

BAFNA PHARMACEUTICALS LIMITED
21ST ANNUAL REPORT

FINANCIAL YEAR 2015-16



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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. 86.56 Cr
Net Profit	:	Rs. (12.18)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

Mr. Garurav Jain
Chartered Accountant, 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
(Appointed w.e.f 27th March 2015)

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 21st Annual General Meeting of the Company.

With immense pleasure, I inform you that we have successfully completed the renewal audit by MHRA during the year. The high production standards and quality processes followed & maintained by your Company ensured this renewal. We could not have achieved this without the support of the Company's employees and the guidance from our Board of Directors. I thank all of them and look forward to their continued support.



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 year 2015-16, was a year of consolidation, post the sale of our branded business including Raricap to M/s. Strides Shasun Ltd. In my last communication to you, I had spoken at length on the Joint Venture with M/s. Strides Heath Care Private Limited – a subsidiary of M/s. Strides Shasun Ltd, Bangalore, which continues to position us as one of the significant value creators in the industry.

The overall sale during the consolidation phase was Rs.85.31 Crores as compared to Rs.101.4 Crores in the previous year. However, the re-focus in strategy resulted in driving better EBIDTA margins which was at 4.75% as compared to a negative of 17.08% in the previous year.

As a result of transfer of domestic branded business, we have managed to substantially reduce bank borrowings. We are gradually shifting our focus on global markets for our formulations. 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 FY16, 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 2015-16

DIRECTOR'S REPORT

To The Shareholders

Your Directors have pleasure in presenting the Twenty First Annual Report of your Company together with Audited Accounts for the Financial Year ended 31st March, 2016.

Financial Performance

The summarized Audited Financial Results for the year ended 31st March, 2016 along with comparative figures for the previous year is as under:

Particulars	(Rs. In '000)			
	Standalone		Consolidated	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Total Income	8,65,596.35	14,36,553.02	8,72,970.56	1,436,815.13
Total Expenditure	9,49,750.21	12,96,506.57	977,576.25	1,287,946.12
Profit before Depreciation & Taxation	84,153.86	140,046.45	104,605.69	148,869.01
Less: Depreciation	41,121.33	52,375.87	48,586.04	59,854.65
Less: Exceptional Items	-	26,880.92	-	28,342.57
Profit before Tax	(125,275.19)	60,789.66	(153,191.73)	60,671.79
Less: Provision for Taxation	-	(22,587.38)	-	(22,587.38)
Less: Provision for Deferred Tax	3,430.83	22,871.05	1,777.59	24,113.06
Minority Interest (Loss)			11,144.85	(423.68)
Profit after Tax for the year	(121,844.36)	61,073.34	(140,269.29)	61,773.78

Consolidated Operating Results

The consolidated sales and operating income decreased to Rs. 87.30 Cr from Rs. 143.68 Cr in the previous year yielding a decline in growth of 60.76% due to sale of Brand happened during the year 2014. The consolidated operating profit for the year was Rs. 10.46 Cr as against Rs. 14.89 Cr in the previous year. The consolidated net loss for the year 2016 was Rs.14.02 Cr as against FY 2015 of Rs. 6.18 Cr.

Standalone Operating Results

The sales and operating income decreased to Rs. 86.56 Cr from Rs. 143.66 Cr in the previous year decline rate of 60.26%. The operating profit for the year under review is Rs. 14.00 Cr as against Rs. 10.55 Cr in the previous year. The loss after tax for the year under review is Rs.121.84 Cr as against Rs. 6.11 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, 2016 forms part of the Annual Report.

As required under the Listing Agreements entered into with the Stock Exchanges, 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

(Rs. In '000)		
Particulars	31 st March, 2016	31 st March, 2015
Authorized Capital	400,000.00	400,000.00
Issued, Subscribed & Paid up Capital	186,563.35	186,563.35

Fixed Deposits

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

Dividend

The Company wishes to conserve the resources, hence your directors do not recommend any dividend for the Financial Year.

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. Accordingly all the Independent Directors were appointed in the last AGM to align with the requirement of the Companies Act, 2013. The necessary declarations were also obtained from the Independent Directors regularly on yearly basis.

Directors Liable to Retire by Rotation

Shri. Bafna Mahaveer Chand, Chairman & Managing Director and Shri. Paras Bafna, Whole Time Director are not liable to retire by rotation as per their terms of appointment / Articles of Association of the company. However, they are subject to retire by rotation as per the provisions of Section 149 & 152 of the Companies Act, 2013. All Directors in the Board are Independent except Shri. Bafna Mahaveer Chand and Shri. Paras Bafna, and as Independent Directors are not liable to retire by rotation, Shri. Bafna Mahaveer Chand & Shri. Paras Bafna will retire by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible they have offered

themselves for re-appointment. Upon re-appointment as Director Shri. Bafna Mahaveer Chand shall continue to hold office as the Chairman and Managing Director of the Company.

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.

Auditors

M/s. Abhay Jain & Co., Chartered Accountants, Chennai who are the statutory auditors of the Company, were re-appointed for a period of 3 years (from 2014 to 2017), subject to ratification by the members at every AGM. Hence, ratification has been sought for, from the members as per the terms of appointment made during 2014. M/s. Abhay Jain & Co., Chartered Accountants, Chennai have given their consent for re-appointment and also confirmed that their appointment would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the ratification of re-appointment of M/s. Abhay Jain & Co., Chartered Accountants, Chennai, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

The Board recommends ratification of re-appointment as Statutory Auditors of the Company. The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

There were some observation were made in the Auditors' Report for the period and the management reply to the observations made by the Statutory Auditor under Section 134 of the Companies Act, 2013 have been provided in some part of the report for the benefit of the shareholders.

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 2016. The Cost Audit report for the year ended 31st March 2015 was filed on 26.09.2015 and the Cost Audit Compliance Report was filed on 26.09.2015. The Cost Audit Report & Cost Audit Compliance Report for the year ended 31st March, 2016 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 financial year 2015-16. 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

- a) 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-
- b) Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. Eight Lakhs and Fifty Thousand per month -Nil -
- c) Details of employees, if employed 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 -

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, 2016 was 242 as against 251 during FY 2014-15, a net decrease of 9 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 Clause 49 of the Listing Agreement 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) Ms. Hemalatha, Asst General Manager - Chairperson
- (ii) Ms. Shunmugasundari, HR Executive - Member
- (iii) Ms. Rajalakshmi, 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, 2016.

Corporate Social Responsibility

The applicability of Corporate Social Responsibility under 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 2016-17

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 2016-17 at the Board Meeting held on 30.05.2016.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report which contains qualification for non-appointment of CFO and non-ratification of appointment of Mrs. Sabitha, Executive Director of the Company. The copy of the Secretarial Audit report in MGT 3 is attached as an annexure to the Director's Report.

Reply to the Qualification: The Company is taking necessary steps to appoint the Chief Financial Officer. Ratification of appointment and terms of remuneration of Mrs. Sabitha is proposed in the ensuing general meeting.

Re-appointment of Mr. Gaurav Jain, 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 30.05.2016 has appointed Mr. Gaurav Jain, Chartered Accountant, and Chennai as Internal Auditors and further approved their Scope, Functions, and Periodicity & Methodology.

Audit Committee

In terms of Section 177 of the Companies Act, 2013 and other applicable provisions if any and as per the clause 49 of the Listing agreement 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 Clause 49 of the Listing Agreement (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 were given in the corporate governance 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".

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required under the Listing Agreement with the Stock Exchange is enclosed elsewhere 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.

Particulars of Employees:

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, 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.

