

BAFNA PHARMACEUTICALS LIMITED
22ND ANNUAL REPORT

FINANCIAL YEAR 2016-17



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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
Total Revenue	:	Rs. 66.10 Cr
Net Profit	:	Rs. (18.47) Cr
Listing	:	(i) BSE & (ii) NSE

Registered Office

Bafna Towers
New No. 68, Old No.299,
Thambu Chetty Street
Chennai – 600001

Bankers

SBI, IDBI, DBS, DCB, BOC

Share Transfer Agents

Cameo Corporate Services Limited
No.1, Club House Road
Chennai – 600002

Auditors

M/s. Abhay Jain & Co.,
Chartered Accountants, Chennai

Factories

(i) No.13, S.V. Koil Street
Madhavaram, Chennai – 600060

(ii) 147, Madhavaram Redhills High Road
Grantlyon, Redhills
Chennai – 600052

Internal Auditors (2016-17)

Shri. Garurav Jain
Chartered Accountant, Chennai

Internal Auditors (2017-18)

Mohamed Safwan & Co, Chartered Accountants, Chennai

Cost Auditors

M/s. Thanigaimani & Associates
Cost Auditor, 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
Non-Executive Independent Director
Shri B. Kamlesh Kumar
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

Key Message from CMD

Dear Shareholders,

I welcome you all to the 22nd Annual General Meeting of the Company.

At Bafna, our business objectives have always been aligned with the evolving needs of customers. When we are progressing on many fronts, consolidation of our competencies is critical to sustain momentum and growth. Multiple corporate initiatives helped us elevate the scale and scope of business.



The overall sale during the consolidation phase was Rs. 66.10 Crores as compared to Rs.85.31 Crores in the previous year. However, the re-focus in strategy resulted in decline in EBITDA margins which is negative at 6.28 % as compared to a positive of 4.75% in the previous year. Your company is shifting its majority of focus on exports because of the product approvals obtained which was filed during the previous years and approval in countries where registrations are very tough.

The company has filed dossiers in various countries and approvals for these products are expected in the ensuing year. Consequently, the company is hopeful of growing exports and launching products across geographies.

The Indian domestic market segment continues to face significant challenges particularly with respect to the realization cycle and while we will maintain our presence in the domestic market, the operations will be scaled down.

I would like to share with you a synopsis of the revised strategy:

- a. Focus on increasing revenue from contract manufacturing in Regulated markets.
- b. Focus on FR&D for launching new products.
- c. Expand presence in the UK and other European countries.
- d. Increase number of niche products in SAARC countries, in order to increase market share.
- e. Further increase revenue in existing markets by introducing new products. Africa and CIS countries would be our immediate target markets.

In this context, I would like to inform you that during FY17, your company got registrations for **38** products: (i) 16 in Sri Lanka (ii) 2 in Nepal (iii) 10 in Nigeria (iv) 1 in Tajikistan (v) 1 in Peru (vi) 4 in Ukraine (viii) 1 in Ethiopia and (ix) 3 in Ghana. As on date we have over **188** Product registrations and 108 Product applications for approval across the globe.

The Company is witnessing a better acceptance of its products across multiple countries in its target markets and the increased order book is a reflection of the same.

Your Company is putting in significant efforts and resources in upgrading our manufacturing facilities to ensure that its products meet the ever growing and evolving global standards. The renewal with MHRA is one of the outcomes of these efforts.

At the close, I would like to thank the entire team of Bafna for their continued efforts, dedication and commitment. We are fortunate to have long term focused shareholders and would like to express our gratitude for their trust and confidence in us.

Warm Regards,

Bafna Mahaveer Chand
Chairman & Managing Director
(DIN: 01458211)



Annual Report 2016-17

DIRECTOR'S REPORT

To
The Shareholders

Your Directors have pleasure in presenting the Twenty Second Annual Report of your Company together with Audited Accounts for the Financial Year ended 31st March, 2017.

Financial Performance

The summarized Audited Financial Results for the year ended 31st March, 2017 along with comparative figures for the previous year is as under:

(Rs. In '000)

Particulars	Standalone		Consolidated	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Total Income	6,61,016.75	8,65,596.35	6,61,016.75	8,72,970.56
Total Expenditure	8,15,157.84	9,49,750.21	822,449.06	9,77,576.25
Profit before Depreciation & Taxation	(1,54,141.09)	84,153.86	(1,61,,432.31)	104,605.69
Less: Depreciation	38,913.03	41,121.33	42,194.98	48,586.04
Less: Exceptional Items	-	-	-	-
Profit before Tax	(1,93,054.12)	(1,25,275.19)	(2,03,627.29)	(1,53,191.73)
Less: Provision for Taxation	-	-	-	-
Less: Provision for Deferred Tax	8,352.03	3,430.83	9,029.93	1,777.59
Minority Interest (Loss)	-	-	3,729.53	11,144.85
Profit after Tax for the year	(1,84,702.09)	(1,21,844.36)	(1,90,867.84)	(1,40,269.29)

Consolidated Operating Results

The consolidated sales and operating income decreased to Rs. 66.10 Cr from Rs.87.30 Cr in the previous year yielding a decline in growth of 32% due to the financial constraints. The consolidated net loss for the year 2017 was Rs. 19.08 Cr as against FY 2016 of Rs.14.02 Cr.

Standalone Operating Results

The sales and operating income decreased to Rs.66.10 Cr from Rs. 86.56 Cr in the previous year at a decline rate of 31%. The operating Loss for the year under review is Rs.9.10 Cr as against Rs.1.29 Cr in the previous year, due to decline in revenue. The loss after tax for the year under review is Rs.18.47 Cr as against Rs.12.18 Cr in the previous year. The company is in growth/expansion mode requiring further investment; your company is therefore evaluating various options to raise additional funds for which shareholders approval may be sought as and when things are finalized.

Subsidiary Company & Consolidated Financial Results

The consolidated financial results comprise of M/s. Bafna Pharmaceuticals Limited and its subsidiary M/s. Bafna Lifestyles Remedies Limited. Consolidated Financial Statements for the year ended 31st March, 2017 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: During the year the subsidiary company has discontinued the marketing activities.

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

Particulars	(Rs. In '000)	
	31 st March, 2017	31 st March, 2016
Authorized Capital	400,000.00	400,000.00
Issued, Subscribed & Paid up Capital	186,563.35	186,563.35

Your Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, had passed Special resolution by way of postal ballot on 02.08.2016 for issue of 40,00,000 (Forty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each. Subsequently, the entire preferential issue of 40,00,000 Warrants and in-principle application filed with the Stock Exchanges had been withdrawn by the Board of Directors of the Company on 04.01.2017.

Further, the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, had passed Special resolution by way of postal ballot on 09.02.2017 for issue of 80,00,000 (Eighty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each.

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;

The Hon'ble High Court of Madras in CP.NO. 201 of 2015, filed by M/s. Wanbury Limited, against the Company under Section 443 of Companies Act, 1956, had issued an order on 11th November, 2016 approving the repayment schedule for the outstanding amount of Rs. 43,46,262/- at an interest of 9% p.a. If the order is received against the Company the same will affect the going concern of the Company.

PARTICULARS OF LITIGATIONS:

During the year,

a) Winding up petition was filed in Hon'ble High Court of Madras against the Company by M/s. Dalas Biotech Limited, a trade creditor of the Company under Section 443 of the Companies Act, 1956, vide C.P. NO. 215 of 2016.

b) The Hon'ble High Court of Madras in CP.NO.201 of 2015, filed by M/s. Wanbury Limited, against the Company under Section 443 of Companies Act, 1956, had issued an order on 11th November, 2016 approving the repayment schedule for the outstanding amount of Rs. 43,46,262/- at an interest of 9% p.a.

Due to establishment of National Company Law Tribunal (NCLT) and enactment of Insolvency and Bankruptcy Code, 2016, the above mentioned petitions filed before the Hon'ble High Court of Madras were transferred to Hon'ble NCLT, Chennai Bench and were numbered as TCP/96/IB/CB/2017 and TCP/456/IB/2017 respectively and the same are pending before the Hon'ble NCLT, Chennai Bench.

Further, a criminal case was filed by M/s. Dalas Biotech 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.

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, Shri V. Rajamani, Shri R. Dwarakanathan, Shri B. Kamlesh Kumar & Shri Sunil Bafna were appointed as Independent Directors for five consecutive years in the Nineteenth AGM held on 10.09.2014 upto 09.09.2019. The Independent Directors have furnished necessary declarations as required under Companies Act, 2013.

Directors Liable to Retire by Rotation

Shri. Bafna Mahaveer Chand and Shri. Paras Bafna, being non independent directors, are liable to retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible they have offered themselves for re-appointment. Upon their re-appointment as Directors Shri. Bafna Mahaveer Chand and Shri. Paras Bafna shall continue to hold office as the Chairman cum Managing Director of the Company and Whole time director respectively.

Further, the Company had appointed Shri. Bafna Mahaveer Chand and Shri. Paras Bafna as Managing Director and Whole time director, respectively, in the Board meeting held on 08.08.2017 for the period of Three years with effect from 01.10.2017. Pursuant to Section – 196 of Companies Act, 2013 they hold the office upto 30.09.2017. The Board recommends their continuation as Managing Director and Whole Time Director respectively.

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, Shri. Bafna Mahaveer Chand, being a Managing Director is a key Managerial Personnel of the Company.

During the year under review, Shri. R S Gowdhaman, resigned from the post of Company Secretary and subsequently Smt. Sapna Jain was appointed as the Company Secretary on 11.11.2016. Shri. Sridhar was appointed as CFO on 27.05.2017. Smt. Sapna Jain resigned as Company Secretary with effect from 08.08.2017.

Auditors

In compliance with the mandatory rotation of Auditors as per Companies Act, 2013, the Audit Committee and the Board of Directors in their respective meetings recommended the appointment of M/s. R. Sathyanarayanan & Co, Chartered Accountants, Chennai (FRN: 003656S) as statutory auditors of the Company, for a period of 5 years from the conclusion of this AGM until the conclusion of 27th Annual General Meeting, in place of the retiring Statutory Auditors M/s. Abhay Jain & Co., Chartered Accountants, Chennai.

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. Accordingly, the appointment of M/s. R. Sathyanarayanan & Co, Chartered Accountants., Chartered Accountants, Chennai, as the Statutory Auditors of the Company, is being proposed as an Ordinary Resolution.

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
The Company is not regular in depositing the undisputed statutory dues, including Provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities.	Your Management is taking necessary steps to comply with the provisions of the Act and to deposit the requisite amount to the appropriate authority.

Cost Audit

The Board of Directors of the Company appointed M/s Thanigaimani & Associates, Cost Accountants (FRN No.101899) as the Cost Auditor of the Company for audit of cost accounts relating to formulations for the year ended 31st March 2017. The Cost Audit Report & Cost Audit Compliance Report for the year ended 31st March, 2017 shall be submitted to the Central Government in due course.

As per Section 148 read with Companies (Audit and Audit) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s Thanigaimani & Associates, Cost Accountants as Cost Auditor of the Company for the year ended 31st March, 2018. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be Rs. 45,000/- (Rupees Forty Five Thousand Only) plus applicable taxes and out of pocket expenses.

Listing

The Company's shares are listed at (i) Bombay Stock Exchange Limited (BSE) with Scrip Code No. **532989** and at (ii) National Stock Exchange of India Limited with Scrip symbol **BAFNAPHARM**; the necessary Listing Fees have been paid to the stock exchanges.

Particulars of Employees

- Details of employees, employed throughout the financial year, was in receipt of remuneration for that financial year, in the aggregate, was not less than Rs.1.02 Crores. –Nil-
- 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 -
- Details of employees, if employed throughout the financial year or part thereof, 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 ⁷the 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 up to 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, 2017 was 230 as against 242 during FY 2015-16, a net decrease of 12 employees.

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. Hemalatha, Asst General Manager - Chairperson
- (ii) Smt. Shunmugasundari, HR Executive - Member
- (iii) Smt. K.Ashitha, HR Executive - 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, 2017.

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 Section 188:

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 workforce 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 2017-18

In terms of Section 204 of the Companies Act, 2013, the rules made thereunder & other applicable provisions, if any, the company is required to appoint Secretarial Auditor 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 2017-18 at the Board Meeting held on 28.07.2017.

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 MR 3 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
1.	<i>The Company had not appointed Chief Financial Officer (CFO) within a period of Six months from the date of such vacancy as required under Section 203(4) of Companies Act, 2013.</i>	The Board of directors wishes to state that the Chief Financial Officer has been appointed on 27/05/2017.
2.	<i>During the year, the Company did not disclose the material events and has not regularly updated the Stock Exchange, as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</i>	The Company has inadvertently omitted to disclose the material events. The Company is taking utmost care to regularize the Company mechanism. The Board assures that the Company will disclose all material events in future.
3.	<i>The Company had not filed e-Form MGT-14 with the Registrar of Companies, for registering the resolutions passed in the meeting of Board of Directors for issue of 40,00,000 Share Warrants and Special Resolution passed for the same by way of postal ballot, as required under Section 117 of Companies Act, 2013</i>	The Company has inadvertently omitted to file the Form MGT-14. The Company The Company is taking utmost care to regularize the Company mechanism. The Board assures that the Company will disclose all material events in future.

Appointment of Shri. Mohamed Safwan & Co., 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 08.08.2017 has appointed Mohamed Safwan & Co., Chartered Accountant, Chennai (FRN: 016260S) 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, (as revised with effect from 1.10.2014). The Board has accepted all the recommendations of the audit committee made during the year

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". There was no change in the members of the 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.

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 13 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, 2017 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

Acknowledgement and Appreciation

Your Directors would like to thank Company’s Bankers – SBI, EXIM, 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)

Place: Chennai

Date: 08.08.2017

Paras Bafna
(DIN: 01933663)
Whole Time Director

Bafna Mahaveer Chand
(DIN: 01458211)
Chairman & Managing Director

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	2017	2016
1.	Purchased: Units(Lakhs) Total Amount (Rs. In lakhs) Rate / Unit (Rs.)	Units 17.51 Lakhs Rs. 155.54 Lakhs Rs. 8.88 per Unit	Units 19.07Lakhs Rs.184.90 Lakhs Rs.9.70 per Unit
2.	Own Generation Through Diesel Generator Units (KSH) in lakhs Unit per Lt. of Diesel Cost/Unit (Rs.)	Units 1.61 Lakhs Unit 2 Per Litre Rs. 28.34 Per Unit	Units 2.08 lakhs Unit 2 per litre Rs 25.34 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
- Filed patents of Chewable Raricap tablets

- 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

Particulars	(Rs. in '000)	
	Current Year	Previous Year
Capital	-	374.00
Recurring/Revenue	7,185.03	8,169.18
TOTAL	7,185.03	8,543.18
% of R&D expenditure to sales	1.08%	0.98%

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, Liquid orals, 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 produce stable 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 conferences 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 intern 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 5 years

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.

- (i) During FY 17 the company got registrations for 33 products as follows: (i) 10 in Sri Lanka (ii) 10 in Nepal (iii) 1 in Nigeria (iv) 1 in Philippines (v) 1 in Peru, (vi) 2 in Ethiopia (vii) 4 in Tanzania and (viii) 4 in Ukraine.
- (ii) As on date we have more than 188 Product registrations and 108 Product applications across globe.
- (iii) The export turnover consists of Rs.23.61 Cr of the total turnover for the FY 17 as against Rs. 31.75 Cr for the previous year

(b) Foreign Exchange earned and used

- (iv) Your Company has earned foreign exchange of Rs. 20.20 Cr (previous year Rs. 28.67 Cr)

FOREIGN EXCHANGE EARNINGS & OUTGO

- (v) outgo was Rs. 2.14 Cr (previous year Rs. 2.91 Cr) on account of international travel & purchase of foreign currency.

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

Place: Chennai

Date: 08.08.2017

Paras Bafna
(DIN: 01933663)
Whole Time Director

Bafna Mahaveer Chand
(DIN: 01458211)
Chairman & Managing Director

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 (IN 000')

S No.	1	
Name of the subsidiary	Bafna Life Styles Remedies Limited	
Reporting period for the Subsidiary concerned, If different from the holding company's reporting period	31 st March 2017 (Same as holding Company)	
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	
	<u>31.03.2017</u>	<u>31.03.2016</u>
Share capital	22,950.00	22,950.00
Reserves & Surplus	(37,635.97)	(24,740.69)
Total assets	125,487.93	89,877.01
Total Liabilities	125,487.93	89,877.01
Investments	0	0
Turnover	0	7,374.21
Profit / (Loss) before taxation	(10,573.17)	(27,916.55)
Provision for taxation	NIL	NIL
Profit / (Loss) after taxation	(9,895.27)	(29,569.79)
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 AABHAY JAIN & Co
Chartered Accountants
FRN No: 000008S

(A.K.JAIN)
PARTNER
M.No:70224

(BAFNA MAHAVEER CHAND)
DIN 01458211
Managing Director

(PARAS BAFNA)
DIN 01933663
Whole Time Director

Place: Chennai
Date: 08.08.2017

C. SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 (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 31.03.2017, 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 31.03.2017 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, 1996;

- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and 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 had not appointed Chief Financial Officer (CFO) within a period of Six months from the date of such vacancy as required under Section 203(4) of Companies Act, 2013.
- b) During the year, the Company did not disclose the following material events and has not regularly updated the Stock Exchange, as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - i. Winding up petition filed against the Company by the creditor M/s. Dalas Biotech Limited and the status of the litigation with impact.
 - ii. Order passed by the Hon'ble High court dated 11.11.2016 in the matter of Winding up petition filed against the Company by the creditor M/s. Wanbury Limited and the status of the litigation with impact.
 - iii. Disruption of operations due to natural calamity i.e. Cyclone.
 - iv. Criminal case filed under Section 138 of Negotiable Instruments Act against all the Directors of the Company and the status of the litigation with impact.

c) The Company had not filed e-Form MGT-14 with the Registrar of Companies, for registering the resolutions passed in the meeting of Board of Directors for issue of 40 00,000 Share Warrants and Special Resolution passed for the same by way of postal ballot, as required under Section 117 of Companies Act, 2013.

