to quantity and rate, since the quality factor is an implied conclusion considering the strict regulatory environment which the company is subject to.

Identify separate performance obligations: This is an integral part since it is very pertinent in a product/formulation segment in pharma sector. Determine the transaction price : The tests that are applied in order to judge whether the company's experience is not predictive of the outcome of the contract:-

Whether the amount of consideration is highly susceptible to factors outside the influence of the entity.
Whether there would be any uncertainty about the amount of consideration not capable of being resolved over a period of time.

Whether we have experience in handling similar type of contracts

Whether the contract has large number and broad range of deliverables and consideration amounts.

Allocate transaction price to the separate performance obligation:

The Company assesses whether there are single or multiple performance obligations and accordingly, follows 2 price estimation methods: i) Costs plus a reasonable margin ii) evaluation of stand-alone prices of similar or same product(s). The Company also prefers discounts or preferences to customer if certain conditions/ policies are met.

Recognise Revenues i.e., raising of invoices as and when the defined performance obligations are fulfilled and when the customer obtains control over the goods or services.

The tests applied are: Whether:

- i) the customer has unconditional obligation to pay,
- ii) customer has legal title,
- iii) customer has physical possession
- iv) customer has the risks and rewards of ownership of the goods
- v) the customer has accepted the goods.

Most of the company's contracts begin and end with the same accounting period, and hence, the necessity for restating the contract values does not arise.

6. Critical Accounting Judgments, Assumptions and Key Sources of estimation Uncertainty

a. Current / Non-current Classification:

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The exception has been in the case of Receivables whereby the Management, in its judgement, has retained certain outstanding balances which are more than 12 months as current.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

b. Financial instruments

- (i) Financial assets - Investment in subsidiaries, associates and joint ventures:
- a. Regarding the Company's investments in its wholly subsidiary, Bafna Lifestyle Remedies Limited (BLRL) in the form of Equity shares, it which has controlling stakes over the entity's affairs and it has been explained as per IND AS 112 hereinabove. The Company has opted to state the investment at Indian GAAP values, and not to adopt FVTOCI as at the reporting date.

The Company does not have any associates or Jointventures.

- (ii) Financial assets - other than investment in subsidiaries, financial assets comprises of Trade receivables, cash and cash equivalents and other financial assets like Advances to suppliers, Subsidiary company and to others.

Initial recognition:

All financial assets are recognised initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognised immediately in Statement of Profit and Loss). Purchase or sale of financial asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement:

- i) Trade receivable :An impairment analysis is performed at each reporting date. the expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rate reflecting future economic conditions. In this approach, assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

The Company, had, during the last period, effected measurements at Fair value by conducting a realistic assessment on the probability of recoverability and have recognised the impairment vide FVTPL methodology.

However, in respect of the current reporting period, due to the reasons stated in Clause 3 hereinabove: Basis of Measurement hereinabove, since the restructuring based on resolution plan submitted is stayed by NCLAT, restatement at fair values has been deferred.

- ii) Other financial assets

As explained in IND AS 105 in respect of Advances to Subsidiary, M/s Bafna Lifestyle Remedies Limited, the same has been written off applying the principles of prudence since the subsidiary is no longer a going concern.

Derecognition on financial asset

Financial assets are derecognised when the contractual right to cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

c. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of financial liability except financial liabilities at fair value through profit and loss which are initially measured at fair value.

Subsequent measurement

The financial liabilities are classified for subsequent measurement into following categories

- at amortised cost or at fair value through the Statement of Profit and Loss

Financial liabilities at amortised cost

the Company is classifying the following under amortised cost;

- a) Borrowings from banks
- b) Borrowings from others
- c) trade payables
- d) other financial Liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liability at Fair Value through Statement of Profit and Loss

There are no financial liabilities of the Company that held for trading purposes.

De-recognition of financial liabilities

A financial liability is de-recognised when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Derivative financial instruments

The Company does not have any foreign exchange forward contracts and options, and neither has the company designated any hedge instruments.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

Reclassification of financial assets

The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

d. Share capital

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognised as deduction from equity, net of any tax effects.

7. Financial risk management

The company has exposure to the following risks from its use of financial instruments.

7.1 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Based on such evaluations, the Company has retained outstanding balances of certain parties the age of which is beyond one year after the process of carrying out impairment.