Directors Responsibility Statement

Your Directors wish to inform that the Audited Accounts contains Financial Statements for the financial year ended 31st March, 2016 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: 30.05.2016

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	2016	2015
1.	Purchased: Units(Lakhs) Total Amount (Rs. In lakhs) Rate / Unit (Rs.)	Units 19.07Lakhs Rs.184.90 Lakhs Rs.9.70 per Unit	Units 16.61Lakhs Rs.135.44 Lakhs Rs.8.15 per Unit
2.	Own Generation Through Diesel Generator Units (KSH) in lakhs Unit per Lt. of Diesel Cost/Unit (Rs.)	Units 2.08 lakhs Unit 2 per litre Rs 25.34 per unit	Units 1.71 lakhs Unit 2 per litre Rs 29.04 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	7540.81
Recurring/Revenue	8169.18	9557.39
TOTAL	8543.18	17098.20
% of R&D expenditure to sales	0.98%	1.19%

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.

- During FY 16 the company got registrations for 38 products as follows: (i) 16 in Sri Lanka (ii) 2 in Nepal (iii) 10 in Nigeria (iv) 1 in Tajikistan (v) 1 in Peru, (vi) 1 in Ethiopia (vii) 3 in Ghana and viii) 4 in Ukraine.
- As on date we have more than 188 Product registrations and 108 Product applications across globe.
- The export turnover consists of Rs.31.75 Cr of the total turnover for the FY 16 as against Rs. 32.53 Cr for the previous year

(b) Foreign Exchange earned and used

- Your Company has earned foreign exchange of Rs. 31.75 Cr (previous year Rs. 32.53 Cr)
- Foreign Exchange

FOREIGN EXCHANGE EARNINGS & OUTGO

- outgo was Rs.2.83Cr (previous year Rs. 2.60 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: 30.05.2016

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

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 Sub Clause 49 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 2016 (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>31.03.2016</u>	<u>31.03.2015</u>
Share capital	22,950.00	22,950.00
Reserves & Surplus	(24,740.69)	1,829.09
Total assets	89,877.01	159,650.81
Total Liabilities	89,877.01	159,650.81
Investments	0	0
Turnover	7,374.21	39,157.50
Profit / (Loss) before taxation	(27,916.55)	(117.88)
Provision for taxation	NIL	NIL
Profit / (Loss) after taxation	(29,569.79)	1,124.12
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
<u>PART B: ASSOCIATES AND JOINT VENTURES:</u>	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: 30.05.2016

(R.S.GOWDHAMAN)
Company Secretary

C. SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,
The Members
Bafna Pharmaceuticals Limited
299, Thambu Chetty Street,
Chennai - 600 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bafna Pharmaceuticals Limited** [CIN: L24294TN1995PLC030698] (hereinafter called as "the Company"). 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 March 31, 2016 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 March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings; **(Not applicable to the Company during the Audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - (iv) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
 - (v) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
 - (vi) 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;
 - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period).**
- and
- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015).

We have also examined compliance with the applicable clauses of the following:

- (i) 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 (effective from 1st July, 2015).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) (effective upto 30th November, 2015).

We report that the following are the other laws specifically applicable to the Company:

1. Drug and Cosmetics Act, 1940 and Rules made thereunder.
2. Drugs Price Control Order, 2013 and notifications made thereunder.
3. The Air (Prevention and Control of Pollution) Act, 1981 as amended from time to time.
4. The Water (Prevention and Control of Pollution) Act, 1974 as amended from time to time.

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., subject to the following observations:

1. *The Company has not appointed a Chief Financial Officer as required under the first proviso of sub-section 1 of Section 203 of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*
2. *The Company has not obtained the consent of the Members for confirmation of payment of remuneration to Women / Executive Director, in the Annual General Meeting held on 29.09.2015.*

We further report that:

- i) the board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) adequate notice is given to all 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 and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- iii) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- iv) 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.
- v) the shareholders of the company have given their consent to borrow money in excess of paid up capital and free reserves and to create charge or mortgage the assets of the Company to an extent of Rs. 150 Crores in the Annual General meeting held on 10.09.2014.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign technical collaborations.
- (iv) Merger/ Amalgamation / Reconstruction, etc.

Place : Chennai

Date : 09.08.2016

For A.K Jain & Associates
Company Secretaries

Sd/-
Balusridhar
Partner
FCS No. 5869
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, 2016

[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	68,50,769	Nil	68,50,769	36.72	61,82,468	Nil	61,82,468	33.14	3.58
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	68,50,769	Nil	68,50,769	36.72	61,82,468	Nil	61,82,468	33.14	3.58
(2) Foreign									
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) =	68,50,769	Nil	68,50,769	36.72	61,82,468	Nil	61,82,468	33.14	3.58
B. Public Shareholding									
a) Mutual Funds/	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
FIIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture									
Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify) – FI & Banks	Nil	Nil	Nil	Nil	23,491	Nil	23,491	0.13	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	23,491	Nil	23,491	0.13	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18,28,706	5,000	18,33,706	9.83	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	31,80,112	1,01,275	32,81,387	17.59	48,22,005	0	48,22,005	25.85	11.07

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	49,30,392	24,000	49,54,392	26.56	42,71,811	0	42,71,811	22.90	1.91
17c) Others Clearing Members HUF	6,58,853 26,727	Nil Nil	6,58,853 26,727	3.53 0.14	741	0	33,56,560	17.99	0.00
d) NRI's	10,77,228	Nil	10,77,228	5.77					
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,16,75,291	1,30,275	118,05,566	63.42			1,24,73,867	66.86	2.53
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	1,85,26,060	1,30,275	1,86,56,335	100	1,85,26,060	1,30,275	1,86,56,335	100.00	Nil

(ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			Shares of % change in share holding 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 M Chand	2461381	13.19	7.49	992979	5.32	NIL	7.89
2	Sasikala Bafna	1292941	6.93	NIL	1227572	6.58	NIL	0.35
3	Paras Bafna	912163	4.89	NIL	912163	4.89	NIL	NIL
4	Naveen Bafna	397058	2.13	NIL	397058	2.13	NIL	0.04
5	Chetna Bafna	1132805	6.07	NIL	2132805	11.43 6.07	NIL	5.36
6	Amriai Bafna	654421	3.51	NIL	512891	2.79	NIL	0.72
	Total	6850769	36.72	7.49	6182468	33.14	NIL	3.58

iii) Change in Promoters' Shareholding (please specify, if there is no change) –

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
	At the beginning of the year	6850769	36.72%		
	Please see the Annexure				
	At the End of the year			6182468	33.14%

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	Ramesh Kumar Chopra	3,83,250	2.0542	3,83,250	2.0542
2	Nisha Jignesh Mehta	4,83,000	2.5888	5,50,620	2,9514
3	Dherendra Somaia	3,28,200	1.7592	3,28,200	1.7592
4	Lindajeet Kaur Ruprai	6,67,352	3.5770	6,67,352	3.5770
5	India bulls Infrastructure Credit Ltd	2,68,435	1.4388	1,46,447	0.7850
6	Gyan Mal Jain	3,40,000	1.8224	3,40,000	1.8224
7	Kusum Jain	3,02,618	1.6220	3,02,618	1.6220
8	Vishwas Jain	3,09,148	1.6570	3,09,435	1.6586
9	Lindajeet Kaur Ruprai	6.67.352	3.5770	6.67.352	3.5770
10	V V Suryanarayana Raju Bhupathi Raju	1,97,122	1.0565	Nil	Nil

(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	Sri Bafna Mahaveer Chand Managing Director				
	At the beginning of the year	22,86,710	12.26		
	Please see the annexure for the details		—	1293731	6.94
	At the End of the year			992979	5.32
2	Sri Paras Bafna Wholetime Director				
	At the beginning of the year	9,12,163	4.89	9,12,163	4.89
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/	—	—	—	—
	At the End of the year			9,12,163	4.89
3	R.S. Gowdhaman Company Secretary	—	—	—	—
	At the beginning of the year	—	—	—	—

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/	—	—	—	—
At the End of the year	—	—	—	—

V. INDEBTEDNESS (Rs. In Lakhs)

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

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,467.45	Nil	Nil	6,467.45
ii) Interest due but not paid	70.01	Nil	Nil	70.01
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	6,537.46	Nil	Nil	6,537.46
Change in Indebtedness during the financial year				
Addition	1,477.04	Nil	Nil	1,477.04
Reduction	Nil	Nil	Nil	Nil
Net Change Indebtedness	1,477.04	Nil	Nil	1,477.04
At the end of the financial year				
i) Principal Amount	8,014.50	Nil	Nil	8,014.50
ii) Interest due but not paid	94.79	Nil	Nil	94.79
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	8,109.29	Nil	Nil	8,109.29