We further report that, during the year,

a) Winding up petition was filed in Hon'ble High Court of Madras against the Company by M/s. Dalas Biotech Limited, a trade creditor of the Company under Section 443 of the Companies Act, 1956, vide C.P. NO. 215 OF 2016.

b) The Hon'ble High Court of Madras in CP.NO.201 of 2015, filed by M/s. Wanbury Limited, against the Company under Section 443 of Companies Act, 1956, had issued an order on 11th November, 2016 approving the repayment schedule for the outstanding amount of Rs. 43,46,262/- at an interest of 9% p.a.

Due to establishment of National Company Law Tribunal (NCLT) and enactment of Insolvency and Bankruptcy Code, 2016, the above mentioned petitions filed before the Hon'ble High Court of Madras were transferred to Hon'ble NCLT, Chennai Bench and were numbered as TCP/96/IB/CB/2017 and TCP/456/IB/2017 respectively and the same are pending before the Hon'ble NCLT, Chennai Bench.

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

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.

(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 the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, had passed Special resolution by way of postal ballot on 02.08.2016 for issue of 40,00,000 (Forty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each. Subsequently, the entire preferential issue of 40,00,000 Warrants and in-principle application filed with the Stock Exchanges had been withdrawn by the Board of Directors of the Company on 04.01.2017.

We further report that the Company, pursuant to 62 (1) (c) read with Section 42 of Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company had passed Special resolution by way of postal ballot on 09.02.2017 for issue of 80,00,000 (Eighty Lakhs only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each.

For A.K.JAIN & ASSOCIATES
Company Secretaries

Place: Chennai
Date: 08.08.2017

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

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

Place: Chennai
Date: 08.08.2017

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

D. EXTRACT OF ANNUAL RETURN IN FORM MGT 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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 - 600001
- 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 – 600002
PHONE: 044- 28460390 (6 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 -600037	U52599TN1994PLC027134	SUBSIDIARY	62.31	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	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. Promoters									
a) Individual/HUF	2143965	0	2143965	11.4918	2797362	0	2797362	14.9941	3.5022
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
State Govt. (s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other....									
Directors and Relatives	4038503	0	4038503	21.6468	3438503	0	3438503	18.4307	-3.2160
Sub-total (A) (1):-	6182468	0	6182468	33.1387	6235865	0	6235865	33.42	0.2942
(2) Foreign									
a) NRIs -	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other -	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other....	0	0	0	0.0000	0	0	0	0.0000	0.0000
b-total (A) (2):-	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A) =	6182468	0	6182468	33.1387	6235865	0	6235865	33.42	0.2942
B. Public Shareholding									
a) Mutual Funds/ Banks/FI	23491	0	23491	0.1259	47133	0	47133	0.2526	0.1267
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Insurance	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) FIIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000

Others (specify) – FI h) & Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (B)(1):-	23491	0	23491	0.1259	47133	0	47133	0.2526	0.1267
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1804193	5000	1809193	9.6974	1359570	5000	1364570	7.3062	-2.3912
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4103511	96275	4199786	22.5113	4402517	96249	4498766	24.1138	1.6025
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4870030	24000	4894030	26.2325	4875796	24000	4899796	26.2634	0.0309
Others	32230	0	32230	0.1727	33491	0	33491	0.1795	0.0067
a) Clearing Members									
b) Foreign Nationals	1000	0	1000	0.0053	2000	0	2000	0.0107	0.0053
c) HUF	433751	0	433751	2.3249	489175	0	489175	2.6220	0.2970
d) NRI's	1080386	0	1080386	5.7909	1085539	0	1085539	5.8186	0.0276
Total B2	12325101	125275	12450376	66.7353	12248088	125249	12373337	66.3144	-0.4209
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12348592	125275	12473867	66.8612	12295221	125249	12420470	66.5670	-0.2942
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A+B+C)	18531060	125275	18656335	100.0000	18531086	125249	18656335	100.0000	0.0000

(ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % 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	Bafna Mahaveer Chand	834744	4.47	-	1485078	7.96	10.002	3.49
2	Sasikala Bafna	1227572	6.58	18656335	627572	3.36	-	3.22
3	Paras Bafna	911671	4.89	18656335	911671	4.89	-	-
4	Naveen Bafna	397058	2.13	-	400121	2.14	-	-
5	Chetna Bafna	2132805	11.43	-	2132805	11.43	-	-

6	Amri Bai Bafna	519891	2.79	-	519891	2.79	2.68	-
7	Mahaveer Chand Bafna HUF	158235	0.8481	-	158235	0.8481	-	0.0000
8	Paras Bafna HUF	492	0.0026	-	492	0.0026	-	0
	Total	6182468	33.13	-	6235865	33.42	12.682	

iii) Change in Promoters' Shareholding -

SI 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	CHETNA BAFNA.				
	At the beginning of the year 01-Apr-2016	2132805	11.4320	2132805	11.4320
	At the end of the Year 31-Mar-2017	2132805	11.4320	2132805	11.4320
2	PARAS BAFNA				
	At the beginning of the year 01-Apr-2016	911671	4.8866	911671	4.8866
	Sale 23-Dec-2016	-411671	2.2066	500000	2.6800
	Purchase 23-Dec-2016	411671	2.2066	911671	4.8866
	At the end of the Year 31-Mar-2017	911671	4.8866	911671	4.8866
3	SASIKALA BAFNA				
	At the beginning of the year 01-Apr-2016	1227572	6.58	1227572	6.58
	Sale 20-May-2016	-800000	4.2880	427572	2.29
	Sale 05-Aug-2016	-158000	0.8468	269572	1.44
	Purchase 05-Aug-2016	358000	1.9189	627572	3.36
	At the end of the Year 31-Mar-2017	627572	3.36	627572	3.36
4	BAFNA MAHAVEER CHAND				
	At the beginning of the year 01-Apr-2016	834744	4.47	834744	4.47
	Sale 06-May-2016	-267736	-1.44	567008	3.03
	Purchase 06-May-2016	318070	1.70	885078	4.73
	Sale 13-May-2016	-405000	-2.17	480078	2.56
	Purchase 13-May-2016	405000	2.17	885078	4.73
	Purchase 20-May-2016	600000	3.23	1485078	7.96
	At the end of the Year 31-Mar-2017	1485078	7.96	1485078	7.96
5	AMRI BAI BAFNA.				
	At the beginning of the year 01-Apr-2016	519891	2.79	519891	2.79
	Sale 19-Aug-2016	-507924	2.7225	11967	0.0675
	Purchase 19-Aug-2016	507924	2.7225	519891	2.79
	Sale 14-Oct-2016	-500000	2.6800	19891	0.11
	Purchase 06-Jan-2017	500000	2.6800	519891	2.79
	At the end of the Year 31-Mar-2017	519891	2.79	519891	2.79

6	NAVEENBAFNA M				
	At the beginning of the year 01-Apr-2016	397058	2.13	397058	2.13
	Sale 06-May-2016	-100	0.0005	396958	2.13
	Purchase 13-May-2016	100	0.0005	397058	2.13
	Sale 24-Jun-2016	-500	0.0026	396558	2.13
	Purchase 05-Aug-2016	3429	0.0183	399987	2.14
	Sale 02-Sep-2016	-200	0.0010	399787	2.14
	Purchase 21-Sep-2016	200	0.0010	399987	2.14
	Purchase 23-Dec-2016	39	0.0002	399948	2.14
	Purchase 03-Mar-2017	95	0.0005	400121	2.14
	At the end of the Year 31-Mar-2017	400121	2.14	400121	2.14
7	MAHAVEER CHAND BAFNA HUF				
	At the beginning of the year 01-Apr-2016	158235	0.8481	158235	0.8481
	At the end of the Year 31-Mar-2017	158235	0.8481	158235	0.8481
8	PARAS BAFNA.				
	At the beginning of the year 01-Apr-2016	492	0.0026	492	0.0026
	At the end of the Year 31-Mar-2017	492	0.0026	492	0.0026

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

SI 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	LINDAJEET KAUR RUPRAI				
	At the beginning of the year 01-Apr-2016	667352	3.5770	667352	3.5770
	At the end of the Year 31-Mar-2017	667352	3.5770	667352	3.5770
2	NISHA JIGNESH MEHTA				
	At the beginning of the year 01-Apr-2016	550620	2.9513	550620	2.9513
	Sale 23-Dec-2016	-550620	2.9513	0	0.0000
	Purchase 23-Dec-2016	550620	2.9513	550620	2.9513
	At the end of the Year 31-Mar-2017	550620	2.9513	550620	2.9513
3	RAMESH KUMAR CHOPRA				
	At the beginning of the year 01-Apr-2016	383250	2.0542	383250	2.0542
	At the end of the Year 31-Mar-2017	383250	2.0542	383250	2.0542
4	GYAN MAL JAIN.				
	At the beginning of the year 01-Apr-2016	340000	1.8224	340000	1.8224
	At the end of the Year 31-Mar-2017	340000	1.8224	340000	1.8224
5	DHIRENDRA SOMAIYA				
	At the beginning of the year 01-Apr-2016	328200	1.7591	328200	1.7591
	At the end of the Year 31-Mar-2017	328200	1.7591	328200	1.7591

6	VISHWAS JAIN.				
	At the beginning of the year 01-Apr-2016	309435	1.6586	309435	1.6586
	At the end of the Year 31-Mar-2017	309435	1.6586	309435	1.6586
7	KUSUM JAIN.				
	At the beginning of the year 01-Apr-2016	302618	1.6220	302618	1.6220
	At the end of the Year 31-Mar-2017	302618	1.6220	302618	1.6220
8	SANGEETHA S				
	At the beginning of the year 01-Apr-2016	253150	1.3569	253150	1.3569
	Purchase 08-Apr-2016	1783	0.0095	254933	1.3664
	Purchase 15-Apr-2016	7757	0.0415	262690	1.4080
	Sale 14-Oct-2016	-262690	1.4080	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
9	INDIABULLS COMMERCIAL CREDIT LIMITED				
	At the beginning of the year 01-Apr-2016	146447	0.7849	146447	0.7849
	Sale 24-Mar-2017	-146447	0.7849	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
10	LAXMIBEN ARJANBHAI PATEL				
	At the beginning of the year 01-Apr-2016	141000	0.7557	141000	0.7557
	At the end of the Year 31-Mar-2017	141000	0.7557	141000	0.7557
	NEW TOP 10 AS ON (31-Mar-2017)				
11	SUBRAMANIAN P				
	At the beginning of the year 01-Apr-2016	38163	0.2045	38163	0.2045
	Purchase 30-Jun-2016	2227	0.0119	40390	0.2164
	Purchase 02-Sep-2016	8025	0.0430	48415	0.2595
	Purchase 14-Oct-2016	341540	1.8306	389955	2.0902
	Purchase 21-Oct-2016	2266	0.0121	392221	2.1023
	Purchase 28-Oct-2016	4000	0.0214	396221	2.1237
	Purchase 04-Nov-2016	3652	0.0195	399873	2.1433
	Purchase 11-Nov-2016	16100	0.0862	415973	2.2296
	At the end of the Year 31-Mar-2017	415973	2.2296	415973	2.2296
12	KRYPTON INVESTMENT CONSULTANCY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	89406	0.4792	89406	0.4792
	Purchase 24-Mar-2017	146447	0.7849	235853	1.2641
	At the end of the Year 31-Mar-2017	235853	1.2641	235853	1.2641
13	SARAVANA GLOBAL HOLDINGS LIMITED				
	At the beginning of the year 01-Apr-2016	76713	0.4111	76713	0.4111
	Purchase 22-Jul-2016	23302	0.1249	100015	0.5360
	Purchase 14-Oct-2016	25281	0.1355	125296	0.6716
	Purchase 04-Nov-2016	12700	0.0680	137996	0.7396
	Purchase 18-Nov-2016	3842	0.0205	141838	0.7602
	Purchase 25-Nov-2016	7969	0.0427	149807	0.8029
	At the end of the Year 31-Mar-2017	149807	0.8029	149807	0.8029

(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	BAFNA MAHAVEER CHAND				
	At the beginning of the year 01-Apr-2016	834744	4.47	834744	4.47
	Sale 06-May-2016	-267736	-1.44	567008	3.03
	Purchase 06-May-2016	318070	1.70	885078	4.73
	Sale 13-May-2016	-405000	-2.17	480078	2.56
	Purchase 13-May-2016	405000	2.17	885078	4.73
	Purchase 20-May-2016	600000	3.23	1485078	7.96
	At the end of the Year 31-Mar-	1485078	7.96	1485078	7.96
2	Sri Paras Bafna Whole time Director				
	At the beginning of the year 01-Apr-2016	911671	4.8866	911671	4.8866
	Sale 23-Dec-2016	-411671	2.2066	500000	2.6800
	Purchase 23-Dec-2016	411671	2.2066	911671	4.8866
	At the end of the Year 31-Mar-2017	911671	4.8866	911671	4.8866

V. INDEBTEDNESS (Rs. In THOUSANDS)

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	801449.785	-	-	801449.785
ii) Interest due but not paid	9478.867	-	-	9478.867
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	810928.652	-	-	810928.652
Change in Indebtedness during the financial year				
Addition	36507.256	22422.04	-	58929.296
Reduction	46160.049	-	-	46160.049
Net Change Indebtedness	(9652.793)	22422.04	-	12769.247
At the end of the financial year				
i) Principal Amount	795928.036	22422.04	-	818350.076

ii) Interest due but not paid	5347.823	-	-	5347.823
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	801275.859	22422.04	-	823697.899

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	Paras Bafna Whole Time Director	Sabitha Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.60	12.00	4.06	31.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.22	0.22	2.48	2.92
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission - as % of profit - others, specify...	-	-		-
5	Others, please specify	-	-	0.34	0.34
	Total	15.82	12.22	6.88	34.92
	Total (A) Remuneration for the purpose of Schedule V				63.86

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	0.60	0.50	0.30	0.60	2.00

	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.60	0.50	0.30	0.60	2.00
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)					
	Total (B)=(1+2)	0.60	0.50	0.30	0.60	2.00
	Total Managerial Remuneration (A+B)					36.92
	Overall Ceiling as per the Act					63.86

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	-	2.20	2.20
	(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)	-	2.20	2.20

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-C'

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:

S.No	Particulars	Details	
(a)	Name of the related party and nature of relationship	Bafna Lifestyles Remedies Ltd (Subsidiary Company)	Shri. Bafna Mahaveer Chand
(b)	Nature of contracts / arrangements / transactions	Rendering of Services, lease or hire purchase and Remuneration to Shri. Naveen Bafna	Payment of Rent
(c)	Duration of the contracts /arrangements/transactions	2016-2017	2016-2017
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	In the ordinary course of business and at arm's length Rs.61,65,000/- (Inclusive of Remuneration paid to Shri . Naveen Bafna)	Payment of Rs. 22,50,000/- towards Rent to Shri. Bafna Mahaveer Chand
(e)	Date(s) of approval by the Board	27.05.2016	27.05.2016
(f)	Amount paid as advances, if any	Nil	Nil

CORPORATE GOVERNANCE

For the year ended 31st March, 2017

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.

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, Show cause, 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;

The Board comprises of 7 (Seven) Directors, out of which 3 (Three) are Executive Directors, 4 (Four) 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	01933653	Non-Executive Independent Director	NIL	NIL
Shri B. Kamlesh Kumar	01218959	Non-Executive Independent Director	1. JBM Properties Limited 2. Bafna Lifestyles Remedies Limited	NIL
Smt K. Sabitha	02643259	Executive Non- Independent Director	Bafna Lifestyles Remedies Limited	NIL

During the year under review Twelve 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) 08.04.2016 | (2) 27.04.2016 | (3) 07.05.2016 | (4) 30.05.2016 |
| (5) 17.06.2016 | (6) 11.08.2016 | (7) 02.09.2016 | (8) 11.11.2016 |
| (9) 04.01.2017 | (10) 07.01.2017 | (11) 04.02.2017 | (12) 14.03.2017 |

The details of attendance of directors at the Board Meetings during the financial year 2016-17 and the last AGM held on 28th September 2016 are as follows:

Name of Director	No. of Meetings Attended	AGM Date & Attendance 28 th Sep, 2016
Shri Bafna Mahaveer Chand	12	P
Shri Paras Bafna	11	P
Shri R Dwarakanathan	6	P
Shri Sunil Bafna	12	P
Shri V Rajamani	8	P
Shri B Kamlesh Kumar	4	P
Smt K Sabitha	12	P

“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-9 annexed 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 Paras Bafna	9,11,671

I. Audit committee

The Audit committee comprises of 4 Directors out of which 3 are Non-Executive Independent Directors. The Composition of the Audit Committee as on 31st March, 2017 is as follows:

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

During 2016-17 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	4

Shri Bafna Mahaveer Chand	Member	4
Shri B. Kamlesh Kumar	Member	1

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

(1) 30.05.2016 (2) 11.08.2016 (3) 11.11.2016 (4) 04.02.2017

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 21st AGM held on 28th September, 2016 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 Auditors 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 / CEO 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 CEO, Manager Accounts & Finance, Statutory Auditors, Internal Auditors and other Senior Management persons.

II. NOMINATION & REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

The Composition of the Nomination & Remuneration Committee (Remuneration Committee) as on 31st March, 2017 is as follows:

- Shri R. Dwarakanathan - Chairman
- Shri V. Rajamani - Member
- Shri Sunil Bafna - Member

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 2016-17 committee meeting was held on 11.11.2016 and the details of attendance of the committee is as follows.

<u>Name & Designation</u>	<u>No of Meetings Attended</u>
Shri R. Dwarakanathan - Chairman	1
Shri V. Rajamani – Member	1
Shri Sunil Bafna – Member	1

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, 2017 is as follows:

- Shri. Sunil Bafna – 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 no complaints during the year 2016-17 and there are no pending complaints as on 31st March, 2017. During FY 2016-17, one committee meeting held on 27.10.2016 to consider the transfer.