- 7.2 Liquidity risk : The Company manages liquidity risk by reasonably monitoring forecast and actual cash flows.
- 7.3 Market risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. the major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.
- 7.4 Commodity price risk - the primary commodity price risks that the Company is exposed to include API prices that could adversely affect the value of the Company's financial assets or expected future cash flows.
- 7.5 Foreign currency risk management - The Company makes export sales to countries outside India. the Company is, therefore, exposed to foreign currency risk principally arising out of foreign currency movement against the Indian Currency.
The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.
- 7.6 Foreign currency sensitivity analysis the Company is principally exposed to foreign currency risk against USD, Euro and GBP

(Fig in Lakhs)

Particulars	USD	GBP	EURO
As at 31 st March 2019			
- Liabilities	-	-	-
- Assets	6.78	0.52	0.31
As at 31 st March 2018			
Liabilities	0.59	1.70	-
Assets	7.96	0.74	-

7.7 Interest rate risk management

The Company is exposed to interest rate risk because of borrowal of short term funds at floating interest rates. The Management, considering the current status, considers it apt not to dwell on any sensitivity analysis or conduct any tests of risk analysis since it is in the process of carrying out a restructuring exercise.

8. Capital Management

The Company's capital comprises of equity share capital, retained earnings and other equity attributable to equity holders. the primary objective of company's capital management is to maximise shareholders value.

9. Legal proceedings / Contingent Liabilities / Contingent Assets

The Legal position in respect of NCLT proceedings has been detailed in Clause 3 : Basis of Measurement herein above.

10. Dues to micro and small enterprises

The Company has not received any letter from any vendor claiming their status as micro/small enterprises, accordingly the amount paid/payable to these parties is considered to be nil.

17. Contribution to Corporate Social Responsibilities

Sec 135 of Companies act 2013, requires Company to spend towards Corporate Social responsibility, which however is not applicable to this Company.

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Bafna Pharmaceuticals Limited will be held on Thursday, the 27th day of June 2019, at 03.00 PM, at # Andhra Social and Cultural Association, Krishna Hall, No. 22, Vijayaraghava Road, T. Nagar, Chennai – 600 017 to transact the following business:

ORDINARY BUSINESS:

Adoption of Financial Statements:

Item No. 1: To receive, consider and adopt the Audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2019, the Reports of the Board of Directors and Auditor's thereon.

Item No. 2: Appointment of Mr. Paras Bafna as director liable to retire by rotation:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the shareholders of the Company be and is hereby accorded to the appointment of Mr. Paras Bafna (DIN: 01933663) as a director, who is liable to retire by rotation.

SPECIAL BUSINESS:

Item No. 3:

Regularisation of appointment of Mr. Babulal Kamlesh Kumar as an Independent Non Executive Director

To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Mr. Babulal Kamlesh Kumar (DIN: 01218959), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from February 08, 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

Item No. 4:

Re-appointment of Mr. V Rajamani (DIN: 00052868) as an Independent Director

To consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Clause 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the consent of the Company be and is hereby accorded for the reappointment of Mr. V Rajamani (DIN: 00052868), as an Independent Director who has attained the age of 75 for a period of 5 (five) years with effect from

(10.09.2019 upto 09.09.2024), whose period of office shall not be subject to retirement by rotation during his tenure of office, upon such terms and conditions as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company ('the Board') as set out in the explanatory statement, with authority to the Board to alter and vary the terms and conditions of the said appointment in such manner, as it may deem fit and as may be agreed to between the board.

By Order of the Board of Directors

For Bafna Pharmaceuticals Limited
CIN: L24294TN1995PLC030698

Sd/-
Bafna Mahaveer Chand
Managing Director
(DIN: 01458211)

Place: Chennai
Date: 27.05.2019

Registered Office:

New No. 68, Old No. 299,
Thambu Chetty Street, Chennai - 600 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF / HER SELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/ authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015) the notes on Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms part of this Notice. The said Directors have furnished necessary consents/ declarations for their appointment/re-appointment.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no.3 of the accompanying notice is annexed hereto.
6. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days from 10.00 AM to 12.00 Noon upto and including the date of the annual general meeting of the Company.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.06.2019 to 27.06.2019 (both dates inclusive) for the purpose of annual general meeting.

8. Members seeking any information with regard to accounts are requested to write to the Company at least ten days in advance of the annual general meeting, to enable the Company to keep the information ready.