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	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.80	10.80	24.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.22	0.22	0.44
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,	Nil	Nil	Nil

2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	14.02	11.02	25.04
	Total (A) Remuneration for the purpose of Schedule V			21.60

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	0.60	0.35	0.45	2.00
	Commission	Nil	Nil	—	Nil	Nil
	Others, please specify	Nil	Nil	—	Nil	Nil
	Total (1)	0.60	0.60	0.35	0.45	2.00
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	—	—	—	—	---
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B)=(1+2)Salary of Woman Director	—	—	—	—	5.73
	Total Managerial Remuneration (A+B)					27.33
	Overall Ceiling as per the Act					66.87

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	Nil	8.95	8.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (C)	Nil	8.95	8.95

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Company	Brief Description	Details of Penalty / Punishment / Compounding	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					

Details of Shareholding of the Promoters

S No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Mahaveer Chand Bafna- Managing Director	No. of shares	% of totalshares of the company	No. of shares	% of totalshares of the company
	At the beginning of the year	2461381	13.19		
	26-06-2015-Transfer	(-)81404	0.44		
	18-09-2015- Transfer	(-)100000	0.54		
	25-09-2015 - Transfer	(-)150000	0.80		
	27.11.2015 – Transfer	(-)1073537	5.75		
	24.01.2016-- Transfer	(-) 63461	0.34		
	At the End of the year	-1468402		992979	5.32
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	Sasikala Bafna	No. of shares	% of totalshares of the company	No. of shares	% of totalshares of the company
	At the beginning of the year	1292941	6.93		
	25.09.2015 – Transfer	(-) 42369	0.23		
	31.03.2015 - Transfer	(-) 23000	0.12		
	At the End of the year	(-) 65369		1227572	6.58%
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	Chetna Bafna	No. of shares	% of totalshares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1132805	6.07		
	27.11.2015 – Transfer			1000000	5.36
	At the End of the year			2132805	11.43
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	Amribai Bafna	No. of shares	% of totalshares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	654421	3.51		
	18.09.2015 – Transfer	84530	0.45		
	12.10.2015 - Transfer	57000	0.31		
	At the End of the year			512891	2.75

CORPORATE GOVERNANCE

For the year ended 31st March, 2016

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 (Appointed with effect from 27.03.2015)	02643259	Executive Non- Independent Director	Bafna Lifestyles Remedies Limited	NIL

During the year under review Seven 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) 29.05.2015 (2) 06.08.2015 (3) 12.08.2015 (4) 05.10.2015
(5) 06.11.2015 (6) 11.02.2016 (7) 19.02.2016

The details of attendance of directors at the Board Meetings during the financial year 2015-16 and the last AGM held on 29th September 2015 are as follows:

Name of Director	No. of Meetings Attended	AGM Date & Attendance 29th Sep, 2015
Shri Bafna Mahaveer Chand	7	P
Shri Paras Bafna	7	P
Shri R. Dwarakanathan	4	P
Shri Sunil Bafna	6	P
Shri V. Rajamani	5	P
Shri B. Kamlesh Kumar	3	P
Smt K.Sabitha (Appointed w.e.f. 27.03.2015)	7	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.

Notes on Directors seeking appointment / re-appointment as required under Clause 49 IV (G) of the Listing Agreement entered into with Stock Exchanges.

(i) Mr. 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) Mr. 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 Promoter - Director of the Company. He is a Commerce Graduate and MBA with 24 years of experience in Planning & Production. His innate understanding of emerging pharmaceutical market trends has helped us to advance technically by innovative methods. His astute thinking and management skills are largely responsible for the smooth functioning of our factories.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	9,11,671
Relationship with other directors in the company	NA

(iii) Smt. K. Sabitha (DIN: 02643259)

Name of the Director	Smt K. Sabitha
Date of Birth	17/02/1939
Status	Executive Non- Independent Director
Qualification & Expertise	She is Post Graduate in International Business(MBA) and having nearly 18 years of experience in Pharma Industry. By virtue of her experience she can contribute more towards the development of the Company.
Names of other public company(ies) in which directorship held	Bafna Life Style Remedies Limited
Total shares held by him in the company	Nil
Relationship with other directors in the company	N A

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, 2016 is as follows:

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

During 2015-16 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	3
Shri B. Kamlesh Kumar	Member	3

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

(1) 29.05.2015 (2) 12.08.2015 (3) 06.11.2015 (4) 11.02.2016

The quorum of two Independent Directors as required by the Listing Agreement 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 20th AGM held on 29th September, 2015 and provided clarifications to the shareholders queries.

In terms of Section 177 of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors has approved the terms of reference of the Audit Committee at the Board Meeting held on 29.05.2015. The responsibilities of the Audit Committee inter alia are,

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, 2016 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.

Pursuant to notification of Section 178 of the Companies Act, 2013 the nomenclature of Remuneration Committee of the Company was changed as Nomination and Remuneration Committee at the board meeting held on 30.05.2014 without change in its constitution.

The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration committee as contained in Clause 49 of the Listing Agreement and sub-section (1) of Section 178 of the Companies Act, 2013, inter alia are:

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.

During the financial year 2015-16 committee meeting was held on 29.05.2015 and 11.02.2016 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	2
Shri Sunil Bafna – Member	2

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, 2016 is as follows:

- Shri Bafna Mahaveer Chand - Chairman
- Shri Paras Bafna - Member
- Shri Sunil Bafna - Member

In order to comply with Section 178 of the Companies Act, 2013 the nomenclature of Investor Grievance and Share Transfer Committee of the Company was changed as Stakeholders Relationship Committee at the board meeting held on 30.05.2014 and further Shri. Sunil Bafna, Independent Director was made as Chairman of the committee instead of Mr. Bafna Mahaveer Chand, after the above changes, the committee will be as follows:

- (i) Mr. Sunil Bafna – Chairman
- (ii) Mr. Bafna Mahaveer Chand - Member
- (iii) Mr. 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 2015-16 and there are no pending complaints as on 31st March, 2016. There were 3 committee meeting held during FY 2015-16 to consider transfer and Remat issues.

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. Sri R.S. Gowdhaman, Company Secretary is the Compliance officer of the company.

IV. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 24, 2016, 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.

V. GENERAL BODY MEETINGS

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

FY ended	Date	Time	Venue	If Special Resolution was passed
31 st March, 2013	30.09.2013	2.30 PM	NARADA GANA SABHA (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai – 600018	Yes***
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

*** Special Resolutions were passed for amendment in Articles of Association of the company.

**** Special Resolutions were passed for Section 180(1)(a) & 180(1)(c) of the Companies Act, 2013.

In compliance with the provisions of clause 35B of the Listing Agreement read with 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.

In terms of Sec 180(1)(a) & 180(1)(c) of the Companies Act, 2013 to borrow moneys 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. The consent of the Company were obtained through special resolutions at the annual general meeting.

Extra-Ordinary General Meetings

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

Special Resolution passed through Postal Ballot

Pursuant to Sec 110 of Companies Act, and other applicable provisions a special resolution was passed through Postal Ballot during the Financial Year 2014-15 for Sale of Raricap division of the company. Accordingly, the company had hived off its brand division (branded Generics Business) on Slump Sale Basis as an inseparable whole and on a going concern basis to M/s. Strides HealthCare Private Limited (Formerly M/s. Strides Actives Private Limited- Subsidiary company of M/s. Strides Arcolab Limited) for a lump sum consideration in terms of special resolution passed under Section 180 (1) (a) of the Companies Act, 2013. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot

Outstanding warrants

There are no outstanding warrants.