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. No complaints were received during the year under review.

IV. WARRANT ALLOTMENT COMMITTEE:

The Board of Directors on their meeting held on 14.03.2017 constituted a committee named Warrant Allotment Committee consists of following directors as members and delegated its power pertaining to allotment of 80,00,000 share warrants to the proposed offerees.

NAME
Shri. Bafna Mahaveer Chand
Shri B. Kamlesh Kumar
Smt. Sabitha

The responsibilities of the Committee inter alia are:

- To allot 80, 00,000 share warrants to the proposed offerees.
- To take all necessary steps, decisions required in connection with allotment of warrants.
- To settle any questions, difficulty or doubt that may arise in regard to the offer/ issue and allotment of aforesaid warrants.
- To do all such acts, deeds, things and execute all such deeds, documents ad writings as may be necessary.
- To elect the chairman from among themselves.

V. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 29.03.2017, 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 the 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.

VI. 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, 2014	10.09.2014	10.30 AM	NARADA GANA SABHA (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai – 600018	Yes*
31 st March, 2015	29.09.2015	02.30 PM	147, MADHAVARAM RED HILLS HIGH ROAD, Grantlyon Village, Chennai – 600052	No
31 st March, 2016	28.09.2016	03.00 PM	147, MADHAVARAM RED HILLS HIGH ROAD, Grantlyon Village, Chennai – 600052	No

* Special Resolutions were passed authorizing the Board of Directors, in terms of Sec 180(1)(a) & 180(1)(c) of the Companies Act, 2013, to borrow upto Rs.150 crores apart from temporary loans, on excess of the aggregate of the paid up capital and free reserves and to create security or create mortgages, charges and hypothecation over the assets of the Company.

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

During the year, by Postal Ballot under Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the Company has passed a Special resolution under Section 62 (1) (c) read with Section 42 and other applicable provisions, if any, of Companies Act, 2013, for issue of 40,00,000 (Forty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each. The company had appointed Shri. Pankaj Mehta, Practicing Company Secretary as scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. Postal Ballot forms received upto 31st day of July, 2016 had been considered and the result of Postal Ballot was announced on 2nd day of August, 2016. Subsequently, the entire preferential issue of 40,00,000 Warrants and in-principle application filed with the Stock Exchanges had been withdrawn by the Board of Directors of the Company on 04.01.2017.

The Details of Result of the Postal Ballot are as under:

S. No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Net valid votes	32	70,10,144	27	9,36,908	59	79,47,052
2.	Total votes favoring the resolution.	31	70,09,644	27	9,36,908	58	79,46,552
3.	Total votes against the resolution.	1	500	0	0	1	500

Further, during the year, by Postal Ballot under Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the Company has passed a Special resolution under Section 62 (1) (c) read with Section 42 and other applicable provisions, if any, of Companies Act, 2013, for issue of 80, 00,000 (Eighty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each. The company had appointed Shri. Pankaj Mehta, Practicing Company Secretary as scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. Postal Ballot forms received upto 8th day of February, 2017, had been considered and the result of Postal Ballot was announced on 9th day of February, 2017.

The Details of Result of the Postal Ballot are as under:

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Net valid votes	30	67,67,318	14	17,866	44	67,85,184
2.	Total votes favoring the resolution.	29	67,66,818	13	6,276	42	67,85,184
3.	Total votes against the resolution.	1	500	1	11,590	2	12,090

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 March 31, 2017, 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

VII. 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 therein and details of transactions with such related parties have been disclosed in Note No.29 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 '17, 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.

VIII. 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 Economic Times / Financial Express & Vernacular (Tamil) language in Makkal Kural.

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

General Shareholders' Information

Annual General Meeting : Saturday, the 30th September, 2017 at 2.00 PM
Venue : 147, Madhavaram Red Hills High Road,
 Grantlyon Village, Chennai - 600052
Financial Year : The Accounting year covers the period from 1st April to 31st March.

Financial reporting for the quarters ending on:

30th June, 2016 - Before 15th August, 2016
 30th September, 2016 - Before 15th November, 2016
 31st December, 2016 - Before 15th February, 2017
 31st March, 2017 - Before the end of 31st May, 2017

Book Closure Dates : 24.09.2017 to 30.09.2017 (both dates inclusive)

Dividend Payment Date : Not Applicable

Cut-off date for taking list of

Shareholders for e-voting : 23.09.2017

Registered office : Bafna Pharmaceuticals Limited
 New No.68, Old No.299, Thambu Chetty Street,
 Chennai - 600001

Listing on Stock Exchange : (i) Bombay Stock Exchange Limited.
 Stock code (BSE): 532989
 (ii) National Stock Exchange of India Limited
 Scrip Symbol (NSE): BAFNAPHARM

The company has paid Annual listing fees up to date.

Depositories : **a) The National Securities Depository Limited**
 4th Floor, Trade World, Kamala Mill Compound,
 Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
b) Central Depository Services (India) Limited
 Phiroze Jeejeebhoy Towers, 17th Floor,
 Dalal Street, Mumbai – 400 001

ISIN No. : INE878I01014

Number of Shareholders : 9892 (As at 31st March, 2017)

Shareholding Pattern as at 31st March, 2017

Particulars	Holding (%)
Promoters & Promoters Group	33.42%

Total (A)	33.42%
Public – Institutions	0.25
Total (B)	0.25
Public – Non Institutions	
Bodies Corporate	7.31
Individuals	50.38
Others	8.64
Total (C)	66.33
Total (A+B+C)	100.00

Distribution of Shareholding as on 31st March, 2017 – not updated

Share or Debenture Holding	Share Holders		Share Amount	
	Rs.	Number	% of Total	Rs.
10-5000	7794	78.80	13138070	7.04
5001-10000	960	9.70	8375860	4.48
10001-20000	477	4.82	7565790	4.05
20001-30000	175	1.76	4681910	2.50
30001-40000	86	0.86	3141660	1.68
40001-50000	107	1.08	5132770	2.75
50001-100000	145	1.46	10766690	5.77
100001-And above	147	1.48	133760600	71.6971
TOTAL	9892	100.00	186563350	100.00

Share market data: Monthly Share Price movement during the financial year ended 31st March, 2017 at BSE & NSE

The closing market price of equity share on 31st March, 2017 (last trading day of the year) was Rs.29.55 on BSE & Rs.29.60 on NSE.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-16	34.85	29.95	523816	35	29.05	1924862
May-16	32.35	28.5	276606	32.40	28.50	629126

<i>Jun-16</i>	<i>31.5</i>	<i>27.1</i>	<i>449195</i>	<i>31.55</i>	<i>27.55</i>	<i>1298423</i>
<i>Jul-16</i>	<i>33.3</i>	<i>29</i>	<i>536592</i>	<i>33.30</i>	<i>29</i>	<i>1234182</i>
<i>Aug-16</i>	<i>29.9</i>	<i>26.5</i>	<i>261695</i>	<i>30.25</i>	<i>26.55</i>	<i>635833</i>
<i>Sep-16</i>	<i>35.5</i>	<i>26.85</i>	<i>1038432</i>	<i>35.70</i>	<i>27</i>	<i>2614798</i>
<i>Oct-16</i>	<i>35.8</i>	<i>31</i>	<i>683977</i>	<i>35.95</i>	<i>30.85</i>	<i>17,28,125</i>
<i>Nov-16</i>	<i>34.4</i>	<i>26.25</i>	<i>271099</i>	<i>34.80</i>	<i>26.20</i>	<i>761128</i>
<i>Dec-16</i>	<i>33.6</i>	<i>28</i>	<i>298072</i>	<i>33.60</i>	<i>27.80</i>	<i>690901</i>
<i>Jan-17</i>	<i>35.25</i>	<i>28.5</i>	<i>399977</i>	<i>34.15</i>	<i>28.50</i>	<i>1308978</i>
<i>Feb-17</i>	<i>33.3</i>	<i>29.3</i>	<i>392680</i>	<i>33.45</i>	<i>29.10</i>	<i>1045358</i>
<i>Mar-17</i>	<i>32.2</i>	<i>29.1</i>	<i>457786</i>	<i>32.10</i>	<i>29.30</i>	<i>1099993</i>

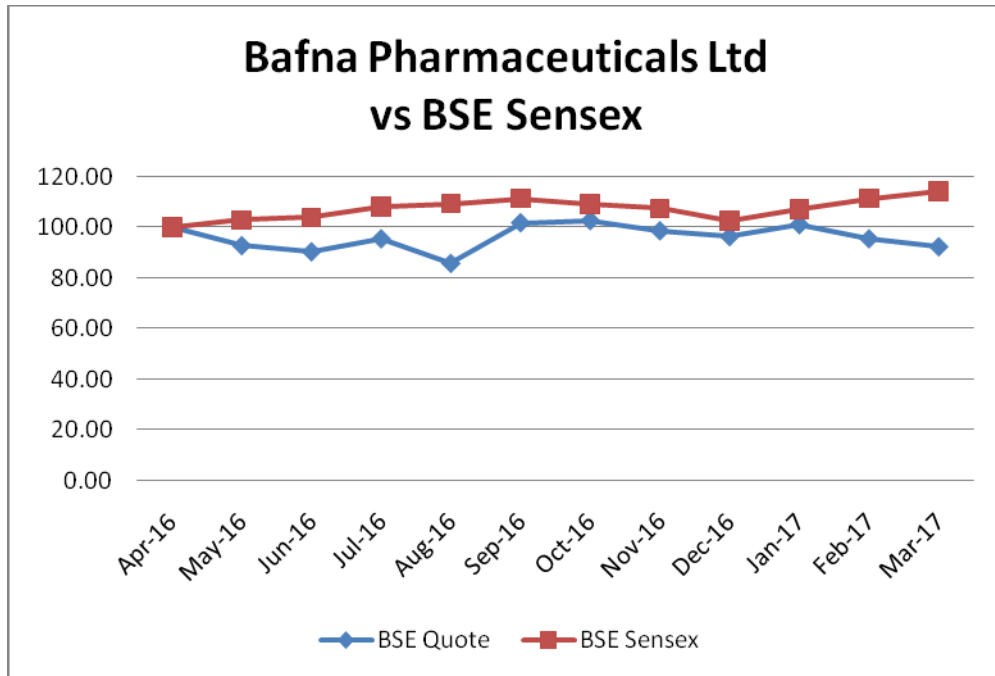
Reconciliation of Share Capital Audit:

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, 2017, 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.

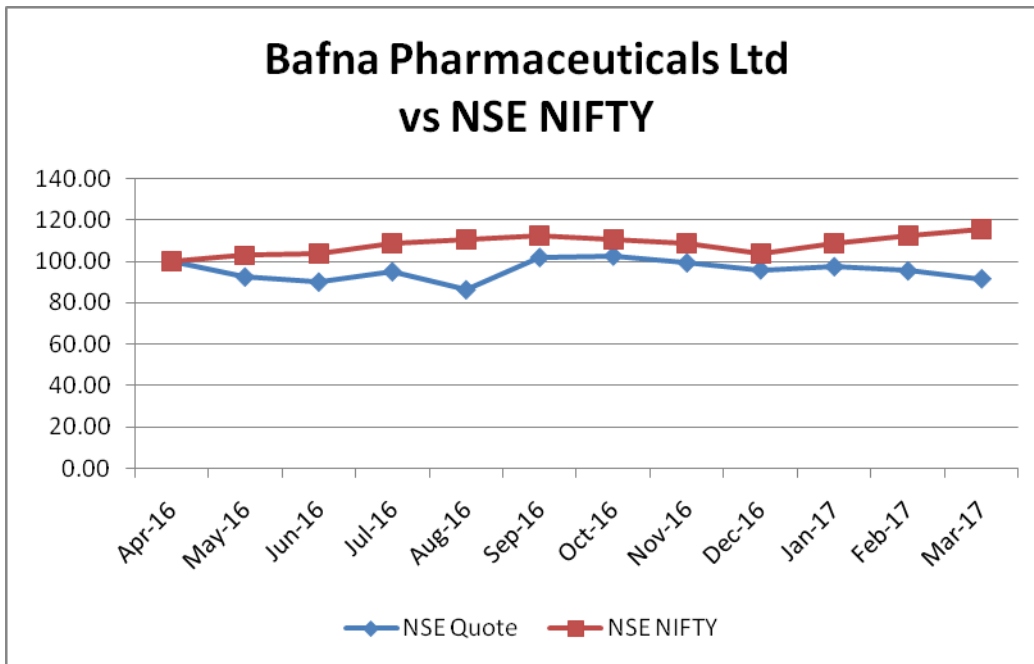
Share Transfer System:

The Company has appointed Share Transfer Agents 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.

Performance of BSE Index Vs Bafna Pharma from 1st April, 2016 to 31st March, 2017



Performance of NSE Index Vs Bafna Pharma from 1st April, 2016 to 31st March, 2017



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, 2017, around 99.33 % of the total equity capital of the Company was held in dematerialized form and only 0.67 % 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 on equity:

The Company, during the year, has issued 80,00,000 (Eighty Lakh only) Warrants carrying an option /entitlement to subscribe to Equity shares of Rs.10/- each. Eighty lakhs equity shares of Rs.10/- each shall be allotted to the warrant holders on payment of entire subscription money.

Plant Location : This information forms part of the 'Company SnapShot' section in the Annual Report.

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 Services Ltd. No.1, Club House Road, Chennai – 600 002 Phone: 044 – 28460390, Fax No: 044 – 28460129
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 TO DIRECTORS

A. 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.

B. Non-Executive Directors

The Non-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 elsewhere in the Annual report forms part of this report.

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

Place: Chennai
Date: 08.08.2017

Bafna Mahaveer Chand
(DIN: 01458211)
Managing Director

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 2016-17 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 overall 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)

Place: Chennai
Date: 08.08.2017

Sd/-

Bafna Mahaveer Chand
(DIN: 01458211)
Managing Director

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 31 March 2017, 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 thereof, 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 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, 2017.

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 ABHAY JAIN & CO.
Chartered Accountants
FRN: 000008S

Place: Chennai
Date: 27.05.2017

SD/-
(A.K.JAIN)
Partner
M.No.70224

Management Discussion and Analysis

Economic & Industry Overview

The Pharmaceutical industry is one of the fastest growing industries in the world and it is one of the biggest contributors to the world economy. With buoyant financial markets and cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018, according to International Monetary Fund's World Economic Outlook. Growth in Emerging Markets and developing economies is forecast to rise to 4.5% and 4.5%, in 2017 and 2018 respectively.

The worldwide R&D spending on pharmaceuticals is expected to grow at a CAGR of 2.8% from USD 149.8 billion in 2015 to USD 182.0 billion by 2022, faster than the CAGR growth of 1.7% achieved during 2008-15. In spite of the challenging environment, pharmaceutical R&D spend and sales are expected to have a healthy growth trend. The worldwide pharmaceutical sales are likely to grow at a CAGR of 4.4% to USD 1.2 trillion during 2016-2020, driven by growing acceptance of high-priced innovative orphan drugs and

ongoing industry consolidation. By 2020, the Pharma industry is expected to record a CAGR of 16.5 per cent. The total industry size is expected to touch US\$ 160 billion by 2017 and US\$ 280 billion by 2020. Hence an attempt had been made to study the trends and patterns of FDI into Healthcare sector from 2012 to 2015. To fulfill this objective the data collected from secondary sources which is purely an Empirical study, reveals that the total FDI inflow into healthcare sector of India from 2012 to 2015 has shown a positive trend.

The world population is expected to grow around 8 billion by 2050. Presently there has been increase in number of people having access to the healthcare. Global spending on medicine is expected to reach USD 1.2 trillion by the end of 2016. India and Indonesia are expected to be the Asia & Australasia region's fastest-growing countries in pharma sales from 2016 - 20, at 13.0% and 11.0% CAGR respectively, due to the rising incidence of chronic diseases and increasing demand from the growing middle class for more advanced medicines.

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same periods. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. India's pharmaceutical exports stood at US\$ 16.4 billion in 2016-17 and are expected to grow by 30 per cent over the next three years to reach US\$ 20 billion by 2020, according to the Pharmaceuticals Export Promotion Council of India

It is also expected that in-organic investments will gain momentum in the medium-term as companies plan to create stronger presence in emerging markets and build expertise in select therapy areas.

Stringent regulatory norms like the Notification of new pricing policy is going to have a great impact on the whole industry by capping of prices of 348 essential medicines based on the arithmetic average of prices of all drugs in a particular segment with more than one per cent market share. Any company changing composition of any of these drugs will need to seek a separate price approval from the regulator or empowered committee and prices will be reviewed periodically. It is estimated that around 30 per cent of the Pharma market would come under price control as compared to 17 per cent previously. The Company manages its product portfolio so as to move away, reduce and minimize the product weight age of drugs under price control.

The passing of the GST (Goods and Services Tax) Bill has grabbed the attention across all the industries in the country. It would benefit most of the sectors and make the taxation process easier as it will replace a number of different taxes and duties.

The Indian Healthcare Industry is now among of the major sectors with respect to revenue and to employment. As the expenditure on the Healthcare increases, so do revenues from taxes. Recently, the Government of India decided for the implementation of GST, which would subsume various taxes of the complex tax system in the country into one uniform tax system.

In general, the impact of GST on the Healthcare segment is still indeterminate. However, the your company have confidence that implementation of GST the customers and industry players will be in a win-win situation. The Healthcare Industry would profit from the GST implementation as it would diminish the complexities and various obstacles to the growth of business. Healthcare sector including the medical

tourism is on the way of expanded profitability and promising development.