Members are requested to:

- a. Bring their copy of the annual report for the meeting.
 - b. Send to their depository participant/ registrar the ECS bank mandate form, to ensure safe and prompt receipt of dividend, if any. This is to avoid fraudulent encashment of dividend warrants.
 - c. Note that all correspondence relating to share transfers should be addressed to registrar and transfer agents of the Company, viz. M/s. Cameo Corporate Services Limited, No.1, Club House Road, Chennai – 600002
 - d. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
9. The annual report for 2018-19 along with the notice of annual general meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/ registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2018-19 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.bafnapharma.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id viz. investor@cameoindia.com.
10. Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We thus, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's registrar and share transfer agent in this regard.
12. Securities and Exchange Board of India (SEBI) vide its circular dated 21st March, 2013, has mandated that for making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS, RECS, NECS, NEFT etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories for making cash payment/ dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the registrar and share transfer agent for physical shares.

Pursuant to the provisions of Sec 124 of the Companies Act, 2013, dividend declared, which remain unclaimed for a period of Seven years will transferred by the Company to the Investor Education and Protection Fund as shown here under.

Financial Year	Unpaid/Unclaimed Dividend as on 31.03.2019	Date of Declaration	Due Date for Transfer to Investor Education and Protection Fund Account
2012-13	Rs. 1,40,705/-	12.10.2013	11.10.2020

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013, the Company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
2. The notice will be sent to all the Members, whose names appear on the Register of Members and /list of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited.
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
4. The company has appointed Shri. Pankaj Mehta, Practicing Company Secretary (Membership No: A29407 & COP No: 10598), Partner, A.K.Jain & Associates, Chennai as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
5. The scrutinizer will submit his final report to Chairman of the Company within two working days after the conclusion of e-voting period.
6. The results of annual general meeting shall be declared by the Chairman or his authorized representative or anyone Director of the Company on / or after annual general meeting within the prescribed time limits.
7. The result of the e-voting will also be placed at the website of the Company viz. www.bafnapharma.com and also on www.evotingindia.com.
8. The scrutinizer's decision on the validity of e-voting will be final.
9. The Voting rights for the equity shares are one vote per Equity Share, registered in the name of the member.
10. Kindly note that the Members can opt for only one mode of voting i.e. either by physical attendance or e-voting. If you are opting for e-voting, then do not vote by physical attendance also and vice versa. However, in case a Member has voted both in physical as well as e-voting, then voting done through e-voting shall prevail over physical attendance and the voting by physical attendance will be treated as invalid. However, a member voting through e-voting platform may also attend the general meeting.
11. Electronic copy of the notice inter-alia indicating the process and manner of e-voting is being sent to all the members whose e-mail id are registered with the company / depository participants for the communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of the notice inter-alia indicating the process and the manner of e-voting is being sent in the permitted mode.

E-VOTING – Instructions

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 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 27th June 2019 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 20th June 2019 (cut-off / record date for determining the eligibility to vote through postal ballot / electronic mode).

Shri. Pankaj Mehta, Practicing Company Secretary (Membership No: A29407 & COP No: 10598), Partner, A.K.Jain & Associates, Chennai, has been appointed as the scrutinizer to ensure that the postal ballot & e-voting process is conducted in a fair and transparent manner. The instructions for shareholders voting electronically are as under:

- 1) The voting period begins on 24th June 2019 at 9.00 am and ends on 26th June 2019 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 20th June 2019 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.
- 7) 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"> • 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- 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.

Note: Sequence number has been provided as S No. in the address label

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

ITEM NO. 3:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Babulal Kamlesh Kumar (DIN: 01218959), be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Babulal Kamlesh Kumar, shall be effective upon approval by the members in the Meeting. Babulal Kamlesh Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Babulal Kamlesh Kumar that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Babulal Kamlesh Kumar fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Babulal Kamlesh Kumar is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Babulal Kamlesh Kumar are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No.3 of the notice for approval of members.

ITEM NO. 4:

Mr. V. Rajamani is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 20.10.2005. He was appointed as Non-Executive Independent Director for a period of five years 10.09.2014 upto 09.09.2019. His current terms expire on 09.09.2019. He was re-appointed for second term of five years (10.09.2019 upto 09.09.2024) at the annual general meeting held on 29th September 2018 by special resolution.