CMD / CEO / Head – Accounts & Finance Certification

The Chairman & Managing Director, CEO and Head - Accounts & Finance of the Company give quarterly and annual certification on financial reporting and internal controls to the Board in terms of Clause 49.

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 Clause 49 of the Listing Agreement, 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.

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:

I, Bafna Mahaveer Chand, Chairman & Managing Director of Bafna Pharmaceuticals Limited ("the Company") hereby declare that, to the best of my information, all the Board Members & Senior Management of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company for Board members & Senior Management.

Bafna Mahaveer Chand
(DIN: 01458211)
Managing Director

VI. DISCLOSURES

- (a) In terms of the Accounting Standard-18 "related Party disclosures", as notified under the companies (Accounting Standards) Rules, 2006, the company has identified the related parties covered 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 '16, 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 requirements of the Listing Agreement entered with the BSE & NSE 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 Clause 49 of the Listing Agreement. And the company has complied some of the non-mandatory requirements also.

VII. MEANS OF COMMUNICATION

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

The quarterly & annual financial results of the company are generally published in English Newspaper in 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 : Wednesday the 28th September, 2016 at 3.00 PM

Venue : at 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 : 22.09.2016 to 27.09.2016 (both dates inclusive)

Dividend Payment Date : Not Applicable

Cut-off date for taking list of

Shareholders for e-voting : 21.09.2016

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 : 9772 (As at 31st March, 2016)

Shareholding Pattern as at 31st March, 2016

Particulars	Holding (%)
Promoters & Promoters Group	33.14%
Total (A)	33.14%
Public - Institutions	0.13
Total (B)	0.13
Public – Non Institutions	
Bodies Corporate	9.70
Individuals	48.75
Others	8.28
Total (C)	66.73
Total (A+B+C)	100.00

Distribution of Shareholding as on 31st March, 2016

Share or Debenture Holding	Share Holders		Share Amount	
Rs.	Number	% of Total	Rs.	% of Total

10-5000	7791	79.72	12932660	6.93
5001-10000	885	9.06	7706880	4.13
10001-20000	452	4.63	7283610	3.90
20001-30000	182	1.86	4854880	2.60
30001-40000	85	0.87	3092610	1.66
40001-50000	86	0.88	4175070	2.24
50001-100000	133	1.36	10146560	5.44
100001-And above	158	1.62	136371080	73.10
TOTAL	9772	100.00	186563350	100.00

Share market data: Monthly Share Price movement during the financial year ended 31st March, 2016 at BSE & NSE

The closing market price of equity share on 31st March, 2016 (last trading day of the year) was Rs.29.90 on BSE & Rs.29.85 on NSE.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr- 15	36.90	26.70	418375	35.05	27.00	562944
May- 15	31.90	25.40	672477	32.00	25.55	773881
June- 15	29.50	23.90	693551	29.60	23.85	1190429
July - 15	28.00	24.00	484910	28.00	24.20	654723
Aug - 15	32.10	25.15	1491733	33.00	24.60	3064107
Sep - 15	28.40	24.30	392477	28.65	24.25	613272
Oct - 15	46.30	25.00	3035727	46.35	25.00	6030192
Nov - 15	42.20	34.00	1382426	42.20	33.85	2063368
Dec - 15	47.50	36.80	3591193	47.45	32.25	6756819
Jan - 16	52.40	32.80	3994499	52.40	32.80	8150709
Feb - 16	39.05	25.50	646710	38.90	25.50	1113555
Mar - 16	37.00	27.00	1116424	39.85	27.10	2893156

Reconciliation of Share Capital Audit:

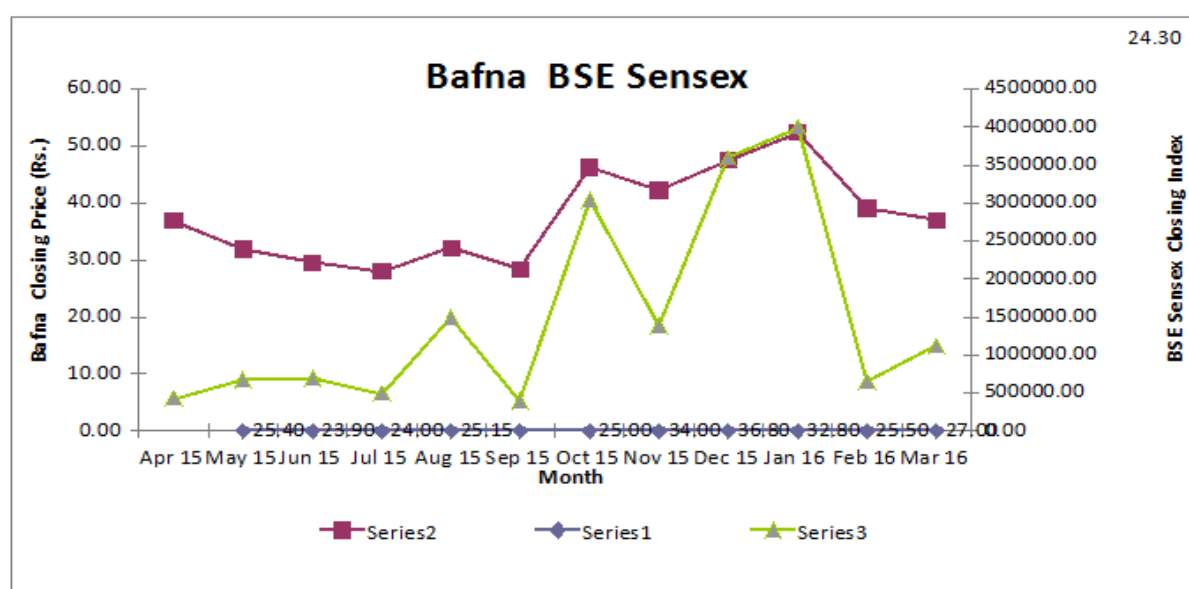
Practicing Company Secretaries carry out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository

Services (India) Limited (CDSL) and the total issued and listed capital. As on 31st March, 2016, 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 Listing Agreement is forwarded to the Stock Exchanges within the prescribed time.

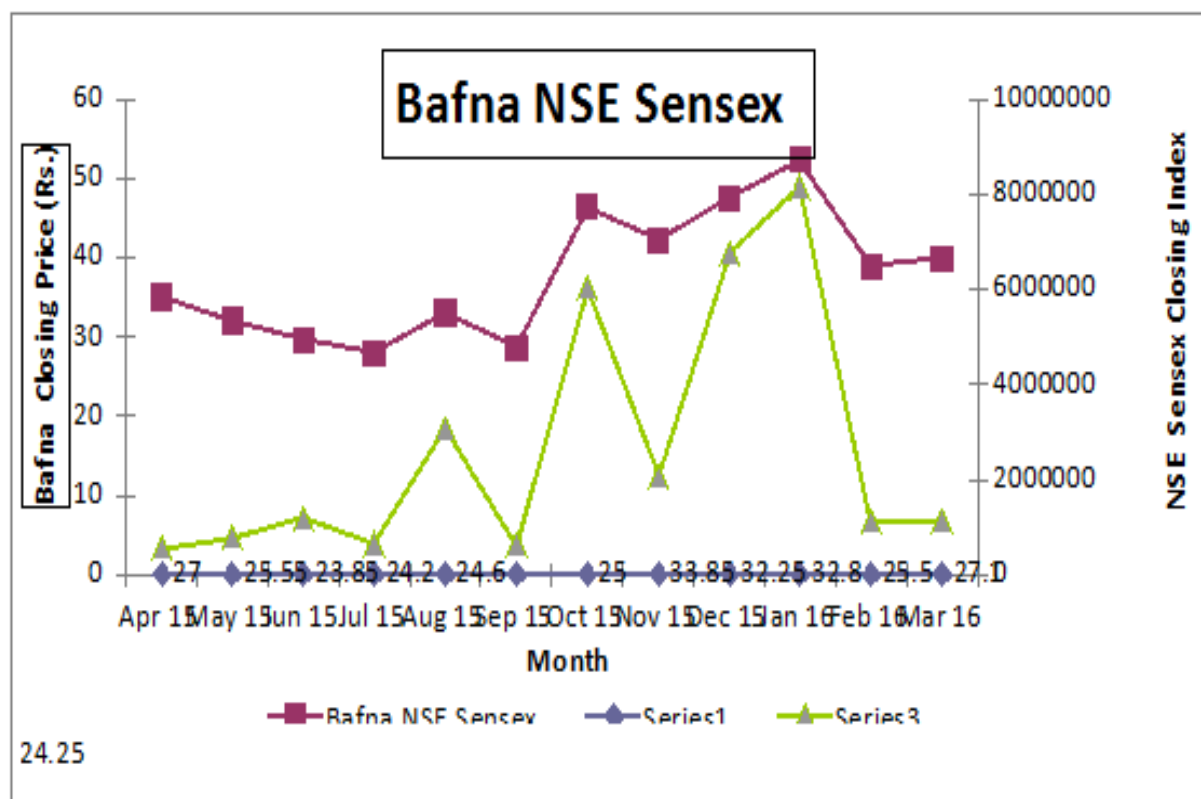
Share Transfer System:

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, 2015 to 31st March, 2016



Performance of NSE Index Vs Bafna Pharma from 1st April, 2015 to 31st March, 2016



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, 2016, around 99% of the total equity capital of the Company was held in dematerialized form.

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

There are no outstanding convertible warrants.

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 Clause 49 of the Listing Agreement, 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: 30.05.2016

Bafna Mahaveer Chand
(DIN: 01458211)
Managing Director

Management Discussion and Analysis

Economic & Industry Overview

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.

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.

India's pharmaceutical industry is at an advantageous position compared to other emerging countries. The Indian pharmaceutical market is expected to grow at a compound annual growth rate (CAGR) of 14-17 per cent over 2012-17. India is now among the top five pharmaceutical emerging markets. The outlook on the Indian pharmaceutical industry remains favorable, according to a report by ICRA and Moody's.

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.

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.87.30 Cr from Rs. 143.68 Cr in the previous year and decline in growth rate of 60.76%. The consolidated operating profit for the year was Rs. 1.05 Cr as against Rs. 14.89 Cr in the previous year. The consolidated net loss for the year is Rs (14.03) Cr as against FY 2014 of Rs. 6.18 Cr.

Stand-alone Operating Results

The sales and operating income increased to Rs. 86.56 Cr from Rs. 143.66 in the previous year decline a growth rate of 60.25%. The operating profit for the year under review is Rs. 8.42 Cr as against Rs. 14.00 Cr in the previous year. The profit after tax for the year under review is Rs. (12.18) Cr as against Rs. 6.10 Cr in the previous year.

Internal Control Systems

The company has reasonable internal control systems, with defined guidelines on compliance, which enables it to run its facilities and head office with a fair degree of comfort.

Internal Audit is being undertaken by Independent Auditor Mr. Gaurav Jain, Chartered Accountant, Chennai.

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, 2016 was 241 as against 251 during FY 15, a net decrease of 10 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: 30.05.2016

Place: Chennai

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

Auditors Certificate on Compliance

Auditors' Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To

The Members of BAFNA PHARMACEUTICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Bafna Pharmaceuticals Limited (the Company) for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

With respect to investor grievances, no grievances were received during the year ended 31st March, 2016 and closing balance of investor grievances is Nil.

We further 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**

**(A.K.JAIN)
Partner
M.No.70224**

**Place: Chennai
Date: 30.05.2016**

***Standalone Financial
Statements***

Standalone - Auditors' Report**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED 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, 2016, 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, 2016;
- (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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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.

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

Place: Chennai
Date: 30.05.2016

(A K JAIN)
Partner
M.No 70224

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, 2016.**

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. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore the provision of clause 3(3a), (3b) and (3c) of the said order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, the Company has not given any loan nor made any investment and not provided guarantee or any security as such the provisions of Section 185 and 186 of the Companies Act, 2013 is not applicable on the Company.
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. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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 irregular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax. TDS deducted on various parties.

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
EPF & MP Act, 1952	PF Contribution	2306710	Dec, 15 to Mar, 16	15 th Day of Following Month	Not Paid
E.S.I. Act, 1948	ESI Contribution	172402	Feb,16 to Mar, 16	21 st Day of Following Month	Not Paid
Income Tax Act, 1961	TDS	4144090	Oct, 15 to Mar. 16	7 th Day of Following Month	Not Paid
Income Tax Act, 1961	Income Tax Dues	44674037	Asst/y 2015-16	31 st Mar, 15	Not Paid

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at [balance sheet date] which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
		(Rs.)		
Income Tax Act, 1961	Income Tax Dues	Rs. 11,83,300/-	A/Y 2013-14	CIT(A), Chennai

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review³⁹. Accordingly, the provisions of Clause 3(14) of the Order are not applicable to the Company.
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: 30.05.2016

(A K JAIN)
Partner
M No 70224

Standalone - Balance Sheet**BALANCE SHEET AS AT 31ST MARCH, 2016****(Rs. in 000)**

Particulars	NOTE	March 31, 2016		March 31, 2015	
EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	186,563.35		186,563.35	
(b) Reserves & Surplus	4	407,883.65		529,728.01	
			594,447.00		716,291.36
(3) Non-Current Liabilities		-			-
(a) Long Term Borrowings	5	351,713.43		103,930.75	
(b) Deferred Tax Liabilities (Net)	6	33,379.65		36,810.48	
(c) Other Long Term Liabilities	6.1	300.00		300.00	
(d) Long Term Provisions		-	-	-	-
		-	385,393.08	-	141,041.23
(4) Current Liabilities					
(a) Short Term Borrowings	7	453,078.60		533,058.14	
(b) Trade Payables	8	299,370.35		346,547.36	
(c) Other Current Liabilities	9	117,122.62		115,645.34	
		-	869,471.57	-	995,250.85
TOTAL			1,849,311.65		1,852,583.44

ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	469,907.90		486,295.30	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non Current Investment	11	183,300.00		183,300.00	
(c) Deferred Tax Assets (Net)		-		-	
(b) Long Term Loans and Advances		-		-	
(e) Other Non Current Assets	12	7,167.66	660,375.56	8,623.17	678,218.47
(2) Current Assets					
(a) Current Investments		-		-	
(b) Inventories	13	163,522.19		153,297.55	
(c) Trade Receivables	14	807,745.30		833,639.03	
(d) Cash and cash Equivalents	15	26,958.92		24,493.38	
(e) Short Term Loans and Advances	16	190,709.68		162,935.01	
(b) Other Current Assets		-	1,188,936.10	-	1,174,364.97
TOTAL			1,849,311.65		1,852,583.44

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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2016
(Rs. in '000)

Particulars	NOTE	March 31, 2016	March 31, 2015
Revenue from Operations	17	853,184.17	1,014,094.31
Profit on Sale of Brand	17.1	---	4,11,107.48
Other Income	18	12,412.19	11,351.24
Total Revenue		865,596.35	1,436,553.03
Expenses			
Cost of Material Consumed	19	224,222.01	338,264.28
Purchase of Stock-in-trade	20	501,514.65	478,589.34
Changes in Inventories of Finished Goods	21	(13,173.90)	123,583.67
Payment to Employees	22	64,396.05	103,429.25
Financial Expenses	23	124,740.68	124,762.70
Depreciation and Amortization expenses	24	41,121.33	52,375.87
Other Expenses	25	48,050.72	127,877.33
Total Expenses		990,871.54	1,348,882.44
Profit before Exceptional Items and Tax		(125,275. 19)	87,670.58
Exceptional Items	26	---	26,880.92
Profit before Extraordinary items		(125,275. 19)	60,789.66
Extraordinary items		-	-
Profit before Tax		(125,275.19)	60,789.66
Current Tax		----	(22,587.38)

Deferred Tax		3,430.83	22,871.05
Tax for Earlier Years		-	-
Profit (Loss) for the period		(121,844.36)	61,073.33
Earnings per Equity Share			
(1) Basic		(6.53)	3.27
(2) Diluted		(6.53)	3.27