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. Implementation of Goods and Service Tax would have an impact on the pharmaceutical sector which will result in loss. 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	75	32
2	Nepal	16	-
3	Myanmar	2	-
4	Nigeria	27	6
5	Uzbekistan	3	-
6	Vietnam	3	9
7	Ghana	16	-
8	Kyrgyzstan	4	-
9	Georgia	2	-
10	Philippines	7	19
11	Yemen	3	-
12	Colombia	1	-
13	Peru	1	4
14	Honduras	3	-
15	Ukraine	15	10
16	Russia	-	4
17	UAE	3	-
18	Tanzania	-	9
19	Tajikistan	1	1
20	Kazakhstan	-	4
21	Ethiopia	4	3
22	Cameroon	-	6
	TOTAL	186	107

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 sales and operating income decreased to Rs. 66.10 Cr from Rs.87.30 Cr in the previous year yielding a decline in growth of 32% due to the financial constraints. The consolidated net loss for the year 2017 was Rs. 19.08 Cr as against FY 2016 of Rs.14.02 Cr.

Standalone Operating Results

The sales and operating income decreased to Rs.66.10 Cr from Rs. 86.56 Cr in the previous year decline rate of 31%. The operating Loss for the year under review is Rs.9.10 Cr as against Rs.1.29 Cr in the previous year due to decline in revenue. The loss after tax for the year under review is Rs.18.47 Cr as against Rs.12.18 Cr in the previous year. The company is in growth/expansion mode requiring further investment; your company is therefore evaluating various options to raise additional funds for which shareholders approval may be sought as and when things are finalized.

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 Shri. Gaurav Jain, Chartered Accountant, Chennai, for the financial year 2016-2017.

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 thereon 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, 2017 was 230 as against 242 during FY 16, a net decrease of 12 employees.

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)

Date: 08.08.2017

Place: Chennai

SD/-
Bafna Mahaveer Chand
(DIN: 01458211)
Chairman & Managing Director

***Standalone Financial
Statements***

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bafna Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give the true and fair view of the financial position, financial performance and cash flows of the Company with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 the appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
- (d) Company had provided requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in point no 2(g) of the notes of accounts, which are in accordance with the books of accounts maintained by the company. Based on our audit procedure and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g. With respect to the other matters included in the auditor’s report and to the best of our information and according to the explanation given to us.

1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.

2) 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.

3) There has been no delay in transferring amounts, required to be transferred, to the investor’s 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 of India in terms of Section 143(3) of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For ABHAY JAIN & Co.,
Chartered Accountants
(FRN. 000008S)**

**Place: Chennai
Date: 27.05.2017**

**A K Jain
Partner
M No 70224**

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls 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 M/s. Bafna Pharmaceuticals Limited ("the Company") as of 31st March 2017 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 Company's management 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 ('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 business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's 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 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 Company's 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent 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 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 31st March 2017, 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.

**For ABHAY JAIN & Co.,
Chartered Accountants
(FRN. 000008S)**

Place: Chennai

Date: 27.05.2017

**A K Jain
Partner
M No 70224**

Annexure - B to the Independent Auditors' Report

The Annexure referred to in paragraph 1 of our Report of even date to the members of BAFNA PHARMACEUTICALS LIMITED, on the accounts of the Company for the year ended 31st March, 2017.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its 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) The title deeds of immovable properties are held in the name of the Company.
2. (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.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted unsecured loan to its Subsidiary Company listed in the register maintained under Section 189 of the Companies Act, 2013.

(a) The applicable terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the company.

(b) The schedule of repayment of principal has been stipulated as per the terms, there are no repayments or receipts of principal amounts during the year. Also refer notes 30(e) to the financial statements.
4. In our opinion, and according to the information and explanations given to us, the Company has complied the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loan, guarantees and securities as applicable.
5. The Company has not accepted any Deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
6. The maintenance of Cost records has been specified by the central government under section 148(1) of the Companies Act 2013, We have broadly reviewed the cost records maintained by

the Company pursuant to the Companies (cost records and audit) Rules 2014, as amended and 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.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (c) 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 [balance sheet date] which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
INCOME TAX ACT, 1961	Regular Demand	0.13	A/Y 2014-15	CIT Appeal Chennai

8. 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 any financial institution or bank or government as of the balance sheet date.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(9) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(12) of the Order are not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has made preferential allotment of 50 lakhs shares warrants (partly paid up) fully convertible in to equity shares to the investors, during the year under review.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(15) of the Order are not applicable to the Company.
16. 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(16) of the Order are not applicable to the Company.

**For ABHAY JAIN & Co.,
Chartered Accountants
(FRN. 000008S)**

**Place: Chennai
Date: 27.05.2017**

**A K Jain
Partner
M No 70224**

Standalone - Balance Sheet

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in 000)

Particulars	NOTE	March 31, 2017		March 31, 2016	
EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	1,86,563.35		1,86,563.35	
(b) Reserves & Surplus	4	2,23,181.56		4,07,883.65	
			4,09,744.91		5,94,447.00
(2) Equity Share Warrants	5	40,000.00		-	
			40,000.00		-
(3) Non-Current Liabilities					
(a) Long Term Borrowings	6	3,90,109.60		3,51,713.43	
(b) Deferred Tax Liabilities (Net)	7	25,027.62		33,379.65	
(c) Other Long Term Liabilities	6.1	300.00		300.00	
(d) Long Term Provisions		-		-	
			4,15,437.22		385,393.08
(4) Current Liabilities					
(a) Short Term Borrowings	8	4,33,729.17		453,078.60	
(b) Trade Payables	9	2,33,978.23		299,270.35	
(c) Other Current Liabilities	10	1,38,643.58		117,122.62	
			8,06,350.97	-	869,471.57
TOTAL		16,71,533.11			1,849,311.65

ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	4,33,231.07		469,907.90	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non Current Investment	12	1,83,300.00		183,300.00	
(c) Deferred Tax Assets (Net)		-		-	
(b) Long Term Loans and Advances		-		-	
(e) Other Non Current Assets	13	5,782.44		7,167.66	
			6,22,313.51		660,375.56
(2) Current Assets					
(a) Current Investments					
(b) Inventories	14	1,67,399.45		163,522.19	
(c) Trade Receivables	15	5,37,032.43		678,917.93	
(d) Cash and cash Equivalents	16	26,560.29		26,958.92	
(e) Short Term Loans and Advances	17	3,18,227.42		319,537.05	
(b) Other Current Assets		-		-	
			10,49,219.60		1,188,936.10
TOTAL		16,71,533.11			1,849,311.65

Significant Accounting policies, Notes on Financial Statements 1 to 31
As per report of our even date attached

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)
M. No: 70224

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Standalone - Statement of Profit & Loss**STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2017****(Rs. in '000)**

Particulars	NOTE	March 31, 2017	March 31, 2016
Revenue from Operations	18	6,49,615.19	8,53,184.17
Other Income	19	11,401.56	12,412.19
Total Revenue		6,61,016.75	8,65,596.35
Expenses			
Cost of Material Consumed	20	2,03,061.79	2,24,222.01
Purchase of Stock-in-trade	21	4,02,005.79	5,01,514.65
Changes in Inventories of Finished Goods	22	(30,916.00)	(13,173.90)
Payment to Employees	23	66,226.01	64,396.05
Financial Expenses	24	1,13,368.19	1,24,740.68
Depreciation and Amortization expenses	25	38,913.03	41,121.33
Other Expenses	26	61,412.05	48,050.72
Total Expenses		8,54,070.87	9,90,871.54
Profit before Exceptional Items and Tax		(1,93,054.12)	(1,25,275.19)
Exceptional Items	27	-	-
Profit before Extraordinary items		(1,93,054.12)	(1,25,275.19)
Extraordinary items		-	-
Profit before Tax		(1,93,054.12)	(1,25,275.19)
Current Tax		-	-
Deferred Tax		8,352.03	3,430.83
Tax for Earlier Years		-	-
Profit (Loss) for the period		(1,84,702.09)	(1,21,844.36)
Earnings per Equity Share			
(1) Basic		(9.90)	(6.53)
(2) Diluted		(9.90)	(6.53)

Significant Accounting policies, Notes on Financial Statements 1 to 31
As per report of our even date attached

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Standalone - Cash Flow Statement
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in '000)

Particulars	March 31, 2017		March 31, 2016	
Cash Flow From Operating Activities				
Net Profit Before Tax	(1,93,054.12)		(125,275.19)	
Add: Depreciation and Amortization Expenses	38,913.03		41,121.33	
Add: Interest Paid	1,13,368.19		124,740.68	
Less: Profit on Sale of Intangible Asset	-		-	
Less: Interest Received	(1,857.04)		(3,881.45)	
Less: Other Income	(9,544.52)		(8,530.74)	
Operating Profit before change of Working Capital	(52,174.46)		28,174.64	
Adjustment For:				
Change of Inventories	(3,877.26)		(10,224.64)	
Change in Debtors	1,41,885.50		25,893.73	
Change in Other Current Assets	1,309.63		(27,774.67)	
Change in Current Liabilities	(43,771.17)		(45,799.73)	
Cash generated from Operation	43,372.25		(29,730.68)	
Less: Tax Paid			-	
Net Cash From Operating Activities		43,372.25		(29,730.68)
Cash Flow from Investing Activities:				
Sale of Fixed Investments	-		-	
Purchase of Fixed Assets	(790.59)		(22,942.02)	
Profit on Sale of Intangible Asset	9,544.52		-	
Other Income	1,857.04		8,530.74	
Interest Received	-		3,881.45	
Change in Other Non- Current Assets	(60.39)		(336.41)	
Net Cash used in Investing Activities		10,550.58		(10,866.24)
Cash Flow from Financing Activities				
Issue of Shares & Application Activities	40,000.00		-	
Proceeds from Long Term Borrowings	38,396.17		2,47,782.69	
Repayment of Long Term Loans	-		-	
Repayment of short Term Loans	(19,349.43)		(79,979.55)	
Interest Paid	(1,13,368.19)		(124,740.68)	

Net Cash from Financing Activities		(54,321.46)		43,062.46
Net Increase/ (Decrease)		(398.62)		2465.54
In Cash or Cash Equivalents		(398.62)		2465.54
Opening Balance of Cash & Cash Equivalents		26,958.92		24,493.38
Closing Balance of Cash & Cash Equivalents		26,560.29		26,958.92

As per report of our even date attached

**For Abhay Jain & Co
Chartered Accountants
FRN No.000008S**

On behalf of Board

**A.K. Jain
(Partner)**

**Bafna Mahaveer Chand
(Managing Director)**

**Paras Bafna
(Whole Time Director)**

**Place: Chennai
Date: 27.05.2017**

**Sapna Jain
(Company Secretary)**

Notes to the accounts of M/s Bafna Pharmaceuticals Ltd for the year ended on 31st march 2017

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Bafna Pharmaceuticals Limited (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act 1956 vide RC No: L24294TN1995PLC030698 . Its Shares are listed in Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture of drugs and medicines. The Company has also got an excellent Research and Development Facility for life saving drugs. The Company caters to both domestic and international markets.

The financial statements have been prepared in accordance with generally accepted accounting in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial Statements have been prepared under the historical cost convention on an accrual basis except in case of Land (freehold and leasehold).

2. Summary of significant Accounting policies

a. Basis of Accounting

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company's activities in its business segments have operating cycles which do not exceed 12 months. As a result, current assets comprise elements that are expected to be realized within 12 months after the reporting date and current liabilities comprise elements that are due for settlement within 12 months after the reporting date.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events

and actions, actual results could differ from these estimates. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Tangible fixed assets, acquired by the company are reported at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalized criteria are met and directly attributable cost or bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange differences arising on transaction/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciation asset to the cost of the asset and depreciates the same over the remaining life of the asset.

d. Depreciation on tangible assets

Depreciation on fixed assets is calculated on written down value (WDV) method on the plant & machinery situated at Madhavaram units and straight line method is charges only to the Grantlyon unit using the rates arrived at based on the useful lives estimated by the management or those prescribed under the PART C of the Schedule II to the Companies Act, 2013.

Depreciation for additions to / deletions from owned assets is calculated on pro-rata from/to the day of addition /deletion.

e. Intangible assets

Intangible assets are tested for impairment on an annual basis. These generally include cost of Developed products, in process R&D and Customer relationships. Costs incurred for applying research results or other knowledge to develop new products is capitalized to the extent that these products are expected to generate future financial benefits. In case of In-process R&D, amortization will begin when product is approved and launched.

Intangible assets are reported at acquisition value with deduction for accumulated amortization and any impairment losses. Amortization take place on a straight line basis over the assets anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible assets is expected o be used and generally does not exceed 10years.

The estimated useful life of each major category of intangible assets is as follow

Assets	Estimated useful life
Customers Relationships	5years
Developed Products	5years
Brand & Trade Marks	10years

f. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference from foreign borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Investments

Long term investments are valued at cost. The investment are made in subsidiary company i.e. M/s Bafna Lifestyle Remedies Ltd and in M/s. Strides Health Care Pvt. Limited.

h. Inventories

Raw materials, components, store and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the site.

i. Scrap Generation & Disposal

The scrap generated during the production process is being destroyed in the presence of Competent Authorities, and no scrap other than production process scrap is being generated in the company. Empty Containers of Raw Material purchased from the vendors are being used in the factory itself or disposed off otherwise.

j. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

Disclosure of Specified Bank Notes :

Specified Bank Notes Disclosure:- We are hereby providing the schedule of closing cash balance held as on 8th November, 2016 and transactions during the period 8th November, 2016 to 30th December, 2016 are as follows:-

Details of Specified Bank Notes (SBNs) held and transacted during the period 8 November 2016

to 30 December 2016 are as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	3500000	73218	3573218
Add: Permitted receipts		350000	350000
Add: Non-permitted receipts		-	-
Less: Permitted payments		-	-
Less: Payments made towards employee reimbursements (net)		351356	351356
Less: Advances given to employees		-	-
Less: Amount deposited in banks	3500000	-	3500000
Closing cash in hand as on 30 December 2016		71862	71862

k. Revenue Recognition

Revenue from sale of products is recognized when practically all obligations connected with the transaction risks and rights to the buyer have been fulfilled and excluded sales tax and state value added taxes. This usually occurs upon dispatch and collection of the receivable is reasonably certain.

Interest income is recognized using time proportion method based on the rates implicit in the transaction.

l. Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognized as income or expenses in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet and the exchanges/gain loss is suitably dealt with in the Profit & Loss Account

m. Employee Benefits

Liability for employee benefits, both short and long term, which are due as per the terms of employment, are recorded in accordance with Accounting Standard -15(Revised) "Employee Benefits" notified by the Companies (Accounting Standards) Rules,2006.

n. Gratuity

BPL 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.**

o. Income Taxes

Current Tax

Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

Company has not paid the Income Tax dues for the Financial Year 2015-16. The total amount which is standing payable to the tune of Rs. 4,46,74,037/- approximately including interest as on date of signing the balance sheet.

Deferred Tax

Deferred tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one

period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent they can be realized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax to be utilized.

p. Segment reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The company primarily operates in single business segment which is generic pharmaceutical, and accordingly there are no primary segments to be reported as per Accounting Standard 17 "Segment Reporting".

q. Earnings per share

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period . The number of shares used in computing diluted earnings per share and also the weighted average number of shares considered for deriving basic earnings per share which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

r. Impairment of Assets

In the Opinion of the Company, the recoverable amount of the fixed assets of the company will not be lower than book value of the fixed assets. Hence no provision has been made for Impairment.

s. Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Difference

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

t. Custom & Excise Duty

Excise Duty on finished goods lying at the factory is accounted at point of sale or dispatch. Custom Duty on imported material lying in bonded warehouse is accounted for at the time of bonding materials.

u. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

v. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the final statement.

w. Research and Development Expenditure

Capital Expenditure is included in Fixed Assets & Capital Work in Progress and depreciation is provided at the respective applicable rates.

Revenue expenditure is charged off in the year in which they are incurred and are included with the respective nature of account heads in the profit and loss account statement.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

3. SHARE CAPITAL

		Rs. in '000)	
	Particulars	As at 31st March 2017	As at 31st March 2016
	Authorized Share capital		
	40,000,000 Equity shares of Rs 10 each	400,000.00	400,000.00
	Total	400,000.00	400,000.00
	Issued subscribed & Paid up capital		
	18,656,335 Equity shares of Rs 10 each fully paid up	186,563.35	186,563.35
	Total	186,563.35	186,563.35

3.1 The details of Shareholding more than 5% shares

(Rs. in '000)

	Name of Shareholders	As at 31st March 2017	As at 31st March 2016
	Bafna Mahaveer Chand		
	No. of Shares	16,43,343	9,92,979
	Percentage of Holding	8.81%	5.32
	Sasikala Bafna		
	No. of Shares	6,27,572	12,27,572
	Percentage of Holding	3.36%	6.58
	Chetna Bafna		
	No. of Shares	21,32,805	21,32,805
	Percentage of Holding	11.43%	11.43

3.2 The reconciliation of the number of shares outstanding is set out below

(Rs. in '000)

	Particulars	As at 31st March 2017	As at 31st March 2016
	Equity Shares at the beginning of the year	186,563.35	186,563.35
	Add: Shares issued on preferential allotment	-	-
	Equity Shares at the end of the year	186,563.35	186,563.35

4 RESERVES & SURPLUS**(Rs. in '000)**

Particulars		As at 31st March 2017	As at 31st March 2016
Capital Reserve			
Opening Balance		56,906.91	56,906.91
Share Forfeiture Account (2500000 Warrants @Rs. 12.50 per warrant)		-	-
Sub-Total (A)		56,906.91	56,906.91
Share Premium Account			
Opening Balance		303,113.68	303,113.68
Add: Amount received from Preferential allotment		-	-
Sub-Total (B)		303,113.68	303,113.68
Profit and Loss Account			
Opening Balance		28,628.27	150,472.63
Add: Profit for the year		(1,84,702.09)	(121,844.36)
		(1,56,073.82)	28,628.27
Less : Appropriations			
Transfer to General Reserve		-	-
Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible asset with nil useful life(Net of deferred Tax)		-	-
			-
Sub-Total (C)		(1,56,073.82)	28,628.27
General Reserve			
Opening Balance		19,234.81	19,234.81
Add: Transfer from Profit & Loss Account for the year		-	-
General reserve (net) Sub-Total (D)		19,234.81	19,234.81
Total Reserve and Surplus for the year (A+B+C+D)		2,23,181.56	4,07,883.65

5 EQUITY SHARE WARRANTS

Particulars		As at 31st March 2017	As at 31st March 2016
8000000 LAKHS WARRANTS ISSUED AT Rs.32 per share		40,000.00	-
		40,000.00	-

1. The company issued share warrants to the extent 80,00,000 @Rs. 32 Per Share warrant out of which only 50,00,000 share warrants were subscribed and allotted on 18.03.2017

2. The company has received upfront money of Rs 8/- (25% on Rs.32 per warrant) for 50,00,000 share warrants and the balance 75% shall be received on or before 17.09.2018

6 LONGTERM BORROWING**(Rs. in '000)**

	Particulars	As at 31st March 2017	As at 31st March 2016
	Secured		
	Aditya Birla Finance Ltd	3,67,687.57	351,713.43
	Unsecured		
	From Directors	22,422.04	
	Total	3,90,109.60	3,51,713.43

6.1 OTHER LONGTERM LIABILITIES**(Rs. in '000)**

	Particulars	As at 31st March 2017	As at 31st March 2016
	Trade Deposit	300.00	300.00
	Total	300.00	300.00

SECURITIES OFFERED**STATE BANK OF INDIA**

6.1.1 Secured by First Charge on the entire current assets & fixed assets acquired out of Term from SBI.

6.1.2 Second Pari passu charges 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.

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

ADITYA BIRLA FINANCE LTD

6.1.4 Secured by the Personal Property of the Promoter Shri Bafna Mahaveer Chand situated No 299, Thambu Chetty Street, Chennai 600001

6.1.5 Secured by the Pledge of 8,45,000 Shares held in Strides Health Care Limited by Bafna Pharmaceuticals Limited.

6.1.6 Secured by the Factory premises of M/s BAFNA LIFESTYLES REMEDIES LTD – Subsidiary of Bafna Pharmaceuticals Limited.