Pursuant to Clause 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The Company has received from Mr. V. Rajamani a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The resolution seeks the approval of members for the re-appointment of Mr. V. Rajamani as an Independent Director of the Company from 10.09.2019 upto 09.09.2024 pursuant to Clause 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Nominations Committee has recommended the appointment of the director as Independent Director from (10.09.2019 upto 09.09.2024). In the opinion of the Board of Directors, Mr. V. Rajamani, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of draft letter for the appointment of Mr. V. Rajamani as an Independent Director setting out the terms and conditions is available for inspection without any fee to the members of the company at the Registered Office during normal business hours from 10.00 AM to 12.00 Noon on working days upto the date of the AGM. No director, Key Managerial Person or their relatives, except Mr. V. Rajamani to whom this resolution relates, is interested or concerned in the resolution. The Board considers that his continued association would be of immense benefit to the company and recommends the special resolution for approval of the members.

Notes on Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015):

(i) Shri. Babulal Kamlesh Kumar (DIN: 01218959)

Name of the Director	Babulal Kamlesh Kumar
Date of Birth	13-06-1968
Status	Non Executive – Independent Director
Qualification & Expertise	He is specialized in Finance, taxation and capital market. He is graduate in B.A. and Chartered Accountant. He brings with him rich experience in Taxation, accounts and Capital Market, Finance and Banking.
Relationship with other directors in the company	NIL
names of listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL
Total shares held by him in the company	NIL

(ii) Shri. Paras Bafna (DIN: 01933663)

Name of the Director	Paras Bafna
Date of Birth	29-09-1966
Status	Whole-time Director
Qualification & Expertise	He is one of the Promoter - Director of the Company. He is a Commerce Graduate and MBA with 24 years of experience in Planning & Production. His innate understanding of emerging pharmaceutical market trends has helped us to advance technically by innovative methods. His astute thinking and management skills are largely responsible for the smooth functioning of our factories..
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	911671
Relationship with other directors in the company	NA

(iii) Shri. V Rajamani (DIN: 00052868)

Name of the Director	Shri V Rajamani
Date of Birth	17-02-1939
Status	Non-executive Independent Director
Qualification & Expertise	He is a graduate in Arts, a fellow of ICWA and an Associate of Company Secretaries. For six years from 1980 to 1986 he was the Company Secretary and Chief Vigilance Officer of Manganese Ore India Ltd (a Central Government Enterprise) at Nagpur. From 1986 to 1988 he worked as Additional/General Manager (Co-ordination) of M/s Neyveli Lignite Corporation in Tamilnadu. For about a year he was its Director (Finance). Presently he is engaged as a part time director of M/s Morgan Industries Ltd in Chennai. Mr. V. Rajamani possesses rich experience on account of the various posts/position held in the Central Government undertakings where he worked earlier.
Names of other public company(ies) in which directorship held	Morgan Industries Limited
Total shares held by him in the company	NIL
Relationship with other directors in the company	NA



BAFNA PHARMACEUTICALS LIMITED

Route Map to the Venue of the 24th Annual General Meeting
 Venue: Andhra Social and Cultural Association,
 Krishna Hall, No. 22, Vijayaraghava Road, T. Nagar, Chennai - 600 017

BAFNA PHARMACEUTICALS LIMITED

CIN: L24294TN1995PLC030698

Regd. Office: New No. 68, Old No. 299, Thambu Chetty Street, Chennai – 600 001
Ph: 044-25267517 / 25270992 Fax: 044-25231264 Email: info@bafnapharma.com
Website: bafnapharma.com

ATTENDANCE SLIP

24th Annual General Meeting

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

DP ID-Client ID/Folio No:

No. of Shares held:

I hereby certify that I am a member / proxy for the member of the company.

I hereby record my presence at the Twenty Fourth Annual General Meeting held on Thursday, the 27th day of June, 2019 at 3.00 PM at Andhra Social and Cultural Association, Krishna Hall, No. 22, Vijayaraghava Road, T. Nagar, Chennai - 600 017 as Shareholder / Proxy and at any adjournment thereof.