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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

Standalone - Cash Flow Statement
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016
(Rs. in '000)

Particulars	March 31, 2016		March 31, 2015	
Cash Flow From Operating Activities				
Net Profit Before Tax	(125,275.19)		60,789.67	
Add: Depreciation and Amortization Expenses	41,121.33		52,375.87	
Add: Interest Paid	124,740.68		124,762.70	
Less: Profit on Sale of Intangible Asset	----		(411,107.48)	
Less: Interest Received	(3,881.45)		(3,685.98)	
Less: Other Income	(8,530.74)		(7,665.25)	
Operating Profit before change of Working Capital	28,174.64		(184,530.47)	
Adjustment For:				
Change of Inventories	(10,224.64)		113,859.19	
Change in Debtors	25,893.73		97,353.15	
Change in Other Current Assets	(27,774.67)		104,078.75	
Change in Current Liabilities	(45,799.73)		(13,520.46)	
Cash generated from Operation	(29,730.68)		117,240.16	
Less: Tax Paid	----		(22,587.38)	
Net Cash From Operating Activities		(29,730.68)		94,652.78
Cash Flow from Investing Activities:				
Sale of Fixed Investments	---		150,938.22	

Purchase of Fixed Assets	(22,942.02)		(77238.58)	
Profit on Sale of Intangible Asset	---		411,107.48	
Other Income	8,530.74		7,665.25	
Interest Received	3,881.45		3,685.98	
Change in Other Non- Current Assets	(336.41)		68,153.85	
Net Cash used in Investing Activities		(10,866.24)		564,312.20
Cash Flow from Financing Activities				
Issue of Shares & Application Activities	---		(169,000.00)	
Proceeds from Long Term Borrowings	2,47,782.69		-	
	-		(109,630.99)	
Repayment of Long Term Loans				
Repayment of short Term Loans	(79,979.55)		(255,818.25)	
Interest Paid	(124,740.68)		(124,762.70)	
Net Cash from Financing Activities		43,062.46		(659,211.94)
Net Increase/ (Decrease)		2465.54		(246.97)
In Cash or Cash Equivalents		2465.54		(246.97)
Opening Balance of Cash & Cash Equivalents		24,493.38		24,740.36
Closing Balance of Cash & Cash Equivalents		26,958.92		24,493.38

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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

Notes to the accounts of M/s Bafna Pharmaceuticals Ltd for the year ended on 31st march 2016**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. 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 labour 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. 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.

k. 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

l. 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.

m. 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.**

n. 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.

o. 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".

p. 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.

q. 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.

r. 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.

s. 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.

t. 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.

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.

u. 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.

v. 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, 2016

3. SHARE CAPITAL

		(Rs. in '000)	
	Particulars	As at 31st March 2016	As at 31st March 2015
	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 9,00,000 Shares out of the issued, subscribed and paid up share capital were allotted as a Preferential allotment on 13-01-2012 at a premium of Rs. 40/- per share.

3.2 The Company allotted 25,00,000 share warrants @Rs. 50/- Per Share on 13.01.2012, the same was cancelled for Non- receipt of balance money.

3.3 15,00,000 shares out the issued, subscribed and paid up share capital were allotted as a preferential allotment on 17.03.2011 at a premium of Rs. 37.30 per share.

3.4 The company has allotted 23,18,000 share warrants @ Rs. 47.30 per share warrant on 17.03.2011, out of the 23,18,000 warrants allotted on 17.03.2011, 1,25,000 was allotted on 14.08.2012 and 1,50,000 Shares was allotted on 15.09.2012 pursuant to conversion of warrants, balance warrants were cancelled for Non- receipt of Balance Money.

3.5 54,29,014 Shares out of the issued, subscribed and paid up share capital were allotted as a bonus shares by capitalization of General Reserves.

3.6 1,00,000 shares out of the issued, subscribed and paid-up share capital were issued as a fully paid up shares pursuant to an agreement without payment being received in cash.

3.7 The details of Shareholding more than 5% shares (Rs. in '000)

	Name of Shareholders	As at 31st March 2016	As at 31st March 2015
	Bafna Mahaveer Chand		
	No. of Shares	992,979	2,303,221
	Percentage of Holding	5.32	12.35
	Sasikala Bafna		
	No. of Shares	1,227,572	1,292,941
	Percentage of Holding	6.58	6.93
	Chetna Bafna		
	No. of Shares	2,132,805	1,132,805

	Percentage of Holding	11.43	6.07
--	-----------------------	-------	------

3. 8 The reconciliation of the number of shares outstanding is set out below (Rs. in '000)

	Particulars	As at 31st March 2016	As at 31st March 2015
	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 2016	As at 31st March 2015
	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	150,472.63	128,057.58
	Add: Profit for the year	(121,844.36)	61,073.34
		28,628.27	189,130.92
	Less : Appropriations		
	Transfer to General Reserve	-	(6,107.33)
	Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible asset with nil useful life(Net of deferred Tax)	-	(32,550.95)
		-	-
	Sub-Total (C)	28,628.27	150,472.63
	General reserve.		
	Opening Balance	19,234.81	13,127.48
	Add: Transfer from Profit & Loss Account for the year	-	6,107.33

	General reserve (net)	Sub-Total	(D)	19,234.81	19,234.81
	Total Reserve and Surplus for the year (A+B+C+D)			407,883.65	529,728.01

5 LONGTERM BORROWING

(Rs. in '000)

	Particulars	As at 31st March 2016	As at 31st March 2015
	Secured		
	State Bank of India (Corporate Loan)	-	20,281.94
	HDFC Car Loan	-	115.51
	Export Import Bank of India	-	-
	Shriram Housing Finance Ltd	-	49,623.30
	Shriram City Union Finance Ltd	-	33,910.00
	Aditya Birla Finance Ltd	351,713.43	-
	Total	351,713.43	103,930.75

5.1 OTHER LONGTERM LIABILITIES

(Rs. in '000)

	Particulars	As at 31st March 2016	As at 31st March 2015
	Trade Deposit	300.00	300.00
	Total	300.00	300.00

SECURITIES OFFERED

STATE BANK OF INDIA

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

5.1.2 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.

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

ADITYA BIRLA FINANCE LTD

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

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

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

6. DEFERRED TAX LIABILITIES (NET)

(Rs. in '000)

	Particulars	As at 31st March 2016	As at 31st March 2015
	Deferred Tax Liabilities (Net)	33,379.65	36,810.48
	Total	33,379.65	36,810.48

7 SHORT TERM BORROWINGS

(Rs. in '000)

	Particulars	As at 31st March 2016	As at 31st March 2015
	SECURED		
I	STATE BANK OF INDIA		
a)	Cash Credit Account	165,191.06	183,379.83
b)	Bill Discounting Account	-	-
c)	Export Packing Credit	-	-
d)	Collection (Export Bills)	-	205.25
e)	Standby line of Credit (SLC)	-	-
II)	Loans installments Repayable within one year	18,526.77	39,694.90
		-	-
III	INDUSTRIAL DEVELOPMENT BANK OF INDIA		
a)	Bill Discounting	-	-
b)	Cash credit Account	105,340.06	119,424.19
c)	Current Account	63.54	-
IV)	DBS BANK		
a)	Cash Credit Account	14,951.08	12,128.27
b)	Packing Credit Foreign Bills	18,641.34	38,902.67
c)	Bill Discounting	11,507.68	4,624.84
V	BANK OF CEYLON		
	Cash Credit Account	32,484.53	43,546.90
VI	DEVELOPMENT CREDIT BANK		
	Cash Credit Account	86,372.53	91,151.29
	Total	453,078.60	533,058.14

SECURITIES OFFERED

STATE BANK OF INDIA

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

7.1.2 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.