7. DEFERRED TAX LIABILITIES (NET)**(Rs. in '000)**

	Particulars	As at 31st March 2017	As at 31st March 2016
	Deferred Tax Liabilities (Net)	25,027.62	33,379.65
	Total	25,027.62	33,379.65

8 SHORT TERM BORROWINGS**(Rs. in '000)**

	Particulars	As at 31st March 2017	As at 31st March 2016
	SECURED		
I	STATE BANK OF INDIA		
a)	Cash Credit Account	1,78,508.97	1,65,191.06
b)	Bill Discounting Account	-	-
c)	Export Packing Credit	-	-
d)	Collection (Export Bills)	-	-
e)	Standby line of Credit (SLC)	-	-
II)	Loans installments Repayable within one year	10,109.39	18,526.77
III	INDUSTRIAL DEVELOPMENT BANK OF INDIA	8,844.61	-
a)	Bill Discounting	92,529.59	1,05,340.06
b)	Cash credit Account	-	63.54
c)	Current Account		
IV)	DBS BANK	10,118.33	14,951.08
a)	Cash Credit Account	12,093.51	18,641.34
b)	Packing Credit Foreign Bills		11,507.68
c)	Bill Discounting		
V	BANK OF CEYLON	30,608.59	32,484.53
	Cash Credit Account		
VI	DEVELOPMENT CREDIT BANK		
	Cash Credit Account	90,916.17	86,372.53
	Total	4,33,729.17	4,53,078.60

SECURITIES OFFERED**STATE BANK OF INDIA**

8.1.1 First Charge on the entire current assets on pari passu basis with all the MBA Banks

8.1.2 Second pari passu Charge on the entire fixed assets with IDBI, Development Credit Bank, Development Bank of Singapore and Bank of Ceylon, except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

INDUSTRIAL DEVELOPMENT BANK OF INDIA

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

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

DEVELOPMENT CREDIT BANK

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

8.1.10 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

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

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

9 TRADE PAYABLES – Sundry Creditors

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
For Goods and Store Purchase	1,69,446.34	1,70,643.49
For Services	11,392.94	10,473.30
For Others	53,138.94	1,18,153.57
	2,33,978.23	2,99,270.35

10 OTHER CURRENT LIABILITES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding expenses	23,626.35	12,780.77
Sales Tax	-	1.12
TDS payable	6,660.07	4,255.11
Income Tax	18,965.53	19,969.06
Advance from Customer	89,391.64	80,116.57
Total	1,38,643.58	1,17,122.62

11 FIXED ASSETS

(Rs. in '000)

Description	Gross block				Depreciation			Net Block	
	As at 01-04-2016	Additions	Deductions/ Adjustments	As at 31/03/2017	As at 01-04-16	For the year	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Land	1,931.99			1,931.99	-		-	1,931.99	1,931.99
Good Will	1,000.00			1,000.00	1,000.00		1,000.00	-	-
Factory Building	2,17,407.60			2,17,407.60	50,549.21	7,677.97	58,227.18	1,59,180.42	1,66,858.39
Light Ceiling	812.40			812.40	770.52		770.52	41.88	41.88
Aluminium Partion	232.12			232.12	220.15		220.15	11.96	11.96
Plant & Machinery	2,25,683.46	304.86		2,25,988.32	65,246.45	9,903.06	75,149.51	1,50,838.81	1,60,437.01
Lab Equipments	78,551.35	184.98		78,736.34	41,853.78	7,162.35	49,016.14	29,720.20	36,697.57
Factory Equipments	7,939.11			7,939.11	6,499.04	1,042.80	7,541.84	397.27	1,440.07
Pollution Control Devices	1,580.66			1,580.66	838.61	57.25	895.86	684.80	742.05
Power Factor Controller	66.95			66.95	63.37	0.23	63.60	3.35	3.58
Bottle Washing & Filling Machinery	1,971.06			1,971.06	1,786.30	25.70	1,812.00	159.05	184.75
Electrical Equipment & Installation	32,843.93			32,843.93	24,068.71	3,066.07	27,134.79	5,709.15	8,775.22
Electrical Fixtures & Fittings	255.20			255.20	245.80		245.80	9.40	9.40
Generator	5,342.81			5,342.81	3,802.97	104.04	3,907.01	1,435.80	1,539.84
Air Floating & Circulating System	46,145.15			46,145.15	19,668.29	1,958.70	21,626.99	24,518.16	26,476.86
Boiler	811.03			811.03	346.22	35.62	381.84	429.18	464.81
Camera	4,461.42			4,461.42	2,668.69	428.86	3,097.54	1,363.88	1,792.73
Air conditioner	1,223.42			1,223.42	1,076.80	42.89	1,119.70	103.73	146.62
U.P.S	5,833.75			5,833.75	4,137.94	447.15	4,585.09	1,248.65	1,695.80

Office Equipments	1,633.51			1,633.51	1,516.15	10.03	1,526.18	107.33	117.35
Cell Phone	307.04	17.00		324.04	262.73	25.07	287.80	36.24	44.31
Dies & Punches	7,718.53	266.15		7,984.68	2,147.10	442.50	2,589.59	5,395.09	5,571.43
Computer	9,910.45	17.60		9,928.05	9,469.81	266.05	9,735.86	192.19	440.64
Furniture & Fittings	18,318.19			18,318.19	9,108.08	2,294.28	11,402.37	6,915.82	9,210.10
Vehicle	1,781.63			1,781.63	1,613.07	52.64	1,665.71	115.92	168.56
Accessories	683.68			683.68	198.36	32.74	231.09	452.59	485.33
Chiller Systems	3,017.74			3,017.74	580.03	143.34	723.37	2,294.37	2,437.71
Bio-Equipment	1,446.73			1,446.73	481.05	68.72	549.77	896.96	965.68
Water Systems	7,546.19			7,546.19	2,226.89	367.38	2,594.27	4,951.92	5,319.31
ETP Plant	459.00			459.00	215.69	33.85	249.53	209.47	243.31
Shrink Pak Machine	175.10			175.10	47.72	8.32	56.03	119.07	127.38
HAVC Systems	37,259.33			37,259.33	1,733.08	1,769.82	3,502.90	33,756.43	35,526.25
TOTAL (A)	7,24,350.52	790.59	-	7,25,141.11	2,54,442.62	37,467.42	2,91,910.05	4,33,231.07	4,69,907.90

12. NON CURRENT INVESTMENT

		(Rs. in '000)	
	Particulars	As at 31st March 2017	As at 31 st March 2016
	1,430,000 shares @ Rs.10/- Each in BAFNA LIFESTLYES REMEDIES LIMITED (UNQUOTED)	14,300.00	14,300.00
	1126666 Shares of Rs 10 each in Strides Health Care Pvt Ltd	169,000.00	169,000.00
	Total	183,300.00	183,300.00

13 OTHER NON CURRENT ASSETS

		(Rs. in '000)	
	Particulars	As at 31st March 2017	As at 31st March 2016
	Product Registration	7,167.66	8,623.17
	Product Launch Expenditure	-	-
	New Registration	60.39	336.41
		7,228.05	8,959.57
	5Less: Amortization charged to P&L Account	(1,445.61)	(1,791.91)
	Total	5,782.44	7,167.66

14 INVENTORIES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Raw material(Valued at cost)	49,969.58	79,975.33
Work in progress(valued at cost)	26,339.77	17,726.86
Finished Product(valued at cost or market value whichever is less)	46,352.21	24,049.12
Packing material(Valued at cost)	15,840.53	10,323.51
Stores and spares (At Cost)	28,897.37	31,447.37
Total	1,67,399.45	1,63,522.19

15 TRADE RECEIVABLES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured Considered Good)		
Trade Receivables- More than Six month	4,89,486.17	4,43,091.79
Less Than Six Month	75,783.57	2,44,057.93
Less: Provision for Doubtful Debts	(28,237.31)	(8,231.78)
Total	5,37,032.43	6,78,917.93

16 CASH AND CASH EQUIVALENTS**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31 st March 2016
Cash on hand	357.13	96.97
Balance with:		
In current account	4,014.67	1,493.19
In Fixed Deposits	22,188.49	25,368.76
Total	26,560.29	26,958.92

17 SHORT TERM LOANS AND ADVANCES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31 st March 2016
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	1,22,936.87	1,00,366.03
Advance Others	36,862.92	35,625.12
Advance to subsidiary Company- BLRL	1,20,945.61	1,28,827.37
Deposits with Govt. or Semi Govt. Depot.	2,967.27	2,670.08
Deposits with Others	4,437.50	17,496.98

Prepaid expenses	209.11	1,101.64
Cenvat Credit & PLA Account	19,031.00	20,272.53
Sales Tax Refund account	8,548.11	11,057.78
TDS Receivable	1,145.99	976.49
License On hand*	1,143.04	1,143.04
Total	3,18,227.42	3,19,537.05
Note: The License on hand was a part of export incentive taken in earlier years but the appropriate authority is yet to approve the claim of the company		

18 REVENUE FROM OPERATIONS

Particulars	(Rs. in '000)	
	As at 31st March 2017	As at 31st March 2016
Sales (Domestic)	4,26,732.62	5,45,181.72
Less: Excise Duty on local sales	(12,466.51)	(9,188.61)
	4,14,266.10	5,35,993.11
Sales(Export)	2,36,155.84	3,17,521.18
Less: Excise Duty on Export Sales	(1,086.75)	(1,674.86)
	2,35,069.09	3,15,846.32
FR & D Income	279.99	1,344.74
Revenue from operations	6,49,615.19	8,53,184.17

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.159,33 .586 ('000) (Previous year 307,43.46 ('000) and has been included in the Export Sales. Domestic sales include sales of Traded goods to the tune of Rs.376, 938.637('000') during the Current Year and Rs.504334.10('000) in the previous year.

19 OTHER INCOME

Particulars	(Rs. in '000)	
	As at 31st March 2017	As at 31st March 2016
Interest Received Bank	405.84	340.15
Interest Received Others	1,451.20	3,541.30
Export Incentive	1,455.99	2,134.14
Sundry Balance Recovered	-	1,569.17
Insurance Claim	-	3,069.88
Foreign Exchange Fluctuation	3,995.95	1,702.35
Rent Received	52.75	55.20
Analytical Charges	4,039.84	-
Total other income	11,401.56	12,412.19

20 COST OF RAW MATERIAL CONSUMED**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Opening stock	79,975.33	83,459.17
Add: Purchase	94,054.73	1,24,148.87
	1,74,030.06	2,07,608.04
Less: Closing stock	49,969.58	79,975.33
Raw Material Consumption (A)	1,24,060.48	1,27,632.71

20.1 COST OF PACKING MATERIAL CONSUMED**(Rs. in '000)**

Particulars	As at 31st Mar 2017	As at 31st March 2016
Opening stock	10,323.51	11,248.49
Add: Purchase	29,528.76	29,839.55
	39,852.27	41,088.04
Less: Closing stock	15,840.53	10,323.51
Packing material consumption (B)	24,011.75	30,764.53

20.2 MANUFACTURING EXPENSES**(Rs. in '000)**

Particulars	As at 31 st Mar '2017	As at 31st March 2016
Consumable Stores	3,255.68	2,415.49
Analytical Expenses	232.84	867.96
Power & Fuel	20,114.91	23,757.01
Machinery Maintenance	12,709.33	8,510.90
Factory Maintenance	3,586.66	2,238.26
Chemical Purchase	3,164.41	4,520.22
Security Charges	1,377.71	1,789.41
Repairs & Maintenance	1,853.52	1,707.84
Other Manufacturing	7,980.25	18,682.69
Total (C)	54,275.30	64,489.77

20.3 FREIGHT**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Freight Charges (D)	714.27	1,334.99
COST OF MATERIAL CONSUMED (A+B+C+D)	2,03,061.79	2,24,222.01

21 PURCHASE OF STOCK IN TRADE**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Purchase of stock in Trade	4,02,005.79	5,01,514.65
Total	4,02,005.79	5,01,514.65

22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Closing Inventories:		
Finished Goods	46,352.21	24,049.12
Work in progress	26,339.77	17,726.86
	72,691.98	41,775.98
Opening Inventories:		
Finished Goods	24,049.12	11,900.08
Work in progress	17,726.86	16,702.00
	41,775.98	28,602.08
Change in Inventory	(30,916.00)	(13,173.90)

23 EMPLOYEE BENEFIT EXPENSES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Salaries	56,222.45	56,882.05
Bonus	3,008.23	2,747.15
PF Companies contribution	4,288.32	3,762.59
ESI Companies Contribution	795.99	828.55
Staff welfare	1,911.02	175.71
Total	66,226.01	64,396.05

24 FINANCIAL EXPENSES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Interest to bank	56,462.10	73,293.80
Bank charges	4,249.24	16,668.54
Interest others	52,656.85	34,778.34
Total	1,13,368.19	1,24,740.68

25 DEPRECIATION AND AMORTISATION EXPENSES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Depreciation and Amortization expenses	38,913.03	41,121.33
Total	38,913.03	41,121.33

26 OTHER EXPENSES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Rent	2,412.92	2,336.92
Postage and Telegram	699.16	731.72
Insurance	1,096.85	43.23
Conveyance	1,075.08	1,208.21
Donation	11.00	12.00
Travelling expenses	1,360.64	1,131.44
Printing and stationary	1,161.38	1,665.51
Fees	408.03	1,570.76
Office Maintenance	64.02	45.84
Miscellaneous Expenses	4,741.58	588.74
Sundry Balances Written Off	1,908.40	1,782.30
Professional Charges	5,001.85	2,787.34
Computer Maintenance	878.87	1,215.62
Freight and Transportation	4,363.72	7,609.11
Sales promotion	938.19	592.12
Loss on Expired Goods	-	7,467.72
Commission/Liasioning charges	6,793.36	3,306.62
Payment to Auditors	689.50	567.36
Telephone	719.16	751.61
Subscription & Membership	44.83	78.47
Vehicle Maintenance	317.78	475.96
Service Tax	1,249.06	1,581.76
Discount Allowed	24.46	324.97
Packing Charges	-	32.19
Exchange Difference	-	3,930.61
Advertisement	206.47	199.27
MHRA Audit Fees	2,280.25	3,363.35
Liquidative Damages	-	-
Directors Salary	2,760.00	2,460.00
Directors Sitting Fees	200.00	190.00
Provision for Doubtful Debts	20,005.53	-
Total	61,412.05	48,050.72

26.1 PAYMENT TO AUDITORS AS**(Rs. in '000)**

<i>Particulars</i>	<i>As at 31st March 2017</i>	<i>As at 31st March 2016</i>
<i>Statutory Audit Fees</i>	350.00	350.00
<i>Tax Audit Fees</i>	50.00	50.00
<i>Certification Fees</i>	50.00	50.00
<i>IT Matters</i>	15.00	10.00
<i>Service Tax</i>	100.00	100.00
<i>Other Services</i>	84.75	81.20
<i>Total</i>	649.75	641.20

26.2 DIRECTORS REMUNERATION**(Rs. in '000)**

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
a)	Salary	1,380.00	1,380.00	1,080.00	1,080.00
	Conveyance	180.00	180.00	120.00	120.00
b)	Contribution to PF	21.60	21.60	21.60	21.60
c)	Lease Rent for Car	-	-	-	-
	Total	1,581.60	1,581.60	1,221.60	1,221.60

26.3 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 are recognized in the Profit and loss account.