Name of the Shareholder / Proxy

Signature of the Shareholder / Proxy

Note: Members are requested to bring their copies of Annual Report to the Annual General Meeting

BAFNA PHARMACEUTICALS LIMITED

CIN: L24294TN1995PLC030698

Regd. Office: New No. 68, Old No. 299, Thambu Chetty Street, Chennai – 600 001

Ph: 044-25267517 / 25270992 Fax: 044-25231264 Email: info@bafnapharma.com

Website: bafnapharma.com

FORM No: MGT 11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014

24th Annual General Meeting

Name of the member(s) :

Registered address :

E-mail id :

Folio No / Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: E-mail Id:

Address:

Signature:, or failing him / her

2. Name: E-mail Id:

Address:

Signature:, or failing him / her

3. Name: E-mail Id:

Address:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Thursday, the 27th day of June, 2019 at 3.00 PM at Andhra Social and Cultural Association, Krishna Hall, No. 22, Vijayaraghava Road, T. Nagar, Chennai – 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional See Note no.2) Please mention no. of shares		
		For	Against	Abstain
1	Adoption of the financial statements of the Company for the year ended 31st March, 2019 including the audited Balance Sheet as at 31st March, 2019, the audited Statement of Profit and Loss for the year ended on that date, notes thereto, together with the reports of the Board of Directors and Auditors thereon.			
2	Appointment of a Director in the place of Shri Paras Bafna (DIN: 01933663), who retires by rotation and being eligible, offers himself for re-appointment as a Director.			
3	Regularisation of appointment of Mr. Babulal Kamlesh Kumar (DIN: 01218959) as an Independent Non Executive Director.			
4	Re-appointment of Mr. V Rajamani (DIN:00052868) as an Independent Non Executive Director			

Signed this..... day of..... 2019

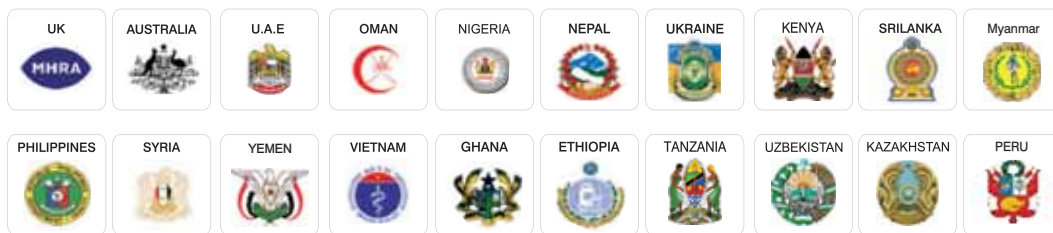
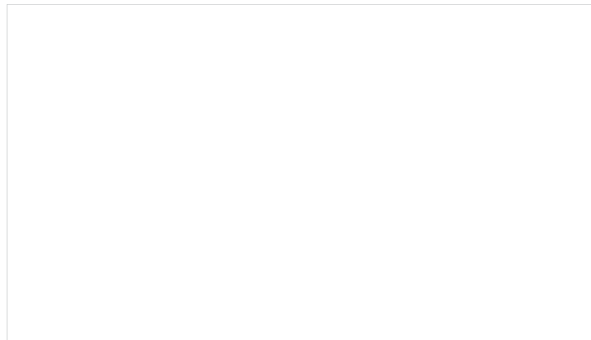
Affix
1 Rupee
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

- i) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- ii) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Awards & Achievements

2010 Our CMD **Mr. Bafna Mahaveer Chand** was awarded the **National Level Entrepreneurship Excellence Award** (Manufacturing Sector) from the SME Chamber of India

2011 Bafna received the prestigious **Quality Excellence Award 2010** from IDMA (Indian Drug Manufacturers Association)

Our CMD **Mr. Bafna Mahaveer Chand** received the highly acclaimed "**Udyog Rattan Award**" & the company received "**Excellence Award**" from IES

2012 Our CMD **Mr. Bafna Mahaveer Chand** received "**PIONEER 2012**" Award from "THE TIMES GROUP" for his contribution towards the success of Healthcare in TamilNadu

2013 Bafna received the prestigious Certificate Excellence from 16th State Pharmaceuticals Corporation (SPC) Suppliers Convention 2013, Sri Lanka.



If undelivered, please return to:



BAFNA PHARMACEUTICALS LTD.,

Regd. Off: New No 68, Old No. 299, Thambu Chetty Street, Chennai - 600 001.

Ph: 044 42677555 Fax: 044 42677599 Email: info@bafnapharma.com Web: www.bafnapharma.com