7.1.3 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

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

7.1.8 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

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

7.1.10 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

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

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

8 TRADE PAYABLES – Sundry Creditors

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
For Goods and Store Purchase	170,643.49	291,674.95
For Services	10,473.30	47,622.09
For Others	118,153.57	7,250.32
	299,270.35	346,547.36

9 OTHER CURRENT LIABILITIES**(Rs. in '000)**

Particulars	As at 31st March 2016	As at 31st March 2015
Outstanding expenses	12,780.77	7,092.66
Sales Tax	1.12	1,014.52
TDS payable	4,255.11	1,157.71
Income Tax	19,969.06	21,000.95
Advance from Customer	80,116.57	85,379.51
Total	117,122.62	115,645.34

11 FIXED ASSETS
(Rs. in '000)

Description	Gross block				Depreciation/ Amortization					Net Block	
	As at 01-04-2015	Additions	Deductions/ Adjustments	As at 31/03/2016	As at 01-04-15	Deduction for adjustment to General Reserve	For the year	Deductions/ Adjustments	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
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	217,407.60	-	-	217,407.60	42,682.47	-	7,866.74	-	50,549.21	166,858.39	174,725.13
Light Ceiling	812.40	-	-	812.40	770.52	-	-	-	770.52	41.88	41.88
Aluminium Partition	232.12	-	-	232.12	220.15	-	-	-	220.15	11.96	11.96
Plant & Machinery	224,368.69	1,314.77	-	225,683.46	55,270.74	-	9,975.71	-	65,246.45	160,473.01	171,583.88
Lab Equipments	73,841.81	4,709.54	-	78,551.35	34,817.92	-	7,035.87	-	41,853.78	36,697.57	36,537.96
Factory Equipments	7,894.87	44.24	-	7,939.11	5,187.28	-	1,311.76	-	6,499.04	1,440.07	2,707.60
Pollution Control Devices	1,580.66	-	-	1,580.66	781.36	-	57.25	-	838.61	742.05	799.30
Power Factor Controller	66.95	-	-	66.95	63.37	-	-	-	63.37	3.58	3.58
Bottle Washing & Filling	1,971.06	-	-	1,971.06	1,786.30	-	-	-	1,786.30	184.75	184.75
Machinery	-	-	-	-	-	-	-	-	-	-	-
Electrical Equipment & Installations	32,302.93	541.00	-	32,843.93	21,010.05	-	3,058.66	-	24,068.71	8,775.22	11,292.88

on											
Electrical Fixtures & Fittings	255.20	-	-	255.20	242.52	-	3.28	-	245.80	9.40	12.68
Generator	5,342.81	-	-	5,342.81	3698.93		104.04	-	3,802.97	1,539.84	1,643.88
Air Floating & Circulating System	46,145.15	-	-	46,145.15	17,709.59	-	1,958.70	-	19,668.29	26,476.86	28,435.57
Boiler	811.03	-	-	811.03	310.10	-	36.12	-	346.22	464.81	500.93
Camera	4,258.55	202.87	-	4,461.42	2,235.91	-	432.78	-	2,668.69	1,792.73	2,022.64
Air Conditioner	1,223.42	-	-	1,223.42	1,044.46	-	32.34	-	1,076.80	146.62	178.96
U.P.S	5,678.70	155.05	-	5,833.75	3,711.20		426.75	-	4,137.94	1,695.80	1967.50
Office Equipments	1,606.51	27.00	-	1,633.51	1,516.15	-		-	1,516.15	117.35	90.35
Cell Phone	307.04		-	307.04	262.73			-	262.73	44.31	44.31
Dies & Punches	7,392.78	325.75	-	7,718.53	1,689.00	-	458.10	-	2,147.10	5,571.43	5,703.78
Computer	9,164.66	745.79	-	9,910.45	8,131.04	-	1,338.77	-	9,469.81	440.64	1,033.62
Furniture & Fittings	18,318.19		-	18,318.19	6,043.48	-	3,064.61	-	9,108.08	9,210.10	12,274.71
Vehicle	1,781.63		-	1,781.63	1,536.52	-	76.55	-	1,613.07	168.56	245.11
Accessories	683.68		-	683.68	165.36		33.00	-	198.36	485.33	518.32
Chiller Systems	3,017.74		-	3,017.74	436.69	-	143.34	-	580.03	2,437.71	2,581.05
Bio- Equipment	1,446.73		-	1,446.73	412.33	-	68.72	-	481.05	965.68	1,034.40
Water Systems	7,546.19		-	7,546.19	1,856.73	-	370.16	-	2,226.89	5,319.31	5,689.47
ETP Plant	459.00		-	459.00	176.37	-	39.31	-	215.69	243.31	282.63
Shrink Pak Machine	175.10		-	175.10	39.40	-	8.32	-	47.72	127.38	135.70
HAVC	22,383.33	14,876.00	-	37,259.33	304.54	-	1,428.54	-	1,733.08	35,526.25	22,078.78

Systems											
TOTAL (A)	701,408.5 1	22,942.02	-	724,350.52	215,113.2 0	-	39,329. 42	-	254,442.6 2	469,907.9 0	486,295.30

11. NON CURRENT INVESTMENT

(Rs. in '000)			
	Particulars	As at 31st March 2016	As at 31 st March 2015
	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

12 OTHER NON CURRENT ASSETS

(Rs. in '000)			
	Particulars	As at 31st March 2016	As at 31st March 2015
	Product Registration	8,623.17	10,778.96
	Product Launch Expenditure	-	81,586.62
	New Registration	336.41	-
		8,959.57	92,365.58
	5Less: Amortization charged to P&L Account	(1,791.91)	(2,155.79)
	Less: Transferred to sale of Brand	-	(81,586.62)
	Total	7,167.66	8,623.17

13 INVENTORIES

(Rs. in '000)			
	Particulars	As at 31st March 2016	As at 31st March 2015
	Raw material(Valued at cost)	79,975.33	83,459.17
	Work in progress(valued at cost)	17,726.86	16,702.00
	Finished Product(valued at cost or market value whichever is less)	24,049.12	11,900.08
	Packing material(Valued at cost)	10,323.51	11,248.49
	Stores and spares (At Cost)	31,447.37	29,987.81
	Total	163,522.19	153,297.55

14 TRADE RECEIVABLES

(Rs. in '000)		
Particulars	As at 31st March 2016	As at 31st March 2015
(Unsecured Considered Good)		
Trade Receivables- More than Six month	571,919.16	538,484.88
Less Than Six Month	244,057.93	303,385.93
Less: Provision for Doubtful Debts	(8,231.78)	(8,231.78)
Total	807,745.30	833,639.03

15 CASH AND CASH EQUIVALENTS

(Rs. in '000)		
Particulars	As at 31st March 2016	As at 31st March 2015
Cash on hand	96.97	790.34
Balance with:		
In current account	1,493.19	814.46
In Fixed Deposits	25,368.76	22,888.58
Total	26,958.92	24,493.38

16 SHORT TERM LOANS AND ADVANCES

(Rs. in '000)		
Particulars	As at 31st March 2016	As at 31st March 2015
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	100,366.03	71,463.64
Advance Others	35,625.12	35,976.13
Deposits with Govt. or Semi Govt. Depot.	2,670.08	3,506.31
Deposits with Others	17,496.98	18,550.00
Prepaid expenses	1,101.64	1,224.94
Cenvat Credit & PLA Account	20,272.53	22,543.00
Sales Tax Refund account	11,057.78	7,496.05
TDS Receivable	976.49	1,031.90
License On hand*	1,143.04	1,143.04
Total	190,709.68	162,935.00
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		

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

Particulars	As at 31st March 2016	As at 31st March 2015
Sales (Domestic)	545,181.72	697,199.56
Less: Excise Duty on local sales	(9,188.61)	(7059.33)
	535,993.11	690,140.23
Sales(Export)	317,521.18	325,284.04
Less: Excise Duty on Export Sales	(1,674.86)	(2,132.97)
	315,846.32	323,151.07
FR & D Income	1,344.74	803.01
Revenue from operations	853,184.17	1,014,094.31

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.30743.46 ('000) (Previous year 12497.42 ('000) and has been included in the Export Sales. Domestic Sales of Traded goods to the tune of Rs 504334.10 ('000) during the current year and Rs 420331.49 ('000) in the previous year.