26.4 EXPENDITURE IN FOREIGN CURRENCY**(in '000)**

Particulars		As on 31st March 2017		As on 31st March 2016	
			Amount (Rs.'000)		Amount (Rs.'000)
RAW MATERIAL	USD	174.33	12,007.75	409.58	27,706.08
	EURO	NIL	NIL	10.35	199.29
	GBP	102.70	9,391.59	-	-
CAPITAL GOODS	USD	-	-	14.50	995.86
	EURO	-	-	3.12	230.52

26.5 EARNINGS IN FOREIGN CURRENCY**(in '000)**

Particulars		As at 31st March 2017	As at 31st March 2016
EXPORT SALES	USD	2,418.30	3,599.85
	INR	1,60,352.01	2,33,622.43
	GBP	499.20	550.97
	INR	41,726.61	53,155.29
	INR	32990.508	-

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.15933.586 ('000) (Previous year 30743.46 ('000) and has been included in the Export Sales

26.6 RESEARCH AND DEVELOPMENT EXPENDITURE

(in '000)

Particulars		As at 31st March 2017	As at 31st March 2016
Capital Expenditure		-	374.00
Revenue Expenditure		7,447.62	8,169.18
		7,447.62	8,543.18

Standalone - Related party disclosures – FORM AOC- 2

29 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, 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. The necessary approvals were obtained in the respective Board meetings of the Company. The terms of contracts or arrangements or transactions were at arm's length basis.

29.1 Name of the related Party

- Mr. BAFNA MAHAVEER CHAND
- Mr. PARAS BAFNA
- Mrs. CHETNA BAFNA
- Mr. NAVEEN BAFNA

29.2 Directors interest

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

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

(Rs. in '000)

Sl. No	Particulars	Associates	Key Management Personnel	Relative of KMP	As on 31.03.2017	As on 31.03.2016
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			-	-
2	Sale of goods	Bafna Lifestyles Remedies Ltd			-	-

3	Sale of Fixed Assets				-	-
4	Rendering Services	Bafna Lifestyles Remedies Ltd	Bafna Mahaveer Chand, Paras Bafna, and Naveen Bafna		3,240.00	10,314.21
5	Agency agreements					
6	Leasing or Hire Purchase	Bafna Lifestyles Remedies Ltd		Bhansilal Bafna (HUF)	2,925.00	2,925.00
7	Transfer of R&D				-	-
8	License Agreements				-	-
9	Finance loans and Equity in Cash or Kind	Bafna Lifestyles Remedies Ltd	Bafna Mahaveer and Paras Bafna		1,57,667.65	14,300.00
10	Guarantee and Collaterals	Bafna Lifestyles Remedies Ltd			-	-
11	Manage Contracts including for Deputation of Employees				-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,250.00	2,241.00

27 CONTINGENT LIABILITIES NOT PROVIDED FOR

		(Rs. in '000)	
Particulars		As at 31st March 2017	As at 31st March 2016
a)	In respect of Letter of Credit and Bank Guarantee	2,925.29	28,624.70
b)	Bonds have been executed in favour of Customs Authorities for the purchase of materials and capital goods without payment of duty	-	-

28 SECONDARY SEGMENT / GEOGRAPHICAL SEGMENT

The Company has indentified manufacture of Medicine and drugs as the only primary reportable Segment

PARTICULARS					As at 31st March 2017	As at 31st March 2016
	INDIA	ASIA	AFRICA	UK	Total	Total
Sales	4,14,266.10	1,41,508.85	14,949.58	78,890.69	6,49,615.22	853,184.17
Operating Expenses	3,66,142.19	1,25,070.23	13,212.94	69,726.22	5,74,151.58	712,562.76

Operating Income /Loss	48,123.91	16,438.61	1,736.64	9,164.47	75,463.64	140,621.41
Un-allocated Income					11,401.56	12,412.79
Total Income					86,865.20	153,033.60
Un-allocated Expenses					(2,79,919.29)	(278,308.78)
Net profit before Tax					(1,93,054.09)	(125,275.19)
Income Tax and Deferred tax					8,352.03	3,430.83
Net profit after Tax					(1,84,702.06)	(121,844.36)

29 CENVAT

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

30 GENERAL

a) The details of Statutory dues pending as at 31st March 2017 are given below

Name of the Statue	Nature of Dues	Amount	Payment to which the amount Relates	Due Date	Date of Payment
EPF & MP Act 1952	PF Contribution	88,63,363	Jan 2016 To March 2017	15th Day of the Following Month	Not Paid
ESI Act 1948	ESI Contribution	9,23,931	June 2016 to March 2017	21st Day of the Following Month	Not Paid
Service Tax	Service Tax	15,88,149	June 2016 to March 2017	5th Day of the Following Month	Not Paid
Income Tax Act 1961	TDS	66,60,065	July 2016 to March 2017	7th Day of the Following Month	Not Paid
Income Tax Act 1961	Income Tax Dues	5,81,41,814	Asst Year 2015-2016	31st March 2015	Not Paid

b) Balances under Trade Payables, debtors, loans and advances 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 '000)

Name of the Body Corporate	As at 31st March 2017	As at 31st March 2016
TAMILNADU STEEL TUBES LIMITED (Including Interest thereon)	1,012.50	14,146.98

- e) The company has granted loan to its subsidiary M/s. BAFNA LIFESTYLES REMEDIES LIMITED for Rs. 12,09,45,610/-which is outstanding as at March 2017.BLRL has difficulties in repaying its debts.
- f) The Fixed deposit of sum of Rs. 22188.49 ('000) (Previous Year Rs25368.76 ('000)) lying with State bank of India are under lien against Bank Gaurantee Margin, LC Margin Money and Loan against Deposit.
- g) The New schedule III of the Companies Act 2013 become applicable during the year 2014-15 to the Company and hence Previous Years figures have been reclassified, regrouped and re-arranged wherever necessary.

SIGNATURE TO NOTE ON FINANCIAL STATEMENT No.1 TO No.30

As per our report of even date

**For Abhay Jain & Co
Chartered Accountants
FRN No.000008S**

On behalf of Board

**A.K. Jain
(Partner)**

**Bafna Mahaveer Chand
(Managing Director)**

**Paras Bafna
(Whole Time Director)**

**Place: Chennai
Date: 27.05.2017**

**Sapna Jain
(Company Secretary)**

*Consolidated Financial
Statements*

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BAFNA PHARMACEUTICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (the holding company and its subsidiary together referred to as the "Group") comprising of the Consolidated Balance Sheet as at 31March, 2017,the Consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended , and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statement")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") 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, read with Rule 7 of the Companies (Accounts) Rules , 2014.The respective Board of Directors of the companies included in the group are responsible for maintainence of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities ; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2017, and their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matter

We audited the financial statements of subsidiary, whose financial statements reflect total assets (net) of 1254.88 lacs as at 31 March, 2017, total revenue of Rs.NIL and net cash out flows amounting to of Rs.1.61 lacs for the year ended on that date, as considered in consolidated financial statements.

Report on the Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and its subsidiary Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) 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 purpose 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.

- 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies, is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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. The consolidated financial statements disclose 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.

For ABHAY JAIN & Co.
Chartered Accountants
FRN:000008S

Place: Chennai
Date: 27.05.2017

A K JAIN
(Partner)
M No.070224

Consolidated – Balance Sheet**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017****(Rs. in '000)**

PARTICULARS	NOTE	March 31, 2017		March 31, 2016	
EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	3	186,563.35		186,563.35	
(b) Reserves & Surplus	4	200,088.62		390,956.46	
(c) Money Received against Share Warrants	5	40,000.00			
		-	426,651.97	-	577,519.81
(2) NON-CURRENT LIABILITIES					
(a) Long Term Borrowings	6	390,109.60		351,713.43	
(b) Deferred Tax Liabilities (Net)	7	29,186.25		38,216.18	
(c) Other Long Term Liabilities	7.1	127,949.36		9,152.50	
(d) Long Term Provisions			547,245.21		399,082.12
(3) CURRENT LIABILITIES					
(a) Short Term Borrowings	8	433,729.17		453,078.60	
(b) Trade Payables	9	239,042.85		377,008.21	
(c) Other Current Liabilities	10	141,944.86		120,363.49	
(d) Short Term Provisions		-	814,716.88	-	950,450.30
TOTAL			1,788,614.06		1,927,052.23
ASSETS					
(1) NON CURRENT ASSETS					
(a) FIXED ASSETS					
(i) Tangible Assets	11	485,749.74		525,708.52	
(ii) Intangible Assets		-		-	
(iii) Good will	11.1	358.03		358.03	
(iv) Capital Work-in-Progress		-		-	
(v) Intangible Assets under Development		-	486,107.77	-	526,066.55

(b) Non Current Assets-Investment		169,000.00		169,000.00	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long Term Loans and Advances		-		-	
(e) Other Non Current Assets	12	5,782.44	174,782.44	7,167.66	176,167.66
(2) CURRENT ASSETS					
(a) Current Investments					
(b) Inventories	13	167,399.45		163,798.89	
(c) Trade Receivables	14	537,758.45		679,643.95	
(d) Cash and cash Equivalentents	15	26,579.15		27,138.37	
(e) Short Term Loans and Advances	16	390,451.80	1,122,188.86	352,431.32	1,223,012.53
(3) MINORITY INTEREST	17	5,534.99	5.534.99	1,805.46	1,805.46
TOTAL			1,788,614.06		1,927,052.23

Significant Accounting policies, Notes on Financial Statements 1 to 32
As per report of our even date attached

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Consolidated – Statement of Profit & Loss**CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2017 (Rs. in '000)**

PARTICULARS	NOTE	March 31 2017	March 31 2016
Revenue from Operations	18	649,615.19	853,184.17
Other Income	19	11,401.56	19,786.39
Total Revenue		661,016.75	872,970.56
EXPENSES			
Cost of Material Consumed	20	206,645.85	226,800.76
Purchase of Stock- in-Trade	21	402,005.79	508,888.86
Changes in Inventories of Finished Goods	22	(30,916.00)	(6,519.24)
Employee Benefit Expenses	23	68,062.65	69,852.01
Financial Costs	24	114,736.94	129,558.53
Depreciation and Amortization Expenses	25	42,194.98	48,586.04
Other Expenses	26	61,913.83	48,995.32
Total Expenses		864,644.04	1,026,162.29
Profit before Exceptional Items and Tax		(203,627.29)	(153,191.73)
Exceptional Items		-	-
Profit before Extraordinary items		(203,627.29)	(153,191.73)
Extraordinary items		-	-
Profit before Tax		(203,627.29)	(153,191.73)
Current Tax		-	-
Deferred Tax		9,029.93	1,777.59
Tax for Earlier Years		-	-
Profit of Minority Interest		3,729.53	11,144.85
Profit (Loss) for the period		(190,867.84)	(140,269.29)
Earnings per Equity Share			
(1) Basic		(11.98)	(8.80)
(2) Diluted		(11.98)	(8.80)

Significant Accounting policies, Notes on Financial Statements 1 to 32
As per report of our even date attached

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Consolidated – Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Rs. in '000)

PARTICULARS	AS AT 31 ST MARCH 2017		AS AT 31 ST MARCH 2016	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax	(203,627.29)		(153,191.73)	
Add: Depreciation and Amortization Expenses	42,194.98		48,586.04	
Add Interest Paid	114,736.94		129,558.53	
Less: Interest Received	(1,857.04)		(3,881.45)	
Less: Other Income	(9,544.52)		(15,904.95)	
Operating Profit before change of Working Capital	58,096.53		5,166.45	
Adjustment for Change in Working Capital				
Change of Inventories	(3,600.56)		(2,571.03)	
Change in Debtors	141,885.50		78,380.27	
Change in Other Current Assets	(38,020.48)		(28,507.94)	
Change in Current Liabilities	(116,383.99)		(43,358.17)	
Cash generated from Operation	(74,216.47)		9,109.56	
Less: Tax Paid			-	
Net Cash From Operating Activity		(74,216.47)		9,109.56
Cash Flow from Investing Activities:				
Sale of Fixed Investment			-	
Purchase of Fixed Assets	(790.59)		(23,069.48)	
Repayment of Long Term Loans	-		-	
Other Income	9,544.52		15,904.95	
Interest Received	1,857.04		3,881.45	
Profit on Sale of Intangible Asset			--	
Change in other Non-Current Assets	(60.39)		(336.41)	
Net Cash used in Investing Activities		10,550.58		(3,619.49)

Cash Flow from Financing Activities			Cash Flow from Financing Activities	
Issue of Shares & Application Activities:	40,000.00		-	
Proceeds of Long Term Loans	38,396.17		240,557.19	
Repayment of Long Terms Loans	118,796.86		-	
Repayment of Short Term Loans	(19,349.43)		(117,052.80)	
Interest Paid	(114,736.94)		(129,558.53)	
Dividend and Tax expenses	-		-	
Net Cash from Financing Activities		63,106.65		(6,054.14)
Net Increase/ (Decrease)		(559.22)		(564.08)
In Cash or Cash Equivalents		(559.22)		(564.08)
Opening Balance of Cash & Cash Equivalents		27,138.37		27,702.45
Closing Balance of Cash & Cash Equivalents		26,579.15		27,138.37

Significant Accounting policies, Notes on Financial Statements 1 to 32
As per report of our even date attached

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)
M.No: 70224

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Consolidated – Notes**SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS****1. Corporate Information**

Bafna Pharmaceuticals Limited (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its Shares are listed in Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture of drugs and medicines. The Company has also got an excellent Research and Development Facility for life saving drugs. The Company caters to both domestic and international markets.

Bafna Lifestyles Remedies Limited (The Company) is a Public Company domiciled in India and incorporated under the Provisions of the Companies Act, 1956. The Company is engaged in the manufacture of drugs and Medicines. The Company caters to the domestic Market and is planning for exports in the future.

2. Summary of Significant Accounting Policies

The consolidated financial statement relate to Bafna Pharmaceuticals Ltd ('the company) and its subsidiary. The consolidated financial statement has been prepared on the following basis:

1. The financial statement of the company and its subsidiary company are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses. After fully eliminating intra-group balances and intra-group transactions in accordance with accounting standard (AS) 21-“Consolidated financial statements”).
2. The difference between the costs of investment in the subsidiary over the net asset at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
3. Minority interests shares of net profit of consolidated of subsidiary for the year is identified and adjusted against the income of the group in order to arrive at net income attribute to share holders of the company.
4. Minority interests shares of net Asset has been computed and disclosed in the Consolidated Balance sheet of the Company.
5. As far as possible the consolidated of financial statement are prepared using uniform accounting policies for like transactions and other event in similar circumstances and are presented in the same manner as the companies separate financial statements.

Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Companies Separate financial statement”.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

3 SHARE CAPITALS

PARTICULARS	(Rs. in '000)	
	AS AT 31 ST MARCH 2017	AS AT 31 ST MARCH 2016
Authorized Share capital		
40,000,000 Equity shares of Rs 10 each	400,000.00	400,000.00
Total	400,000.00	400,000.00
Issued subscribed & Paid up capital		
18,656,335 Equity shares of Rs 10 each fully paid up.	186,563.35	186,563.35
Total	186,563.35	186,563.35

3.1 The detail of Shareholding more than 5% shares

Name of the shareholders	(Rs. in '000)	
	As at 31st March 2017	As at 31st March 2016
Bafna Mahaveer Chand		
No. of Shares	1,643,343	2,303,221
Percentage of Holding	8.81	12.35
Sasikala Bafna		
No. of Shares	627,572	1,292,941
Percentage of Holding	3.36	6.93
Chetna Bafna		
No. of Shares	2,132,805	1,132,805
Percentage of Holding	11.43	6.07

3.2 The reconciliation of number of shares outstanding is set out below

Particulars	As at 31st March 2017	As at 31st March 2016
Equity Shares at the beginning of the year	186,563.35	186,563.35
	-	-
Equity Shares at the end of the year	186,563.35	186,563.35

4 RESERVES & SURPLUS

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Capital Reserve		
Balance Brought Forward	56,906.91	56,906.91
Share Forfeiture Account	-	-
(A)	56,906.91	56,906.91
Share Premium Account		
Balance Brought Forward	303,113.68	303,113.68
Add: Amount received from Preferential allotment	-	-
(B)	303,113.68	303,113.68
Profit and Loss Account		
Balance Brought Forward	12,412.98	152,682.27
Add: Profit for the year	(190,867.84)	(140,269.29)
	(178,454.85)	12,412.98
Less: Appropriation:	-	-
Transfer to General reserve	-	-
TOTAL (C)	(178,454.85)	12,412.98
General reserve.		
Balance Brought Forward	18,522.89	18,522.89
Add: Transfer from Profit & Loss Account for the year	-	-
ADD: Capital profit on Consolidation	-	-
General reserve (net) (D)	18,522.89	18,522.89
Total Reserve and Surplus for the year (A+B+C+D)	200,088.62	390,956.46

5 EQUITY SHARE WARRANTS

Particulars	As at 31st March 2017	As at 31st March 2016
8000000 LAKHS WARRANTS ISSUED AT Rs.32 per share	40,000.00	-
	40,000.00	-

1. The company issued share warrants to the extent 80,00,000 @Rs. 32 Per Share warrant out of which only 50,00,000 share warrants were subscribed and allotted on 18.03.2017

2. The company has received upfront money of Rs 8/- (25% on Rs.32 per warrant) for 50,00,000 share warrants and the balance 75% shall be received on or before 17.09.2018

6 LONGTERM BORROWING

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Secured		
ADITYA BIRLA FINANCE LIMITED	367,687.57	351,713.43
Unsecured		
From Directors	22,422.04	-
Total	390,109.60	351,713.43

7 DEFERRED TAX LIABILITIES (NET)

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Related to Fixed Assets	29,186.25	38,216.18
Total	29,186.25	38,216.18

7.1 OTHER LONG TERM LIABILITIES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Deposit	700.00	700.00
Lease Deposit (BLRL)	2,250.00	2,250.00
M.R. Impex	6,303.75	6,202.50
Bafna Lifestyles Remedies Limited	118,695.61	-
Total	127,949.36	9,152.50

SECURITIES OFFERED

STATE BANK OF INDIA

7.1 Secured by first charge on Current Assets and Fixed Assets acquired out of term loan from State Bank of India.

7.2 Second pari passu Charge on the entire Fixed Assets with Development Credit Bank, Development Bank of Singapore and Bank of Ceylon except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

ADITYA BIRLA FINANCE LTD

7.4 Secured by the Personal Property of the Promoter Shri Bafna Mahaveer Chand situated No 299, Thambu Chetty Street, Chennai 600001.

7.5 Secured by the Pledge of 8,45,000 Shares held in Strides Health Care Limited by Bafna Pharmaceuticals Limited.

7.6 Secured by the Factory premises of M/s BAFNA LIFESTYLES REMEDIES LTD – Subsidiary of Bafna Pharmaceuticals Limited.

8 SHORT TERM BORROWINGS

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
SECURED		
I .STATE BANK OF INDIA		
a. Cash Credit Account	178,508.97	165,191.06
b. Collection (Export Bills)	-	-
I. Loans installments Repayable within one year	10,109.39	18,526.77
III.INDUSTRIAL DEVELOPMENT BANK OF INDIA		
Cash credit Account	92,529.59	105,340.06
Current Account	-	63.54
Packing Credit	8,844.61	-
IV.DBS BANK		
Cash Credit Account	10,118.33	14,951.08
Packing Credit Foreign Bills	12,093.51	18,641.34
Bill Discounting	-	11,507.68
V.BANK OF CEYLON		
Cash Credit Account	30,608.59	32,484.53
VI.DEVELOPMENT CREDIT BANK		
Cash Credit Account	90,916.17	86,372.53
Total	433,729.17	453,078.60

SECURITIES OFFERED

STATE BANK OF INDIA

8.1.1 First Charge on the entire current assets on pari passu basis with all the MBA Banks.

8.1.2 Second pari passu Charge on the entire Fixed Assets with IDBI, Development Credit Bank , Development Bank of Singapore and Bank of Ceylon, except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

INDUSTRIAL DEVELOPMENT BANK OF INDIA

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

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

DEVELOPMENT CREDIT BANK

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

8.1.10 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

BANK OF CEYLON

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

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

9. TRADE PAYABLES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured		
Sundry Creditors BPL	233,978.23	299,400.19
Sundry Creditors BLRL	5,064.63	77,608.02
Total	239,042.85	377,008.21

10 OTHER CURRENT LIABILITES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding expenses	25,366.92	14,650.65
Sales Tax	-	1.12
TDS payable	6,978.41	4,383.74
Advance from Customer	90,634.00	81,358.93
Income Tax	18,965.53	19,969.06
Total	141,944.86	120,363.49

Consolidated – Fixed Assets

11 FIXED ASSETS

DESCRIPTI ON	GROSS BLOCK				NET BLOCK					
	As on 01.04. 2016	Additi ons	Deducti ons/ Adjust ments	As on 31.03.201 7	As on 01.04.201 6	For the year	Dedu ctions / Adjus tmen ts	Total Depreciati on Upto 31.03.2017	As on 31.03. 2017	As on 31.03. 2016
Land	10,492.43	-	-	10,492.43	-	-	-	-	10,492.43	10,492.43
Good Will	1,000.00	-	-	1,000.00	1,000.00	-	-	1,000.00	-	-
Factory Building	250,156.0 4	-	-	250,156.04	57,106.69	8,716.09	-	65,822.78	184,333.2 6	193,049.35
Light Ceiling	812.40	-	-	812.40	770.52	-	-	770.52	41.88	41.88
Aluminum Partion	232.12	-	-	232.12	220.15	-	-	220.15	11.96	11.96
Plant & Machinery	248,014. 49	304.86	-	248,319.35	69051.81	11,316.6 1	-	80,368.42	167,950.9 3	178,962.68
Lab Equipment s	79,099.12	184.98	-	79,284.11	44,664.02	7,266.43	-	51,930.45	27,353.65	34,435.10
Factory Equipment s	7,939.11	-	-	7,939.11	6,499.04	1,042.80	-	7,541.84	397.27	1,440.07
Pollution Control Devices	1,943.96	-	-	1,943.96	961.36	91.76	-	1,053.12	890.84	982.60
Power Factor Controller	66.95	-	-	66.95	63.37	0.23	-	63.60	3.35	3.58
Bottle Washing & Filling Machinery	1,971.06	-	-	1,971.06	1,786.30	25.70	-	1,812.00	159.05	184.75
Electrical Equipment & Installatio ns	32,703.48	-	-	32,703.48	24,319.10	3,066.07	-	27,385.17	5,318.32	8,384.39
Electrical Fixtures & Fittings	5,898.85	-	-	5,898.85	2,160.58	522.81	-	2,683.38	3,215.47	3,738.27
Generator	5,997.75	-	-	5,997.75	4,064.31	166.26	-	4,230.57	1,767.19	1,933.45

Air Floating & Circulating System	47,442.53			47,442.53	19,668.29	1,958.70	-	-	21,626.99	25,815.53	27,774.24
Boiler	811.03			811.03	346.22	35.62	-	-	381.84	429.18	464.80
Camera	4,461.42			4,461.42	2,668.69	428.86	-	-	3,097.54	1,363.88	1,792.73
Air Conditioner	1,310.17			1,310.17	1,107.76	51.13	-	-	1,158.89	151.28	202.41
U.P.S	6,148.75			6,148.75	4,240.23	477.07	-	-	4,717.30	1,431.44	1,908.51
Office Equipments	1,633.51			1,633.51	1,531.12	10.03	-	-	1541.14	92.37	102.39
Cell Phone	307.04	17.00		324.04	262.73	25.07	-	-	287.80	36.24	44.31
Dies & Punches	7,771.03	266.15		8037.18	2,150.42	445.82	-	-	2,596.24	5,440.94	5,620.61
Computer	10,028.16	17.60		10,045.76	9,581.63	266.05	-	-	9,847.68	198.08	446.54
Furniture & Fittings	19,004.14			19,004.14	9,288.82	2359.45	-	-	11,648.27	7,355.86	9,715.31
Vehicle	1,781.63			1,781.63	1,613.07	52.64	-	-	1665.71	115.92	168.56
Accessories	683.68			683.68	198.36	32.74	-	-	231.09	452.59	485.33
Chiller Systems	3,017.74			3,017.74	580.03	143.34	-	-	723.37	2,294.37	2,437.71
Bio-Equipment	1,446.73			1,446.73	481.05	68.72	-	-	549.77	896.96	965.68
Water Systems	7,546.19			7,546.19	2,226.89	367.38	-	-	2,594.27	4,951.92	5,319.30
ETP Plant	459.00			459.00	215.69	33.85	-	-	249.53	209.47	243.31
Shrink Pak Machine	175.10			175.10	47.72	8.32	-	-	56.03	119.07	127.38
HAVC Systems	35,961.95			35,961.95	1,733.08	1769.82	-	-	3,502.90	32,459.05	34,228.87
TOTAL	796,317.55	790.59		797,108.14	270,609.02	40,749.37	-	-	311,358.40	485,749.74	525,708.52
Intangible Asset											
Good will on Consolidation	358.03	-	-	358.03	-	-	-	-	-	358.03	358.03
	358.03	-	-	358.03	-	-	-	-	-	358.03	358.03

12 OTHER NON CURRENT ASSETS

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31 st March 2016
Product Registration	7,167.66	13,087.21
Product Launch Expenditure	60.39	48.14
	7,228.05	13,135.36
Less: Amortization charged to P&L Account	(1,445.61)	(5,967.69)
Total	5,782.44	7,167.66

13 INVENTORIES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31 st March 2016
Raw material(Valued at cost)	49,969.58	79,975.33
Work in progress(valued at cost)	26,339.77	17,726.86
Finished Product(valued at cost or market value whichever is less)	46,352.21	24,049.12
Packing material(Valued at cost)	15,840.53	10,323.51
Stores and spares (At Cost)	28,897.37	31,724.07
Total	167,399.45	163,798.89

14 TRADE RECEIVABLES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured Considered Good)		
Trade Receivables- More than Six month	489,486.17	443,871.80
Others	76,509.59	244,057.93
Less: Provision for Doubtful Debts	(28,237.31)	(8,231.78)
Total	537,758.45	679,643.95

15 CASH AND CASH EQUIVALENTS**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Cash on hand	359.15	269.58
Balance with:		
In current account	4,031.51	1,500.03
In Fixed Deposits	22,188.49	25,368.76
Total	26,579.15	27,138.37

16 SHORT TERM LOANS AND ADVANCES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	190,109.50	128,212.48
Advance Others	39,289.47	38,051.67
Advance to Subsidiary Company- BLRL	120,945.61	2,832.28
Deposits with Govt. or Semi Govt. Depot.	3,129.46	2,832.28
Deposits with Others	4,437.50	17,496.98
Prepaid expenses	726.48	1,614.12
Cenvat Credit & PLA Account	19,112.27	20,353.79
Sales Tax Refund account	8,578.82	11,089.44
TDS Receivable	2,979.64	2,810.15
License On hand	1,143.04	1,143.04
Total	309,451.80	223,603.95

17 MINORITY INTEREST**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Share Capital	(1,805.46)	9,339.40
Revenue Profit	(3,729.53)	(11,144.86)
Total	(5,534.98)	(1,805.46)

18 REVENUE FROM OPERATIONS**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Sales:		
Sales (Domestic)	426,732.62	545,005.59
Less: Excise Duty on local sales	(12,466.51)	(9,012.48)
	414,266.11	535,993.11
Sales(Export)	236,155.84	317,521.18
Less: Excise Duty on Export Sales	(1,086.75)	(1,674.86)
	235,069.09	315,846.32
Less: Sales of BLRL to BPL	-	-
Revenue from operations	649,335.20	851,839.43
FR & D INCOME	279.99	1,344.74
Grand Total	649,615.19	853,184.17

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.15933.59 ('000) (Previous year 30743.46 ('000) and has been included in the Export Sales. Domestic Sales of Traded goods to the tune of Rs 376938.637 ('000) during the current year and Rs 504334.10 ('000) in the previous year.

19 .OTHER INCOME**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Interest Received Bank	405.84	340.15
Interest Received Others	1,451.20	3,541.30
Gain or Loss on Exchange	3,995.95	1702.35
Export Incentive	1,455.99	2134.14
Insurance Claim Received		3,069.88
Rent Received	52.75	55.20
Non-Competent Fees		-
Sundry Balances Written Off		1,569.17
Miscellaneous Receipt		-
Analytical Charges	4,039.84	-
Job Work Income		7,374.21
Total other income	11,401.56	19,786.39

20 COST OF RAW MATERIAL CONSUMED**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Opening stock	79,975.33	83,459.17
Add: Purchase	94,054.73	124,148.87
	174,030.06	207,608.04
Less: Closing stock	49,969.58	79,975.33
Raw Material Consumed (A)	124,060.48	127,632.71

20.1 COST OF PACKING MATERIAL CONSUMED**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Opening stock	10,323.51	11,248.49
Add: Purchase	29,528.76	29,839.55
	39,852.27	41,088.04
Less: Closing stock	15,840.53	10,323.51
Packing Material Consumption (B)	24,011.75	30,764.53

20.2 MANUFACTURING EXPENSES**(Rs. in '000)**

Particulars	As at 31st March 2017	As at 31st March 2016
Consumable Stores	3,540.35	3,613.85
Analytical Expenses	244.03	905.66
Power & Fuel	20,515.85	25,425.70
Machinery Maintenance	13,361.13	8,852.57
Factory Maintenance	3,623.33	2,622.51
Chemical Purchase	3,173.87	4,570.44
Security Charges	1,763.00	2,316.27
Repairs & Maintenance	1,856.02	3,637.66
Other Manufacturing	9,555.14	15,003.70
Lab Maintenance	134.58	70.32
Total (C)	57,767.31	67,018.67

20.3 FREIGHT

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Freight Charges	806.32	1,384.86
Total (D)	806.32	1,384.86
COST OF MATERIAL CONSUMED (A+B+C+D)	206,645.85	226,800.76

21 PURCHASE OF STOCK IN TRADE

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Purchase of stock in Trade	402,005.79	508,888.86
Total	402,005.79	508,888.86

22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Closing Inventories:		
Finished Goods	46,352.21	24,049.12
Work in progress	26,339.77	17,726.86
	72,691.98	41,775.98
Opening Inventories:		
Finished Goods	24,049.12	18,554.74
Work in progress	17,726.86	16,702.00
	41,775.98	35,256.74
Change in inventory	(30,916.00)	(6,519.24)

23 EMPLOYEE BENEFIT EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Salaries	57,864.51	60,533.65
Bonus	3,008.23	3,051.33
PF Companies contribution	4,418.63	5,050.12

ESI Companies Contribution	803.28	869.87
Staff welfare	1,968.01	347.03
Total	68,062.65	69,852.01

24 FINANCIAL COSTS

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Interest to bank	56,462.10	76,690.06
Bank charges	4,249.24	16,669.85
Interest others	54,025.60	36,198.62
Total	114,736.94	129,558.53

25 DEPRECIATION AND AMORTISATION CHARGES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Depreciation and Amortization expenses	42,194.98	48,586.04
Total	42,194.98	48,586.04

26 OTHER EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Rent	2,443.42	2,405.92
Postage & Telegram	699.16	733.70
Telephone	727.27	766.74
Insurance	1,099.85	43.23
Conveyance	1,078.04	1,228.50
Travelling Expenses	1,360.64	1,131.44
Donation	11.00	12.00
Printing & Stationery	1,165.49	1,709.95
Subscription & Membership	44.83	78.47
Fees	444.91	1,658.83
Office Maintenance	64.02	45.84
Vehicle Maintenance	317.78	475.96
Miscellaneous Expenses	4,759.93	591.83

Sundry Balances Written Off	1,908.40	1,782.30
Professional Charges	5,042.27	2,810.84
Computer Maintenance	920.24	1,254.68
Service Tax	1,486.42	2,098.86
Discount Allowed	24.46	324.97
Packing Charges	-	32.19
Exchange Difference	-	3,930.61
Freight & Transportation	4,363.72	7,664.81
Advertisement	206.47	199.27
Sales Promotion	938.19	592.12
Loss of Expired Goods	-	7,467.72
Commission/ Liasoning Charges	6,793.36	3,306.62
Liquidative Damages	2,280.25	3,363.35
Payment to Auditor	758.20	624.61
Directors Salary	2760.00	2,460.00
Directors Sitting Fees	210.00	200.00
Provision for Doubtful Debts	20,005.53	-
Total	61,913.83	48,995.32

26.1 PAYMENT TO AUDITORS AS

(Rs. in '000)

Particulars	As at 31st March 2017	As at 31st March 2016
Statutory Audit Fees	385.00	385.00
Tax Audit Fees	65.00	65.00
Certification fees	100.00	100.00
Service Tax	82.50	79.75
Total	632.50	629.75

26.2 DIRECTORS REMUNERATION

(Rs. in '000)

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31 st March 2016
a)	Salary	1,380.00	1,380.00	1,080.00	1,080.00

b)	Conveyance	180.00	180.00	120.00	120.00
c)	Contribution to PF	21.60	21.60	21.60	21.60
d)	Lease Rent for Car	60.00	60.00	60.00	60.00
	Total	1,641.60	1,641.60	1,281.60	1,281.60

27 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 are recognized in the Profit and loss account.

b) EXPENDITURE IN FOREIGN CURRENCY

(in '000)

Particulars		As on 31st March 2017		As on 31st March 2016	
RAW MATERIAL	USD	174.33	12,007.75	409.58	27,706.08
	EURO	NIL	NIL	10.35	199.29
	GBP	102.70	9,391.59	NIL	NIL
CAPITAL GOODS	USD	NIL	NIL	14.50	995.86
	EURO	NIL	NIL	3.12	230.52

c) EARNINGS IN FOREIGN CURRENCY

(in '000)

Particulars		As at 31st March 2017	As at 31st March 2016
EXPORT SALES	USD	2,418.30	3,599.85
	INR	160,352.01	233,622.43
	GBP	499.20	550.97
	INR	41,726.61	53,155.29
	INR	32,990.51	-

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs 15,933.59 ('000) (Previous year 30,743.46 ('000) and has been included in the Export Sales

g) RESEARCH AND DEVELOPMENT EXPENDITURE

(in '000)

Particulars		As at 31st March 2017	As at 31st March 2016
Capital Expenditure		-	374.00
Revenue Expenditure		7,185.03	8,169.18
		7,185.03	8,543.18

28 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, 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

28.1 Name of the related Party

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

28.2 Directors' Interest

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

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

SI. NO	Particulars	Associates	Key Management Personnel	Relative of KMP	Total as on 31.03.2017	As on 31.03.2016
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			-	-
2	Sale of goods	Bafna Lifestyles Remedies Ltd	-	-	-	-
3	Sale of Fixed Assets		-	-	-	-
4	Rendering Services	Bafna Lifestyles Remedies Ltd	Bafna Mahaveer Chand, Paras Bafna, and Naveen Bafna		2,760.00	10,314.21
5	Agency agreements		-	-	-	-
6	Leasing or Hire Purchase	Bafna Lifestyles Remedies Ltd		Bhansilal Bafna (HUF)	2,925.00	2,925.00
7	Transfer of R&D		-	-	-	-
8	License Agreements		-	-	-	-

9	Finance loans and Equity in Cash or Kind	Bafna Lifestyles Remedies Ltd	-	-	157,667.65	-
10	Guarantee and Collaterals	Bafna Lifestyles Remedies Ltd	-	-	-	-
11	Manage Contracts including for Deputation of Employees		-	-	-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,250.00	2,241.00

28.4 CONTINGENT LIABILITIES NOT PROVIDED FOR

		(Rs. in '000)	
	Particulars	As at 31st March 2017	As at 31st March 2016
a)	In respect of Letter of Credit and Bank Guarantee	2,925.29	16,380.32
b)	Bonds have been executed in favour of Customs Authorities for the purchase of materials and capital goods without payment of duty	-	-

28.5 SECONDARY SEGMENT/ GEOGRAPHICAL SEGMENT

The Company has identified manufacture of Medicine and drugs as the only primary reportable Segment

						(Rs. in '000)	
					As at 31st March 2017	As at 31st March 2016	
PARTICULARS	INDIA	ASIA	AFRICA	UK	Total	Total	
Sales	414,266.10	141,508.85	14,949.58	78,890.69	649,615.22	853,184.17	
Operating Expenses	366,142.19	125,070.23	13,212.94	69,726.22	574,151.58	712,562.76	
Operating Income/ Loss	48,123.91	16,438.62	1,736.64	9,164.47	75,463.64	140,621.41	
Un allocable Income					11,401.56	12,412.19	
Total Income					86,865.20	153,033.60	
Un allocable Expenses					(279,919.29)	(278,308.78)	
Net profit before Tax					(193,054.09)	(125,275.19)	

Income Tax and Deferred tax					8,352.03	3,430.83
Net profit after Tax					(184,702.06)	(121,844.36)

29. CENVAT

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

30. GENERAL

a) The details of Statutory dues pending as at 31 st march 2017 are given below

Name of the Statute	Nature of Dues	Amount	Payment to which the amount Relates	Due Date	Date of Payment
EPF & MP Act 1952	PF Contribution	9,016,441	Jan 2016 To March 2017	15th Day of the Following Month	Not Paid
ESI Act 1948	ESI Contribution	923,931	June 2016 to March 2017	21st Day of the Following Month	Not Paid
Service Tax	Service Tax	1,588,149	June 2016 to March 2017	5th Day of the Following Month	Not Paid
Income Tax Act 1961	TDS	6,973,908	July 2016 to March 2017	7th Day of the Following Month	Not Paid
Income Tax Act 1961	Income Tax Dues	58,141,814	Asst Year 2015-2016	31st March 2015	Not Paid

b) Balances under Trade Payables, debtors, loans and advances are subject to confirmation.

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 '000)

Name of the Body Corporate	As at 31 st March 2017	As at 31 st March 2016
TAMILNADU STEEL TUBES LIMITED (includes interest thereon)	1,012.50	14,441.09

e) The Fixed deposit of sum of Rs.22, 188.49 (in '000) (previous year Rs.25,368.76 (in '000) lying with State bank of India are under lien against Bank Guarantee Margin LC Margin Money and Loan against deposit.

f) Previous Year Figures have regrouped, re-arranged and re-classified wherever necessary.

SIGNATURE TO NOTE ON FINANCIAL STATEMENT No.1 TO No: 30

As per our report of even date

For Abhay Jain & Co
Chartered Accountants
FRN No.000008S

On behalf of Board

A.K. Jain
(Partner)

Bafna Mahaveer Chand
(Managing Director)

Paras Bafna
(Whole Time Director)

Place: Chennai
Date: 27.05.2017

Sapna Jain
(Company Secretary)

Notice

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Bafna Pharmaceuticals Limited will be held on Saturday, the 30th day of September 2017, at 2.00 PM, at our factory at 147, Madhavaram Red Hills High Road, Grantlyon Village, Chennai - 600052 to transact the following business:

ORDINARY BUSINESS:

Adoption of Financial Statements:

Item No1: To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, Statement of Profit and Loss Account & Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditor's thereon.

Adoption of Consolidated Financial Statements:

Item No 2: To receive, consider and adopt the Consolidated Audited Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date, the Reports of Directors and Auditor's thereon.

Appointment of Director:

Item No 3: To appoint a Director in place of Shri Bafna Mahaveer Chand having directors identification number 01458211, who retires by rotation and being eligible, offers himself for re-appointment as Director.

Appointment of Director:

Item No 4: To appoint a Director in place of Shri Paras Bafna having director's identification Number 01933663, who retires by rotation and being eligible, offers himself for re- appointment as Director.

Appointment of Statutory Auditor:

Item No 5:

To appoint **M/s. R Sathyanarayanan & Co.**, Chartered Accountants, Chennai (FRN: 003656S) as Statutory Auditors of the Company, in the place of retiring auditor M/s. Abhay Jain & Co, for a period of five years, from the conclusion of this Meeting till the conclusion of Twenty Seventh Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

To ratify Cost Auditors Appointment and Remuneration:

Item No 6: To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of section 141, 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-

enactment thereof for the time being in force) and other applicable provisions and subject to the approval of the Central Government & others, if any, the Cost Auditors, M/s. Thanigaimani & Associates (FRN: 101899) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st march 2017 be paid a remuneration of Rs 45,000 (Rupees Forty Five Thousand Only) plus applicable taxes and out of pocket expenses.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 7: To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION

“RESOLVED THAT subject to the provisions of Sections 196,197& 198 and other applicable provisions, if any, of the Companies Act, 2013 and the laws prevailing for the time being and subject to Schedule V to the Act, with such alterations and modifications, if any, that may be effected by the Central Government, pursuant to any change in policies or laws, guidelines, rules and regulations relating to the managerial remuneration, consent of the members of the company be and is hereby accorded to re-appoint Shri Bafna Mahaveer Chand as Chairman and Managing Director of the Company, for a period of Three years from 01.10.2017 on following revised remuneration:

Salary scale: Rs. 1,50,000/- per month subject to the maximum as may be determined by the Board and Schedule V of the Companies Act, 2013 and any modification thereof.

Perquisites: Gratuity, Contribution to Provident Fund, Superannuation Fund, Encashment of Leave and Annuity fund as per the rules of the Company.

RESOLVED FURTHER THAT in the case of loss or inadequacy of profits in any financial year of the company, during his tenure, the remuneration payable to Shri Bafna Mahaveer Chand shall be subject to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any statutory requirement, modification, and / or relaxation by the Central Government to the Schedule V or to any of the Sections of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit and the aforesaid resolution be suitably amended to give effect to such amendments, modifications, relaxations and / or variations without any further reference to the company in General Meeting.

“RESOLVED FURTHER THAT Shri Bafna Mahaveer Chand, Chairman and Managing Director, shall be liable to retire by rotation during his tenure as a Managing Director of the Company”.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors of the Company be and are hereby severally authorised to do all 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 without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the

members shall be deemed to have given their approval thereto expressly by the authority of this resolution in the best interest of the company."

Item No.8: To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT subject to the provisions of Sections 196, 197, & 198 and other applicable provisions, if any, of the Companies Act, 2013 and the laws prevailing for the time being and subject to Schedule V to the Act, with such alterations and modifications, if any, that may be effected by the Central Government, pursuant to any change in policies or laws, guidelines, rules and regulations relating to the managerial remuneration, consent of the members of the Company be and is hereby accorded to re-appoint Shri Paras Bafna as Whole Time Director of the Company for a period of Three years with effect from 01.10.2017, on following revised remuneration:

Salary Scale: Rs.1,20,000/- per month subject to the maximum as may be determined by the Board and Schedule V of the Companies Act, 2013 and any modification thereof.

Perquisites: Gratuity, Contribution to Provident Fund, Superannuation Fund, Encashment of leave & Annuity fund as per the rules of the company.

RESOLVED FURTHER THAT in the case of loss or inadequacy of profits in any financial year of the company, during his tenure, the remuneration payable to Shri Paras Bafna shall be subject to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, and / or relaxation by the Central Government to the Schedule V or to any of the Section of the Companies Act, 2013, the Board of Directors be and are hereby authorised to vary or increase the remuneration within such prescribed limit and the aforesaid resolution be suitably amended to give effect to such amendments, modifications, relaxations and / or variations without any further reference to the Company in General Meeting.

"RESOLVED FURTHER THAT Shri Paras Bafna, Whole Time Director, shall be liable to retire by rotation during his tenure as a Whole Time Director of the Company".

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Directors of the Company be and are hereby severally authorised to do all 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 without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution in the best interest of the company."

By Order of the Board of Directors
For Bafna Pharmaceuticals Limited
CIN: L24294TN1995PLC030698

Place: Chennai

Date: 08.08.2017

Sd/-

Registered Office:
New No.68, Old No.299,
Thambu Chetty Street, Chennai - 600001

Bafna Mahaveer Chand
Managing Director
(DIN: 01458211)

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 nos. 6,7 & 8 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 24.09.2016 to 30.09.2016 (both dates inclusive).
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.
9. 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.

10. The annual report for 2016-17 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 2016-17 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.

11. 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.

12. 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.

13. 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 31.03.2017	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 Metha, 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 Postal Ballot Notice and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

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

Cameo Corporate Services Limited

No: 1, Club House road, Chennai- 600002

Ph: (044) 28460390, Fax (044) 28460129

investor@cameoindia.com

The e-voting module shall be disabled for voting on 29th September 2017 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 23rd September 2017 (cut-off / record date for determining the eligibility to vote through postal ballot / electronic mode).

Shri. Pankaj Metha, 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 26th September 2017 at 9.00 am and ends on 29th September 2017 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 23rd September 2017 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. 6:

The Board of Directors of the Company at their meeting held on 28th July, 2017, has, on recommendation by the Audit Committee, appointed M/s Thanigaimani & Associates (FRN No.101899), Cost Accountants as the Cost Auditors for the Financial year 2016-17 at a remuneration of Rs. 45,000/- (Rupees Forty Five Thousand Only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditor as fair and recommends the resolution contained in item no.6 of the accompanying notice for approval of the members as an Ordinary Resolution.

No Director, Key Managerial Persons (KMPs) or their relatives, are concerned or interested in the said resolution.

ITEM NO: 7:

Shri. Bafna Mahaveer Chand (DIN: 01458211) has been Director of the company from 1995. He has served the company for over three decades holding various positions including Managing Director. He was reappointed as Managing Director of the company in the 20th Annual general Meeting held on 29.09.2015 for the period of Two years with effect from 01.10.2015. His tenure as Managing Director will expire on 30.09.2017, therefore the Board of Directors at its meeting held on 08.08.2017, based on the recommendation of Nomination & Remuneration committee and subject to approval of Members, re-appointed Shri. Bafna Mahaveer Chand (DIN: 01458211) as Managing Director of the company for a period of three years with effect from 01.10.2017. According to section 203 of the Companies Act, 2013, Shri. Bafna Mahaveer Chand, being a Managing Director is also a key Managerial Personnel of the company.

Shri. Bafna Mahaveer Chand (DIN: 01458211) is the main Promoter of the Company and has over three decades of experience in Pharmaceutical industry. He is a Chemistry Graduate from Madras University. He is considered to be a doyen in the industry with in-depth know-how and expertise of all the faculties & operations of the industry. Thanks to his diligence and vision, the company has transformed itself from a proprietary firm to a listed entity, credited with a facility accredited by UK-MHRA. Being an expert in both domestic and international business, his contributions towards developing domestic institutional business and international CRAMS business, setting up the State-of-the art R&D center and the drive to acquire the Marque Brand 'Raricap' have scripted the success story of the company. He has been honored by the National Level Entrepreneurship Excellence award in 2010.

Shri. Bafna Mahaveer Chand has given his consent to act as the Director of the Company in the form DIR – 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and declaration to the Board to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The company intends to revise his remuneration for a period of three years effective from **1st October 2017**, as mentioned below;

1. Monthly remuneration

BASIC:	1,30,000/-
Conveyance	20,000/-
TOTAL	Rs. 1,50,000

With such annual increments / increases as may be decided by the Nomination and Remuneration Committee from time to time.

2. Computation of Perquisites

The following shall not be included the computation of perquisites (i) Company's contribution to provident fund and superannuation fund to the extent they are singly or put together are not taxable under the Income-tax Act, (ii) Gratuity at the rate of half a month's salary for each completed year of service; (iii) Leave with full pay as per the rules of the Company with encashment of un-availed leave being allowed.

3. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.

4. Valuation of perquisites

Perquisites / allowances shall be valued as per Income-tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

5. Other terms

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of directors as it may, in its discretion, deem fit within the amount payable to the appointee in accordance with the provisions of the said Act or any amendments made therein or with the approval of the Central Government, if required.

Keeping in view of his experience in the seafood Industry and his contribution to the growth of the company, the Board of Directors of the company recommends the re-appointment of Shri. Bafna Mahaveer Chand as Managing Director of the Company.

Except Shri. Bafna Mahaveer Chand being an appointee, and Shri. Paras Bafna, being a relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 07.

ITEM NO: 8:

Shri. Paras Bafna (DIN: 01933663) has been Director of the company from 1995. He has served the company for over three decades holding various positions including Whole time director. He was reappointed as Whole time director of the company in the 20th Annual general Meeting held on 29.09.2015 for the period of Two years with effect from 01.10.2015. His tenure as Whole time director will expire on 30.09.2017, therefore the Board of Directors at its meeting held on 08.08.2017, based on the recommendation of Nomination & Remuneration committee and subject to approval of Members, re-appointed Shri. Paras Bafna (DIN: 01933663) as Whole time director of the company for a period of three years with effect from 01.10.2017.

Shri. Paras Bafna 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. Shri. Bafna Mahaveer Chand has given his consent to act as the Director of the Company in the form DIR – 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and declaration to the Board to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The company intends to revise his remuneration for a period of three years effective from **1st October 2017**, as mentioned below;

1. Monthly remuneration

BASIC:	1,00,000/-
Conveyance	20,000/-
TOTAL	Rs. 1,20,000/-

with such annual increments / increases as may be decided by the Nomination and Remuneration Committee from time to time.

2. Computation of Perquisites

The following shall not be included the computation of perquisites (i) Company's contribution to provident fund and superannuation fund to the extent they are singly or put together are not taxable under the Income-tax Act, (ii) Gratuity at the rate of half a month's salary for each completed year of service; (iii) Leave with full pay as per the rules of the Company with encashment of un-availed leave being allowed.

3. Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.

4. Valuation of perquisites

Perquisites / allowances shall be valued as per Income-tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

5. Other terms

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of directors as it may, in its discretion, deem fit within the amount payable to the appointee in accordance with the provisions of the said Act or any amendments made therein or with the approval of the Central Government, if required.

Keeping in view of his experience in the seafood Industry and his contribution to the growth of the company, the Board of Directors of the company recommends the re-appointment of Shri. Bafna Mahaveer Chand as Managing Director of the Company.

Except Shri. Paras Bafna being an appointee, and Shri. Bafna Mahaveer Chand, being a relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 08.

I. General Information

- (1) Nature of the industry: Pharmaceuticals
- (2) Date of commencement of business: 28.03.1995
- (3) Financial Performance:

Year ended 31 st March	Revenue (Rs Lakhs)	Profit before tax (Rs Lakhs)	Profit after tax (Rs Lakhs)	Net worth (Rs Lakhs)	Fixed Assets-net (Rs Lakhs)	Dividend %	Earnings per share (Rupees)
2017	6610.16	(1930.54)	(1847.02)	3954.44	4332.31	NIL	(9.90)
2016	8,655.96	(1,252.75)	(1,218.44)	5,801.47	4,699.07	NIL	(6.53)
2015	14,365.53	607.90	610.73	7,019.91	4,862.95	NIL	3.27
2014	17,894.46	222.51	133.61	6,734.69	6,639.78	NIL	0.72
2013	17,016.64	517.94	387.92	6,601.08	6,293.33	6%	2.08
2012	12,500.82	536.54	207.41	6,245.78	6,982.14	NIL	1.19

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. Bafna Mahaveer Chand (DIN: 01458211)

Name of the Director	Shri Bafna Mahaveer Chand
Date of Birth	01/11/1961
Status	Executive – Non Independent Director
Qualification & Expertise	He is the main Promoter of the Company and has over three decades of experience in Pharmaceutical industry. He is a Chemistry Graduate from Madras University. He is considered to be a doyen in the industry with in-depth know-how and expertise of

	all the faculties & operations of the industry. Thanks to his diligence and vision, the company has transformed itself from a proprietary firm to a listed entity, credited with a facility accredited by UK-MHRA. Being an expert in both domestic and international business, his contributions towards developing domestic institutional business and international CRAMS business, setting up the State-of-the art R&D center and the drive to acquire the Marque Brand 'Raricap' have scripted the success story of the company. He has been honored by the National Level Entrepreneurship Excellence award in 2010.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	14,85,078
Relationship with other directors in the company	NA

(ii) Shri. Paras Bafna (DIN: 01933663)

Name of the Director	Shri Paras Bafna
Date of Birth	29/09/1966
Status	Executive – Non Independent Director
Qualification & Expertise	He is one of the Promoters - 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	9,11,671
Relationship with other directors in the company	NA

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

22nd 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 Second Annual General Meeting held on Saturday, the 30th day of September, 2017 at 2.00 PM at 147, Madhavaram Red Hills High Road, Grantlyon Village, Chennai-600052 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

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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

22nd Annual General Meeting

<i>Name of the member(s) :</i>	:
<i>Registered address</i>	:
<i>E-mail id</i>	:
<i>Folio No / Client Id</i>	:
<i>DP ID</i>	:

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 22nd Annual General Meeting of the Company, to be held on Saturday, the 30th day of September, 2017 at 2.00 PM at 147, Madhavaram Red Hills High Road, Grantlyon Village, Chennai – 600052 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 31 st March, 2017 including the audited Balance Sheet as at 31 st March, 2017, 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	Adoption of the Consolidated financial statements of the Company for the year ended 31 st March, 2017 including the audited Balance Sheet as at 31 st March, 2017, 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			
3	Appointment of a Director in the place of Shri Bafna Mahaveer Chand (DIN: 01458211), who retires by rotation and being eligible, offers himself for re-appointment as a Director.			
4	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.			
5	Appointment of M/s. R Sathyanarayanan & Co., Chartered Accountants, Chennai (FRN: 003656S) as Statutory Auditors of the Company, in the place of retiring auditor M/s. Abhay Jain & Co, Chartered Accountants, Chennai.			
6	To ratify Appointment & Remuneration of Cost Auditors.			
7	To re-appoint Shri Bafna Mahaveer Chand (DIN: 01458211) as Managing Director of the Company for a period of Three (3) consecutive years.			
8	To re-appoint Shri Paras Bafna (DIN: 01933663) as Whole time Director of the Company for a period of Three (3) consecutive years.			

Affix 1
Rupee
Revenue
Stamp

Signed this..... day of..... 2017

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.