17.1 PROFIT / LOSS ON SALE OF ASSETS**(Rs. in '000)**

Particulars	As at 31st March 2016	As at 31st March 2015
Profit on Sale of Brand (Raricap)	--	411,107.48
	--	411,107.48

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

Particulars	As at 31st March 2016	As at 31st March 2015
Interest Received Bank	340.15	235.98
Interest Received Others	3,541.30	3,450.00
Non-Competence Fee Received	-	5,000.00
Export Incentive	2,134.14	-
Sundry Balance Recovered	1,569.17	-
Insurance Claim	3,069.88	-
Foreign Exchange Fluctuation	1,702.35	-
Rent Received	55.20	55.20
Expiry Claims Received	-	-
Analytical Charges	-	2,610.05
Total other income	12,412.19	11,351.24

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

Particulars	As at 31st March 2016	As at 31st March 2015
Opening stock	83,459.17	70,641.90
Add: Purchase	124,148.87	216,189.92
	207,608.04	286,831.82
Less: Closing stock	79,975.33	83,459.17
Raw Material Consumption (A)	127,632.71	203,372.65

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

Particulars	As at 31st March 2016	As at 31st March 2015
Opening stock	11,248.49	16,890.54
Add: Purchase	29,839.55	38,032.55
	41,088.04	54,923.10
Less: Closing stock	10,323.51	11,248.49
Packing material consumption (B)	30,764.53	43,674.61

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

Particulars	As at 31st March 2016	As at 31st March 2015
Consumable Stores	2,415.49	1,454.03
Analytical Expenses	867.96	531.94
Power & Fuel	23,757.01	18,535.98
Machinery Maintenance	8,510.90	9,883.19
Factory Maintenance	2,238.26	2,482.51
Chemical Purchase	4,520.22	5,048.21
Security Charges	1,789.41	1,166.81
Repairs & Maintenance	1,707.84	2,525.10
Other Manufacturing	18,682.69	47,871.43
Total (C)	64,489.77	89,499.20

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

Particulars	As at 31st March 2016	As at 31st March 2015
Freight Charges (D)	1,334.99	1,717.82
COST OF MATERIAL CONSUMED (A+B+C+D)	224,222.01	338,264.28

20 PURCHASE OF STOCK IN TRADE

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Purchase of stock in Trade	501,514.65	478,589.34
Total	501,514.65	478,589.34

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

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Closing Inventories:		
Finished Goods	24,049.12	11,900.08
Work in progress	17,726.86	16,702.00
	41,775.98	28,602.08
Opening Inventories:		
Finished Goods	11,900.08	86,319.72
Work in progress	16,702.00	65,866.02
	28,602.08	152,185.75
Change in Inventory	(13,173.90)	123,583.67

22 EMPLOYEE BENEFIT EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Salaries	56,882.05	88,090.88
Bonus	2,747.15	4,328.68
PF Companies contribution	3,762.59	3,268.54
ESI Companies Contribution	828.55	908.44
Staff welfare	175.71	6,832.72
Total	64,396.05	103,429.25

23 FINANCIAL EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Interest to bank	73,293.80	105,967.81
Bank charges	16,668.54	10,118.93
Interest others	34,778.34	8,675.96

Total	124,740.68	124,762.70
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24 DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Depreciation and Amortization expenses	41,121.33	52,375.87
Total	41,121.33	52,375.87

25 OTHER EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Rent	2,336.92	3,386.35
Postage and Telegram	731.72	2,421.01
Insurance	43.23	4,965.53
Conveyance	1,208.21	757.43
Donation	12.00	1,031.00
Travelling expenses	1,131.44	18,559.03
Printing and stationary	1,665.51	1,771.69
Fees	1,570.76	2,179.03
Office Maintenance	45.84	410.76
Miscellaneous Expenses	588.74	1904.06
Sundry Balances Written Off	1,782.30	21,132.74
Professional Charges	2,787.34	4,774.05
Computer Maintenance	1,215.62	940.60
Freight and Transportation	7,609.11	11,188.86
Sales promotion	592.12	16,877.29
Loss on Expired Goods	7,467.72	-
Commission/Liasioning charges	3,306.62	7,186.76
Payment to Auditors	567.36	627.98
Telephone	751.61	834.51
Subscription & Membership	78.47	185.95
Vehicle Maintenance	475.96	467.82
Service Tax	1,581.76	824.30

Discount Allowed	324.97	9,282.24
Packing Charges	32.19	12.43
Exchange Difference	3,930.61	2,637.33
Advertisement	199.27	360.03
MHRA Audit Fees	-	789.83
Liquidative Damages	3,363.35	1,786.96
Directors Salary	2,460.00	2,160.00
Directors Sitting Fees	190.00	190.00
Provision for Doubtful Debts	-	8,231.78
Total	48,050.72	127,877.33

25.1 PAYMENT TO AUDITORS AS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Statutory Audit Fees	350.00	350.00
Tax Audit Fees	50.00	50.00
Certification Fees	100.00	100.00
IT Matters	50.00	50.00
Service Tax	81.20	67.98
Other Services	10.00	10.00
Total	641.20	627.98

25.2 DIRECTORS REMUNERATION

(Rs. in '000)

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
a)	Salary	1,380.00	1,200.00	1,080.00	960.00
	Conveyance	180.00	-	120.00	-
b)	Contribution to PF	21.60	82.80	21.60	68.40
c)	Lease Rent for Car	60.00	60.00	60.00	60.00
	Total	1,641.60	1,342.80	1,281.60	1,088.40

25.3 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.

25.4 EXPENDITURE IN FOREIGN CURRENCY

(in '000)

Particulars		As on 31st March 2016		As on 31st March 2015	
			Amount (Rs.'000)		Amount (Rs.'000)
RAW MATERIAL	USD	409.58	27,706.08	219.93	13,708.89
	EURO	10.35	199.29	6.00	511.46
	GBP	-	-	62.40	6,469.41
CAPITAL GOODS	USD	14.50	995.86	71.68	4,539.31
	EURO	3.12	230.52	-	-
PAYMENT FOR EXPS	USD	-	-	-	-
OVERSEAS TRAVEL	INR				
PRODUCT REGISTRATION CHARGES	USD	-	-	-	-
	EURO	-	-	-	-
MHRA AUDIT FEES	GBP	-	-	8.29	789.93
ADVANCE FOR EXPS	USD	-	-	-	-
	EURO	-	-	-	-

25.5 EARNINGS IN FOREIGN CURRENCY

(in '000)

Particulars		As at 31st March 2016	As at 31st March 2015
EXPORT SALES	USD	3,599.85	3,773.73
	INR	233,622.43	229,850.77
	GBP	550.97	843.02
	INR	53,155.29	82,935.85
	AUD	-	-
	INR	-	-

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.30743.46 ('000) (Previous year 12497.42 ('000) and has been included in the Export Sales

25.6 RESEARCH AND DEVELOPMENT EXPENDITURE**(in '000)**

Particulars		As at 31st March 2016	As at 31st March 2015
Capital Expenditure		374.00	7,540.81
Revenue Expenditure		8,169.18	9,557.39
		8,543.18	17,098.20

27.2 EXCEPTIONAL ITEM

Particulars		As at 31st March 2016	As at 31st March 2015
Commission / Liaisoning charges paid for exports made during the previous years		-	26,880.92
		-	26,880.92

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

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

29.2 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

(Rs. in '000)

Sl. No	Particulars	Associates	Key Management Personnel	Relative of KMP	As on 31.03.2016	As on 31.03.2015
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			-	1,550.00
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		10,314.21	39,781.60
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			14,300.00	14,300.00
10	Guarantee and Collaterals	Bafna Lifestyles Remedies Ltd			-	65,000.00
11	Manage Contracts including for Deputation of Employees				-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,241.00	2,202.48

27 CONTINGENT LIABILITIES NOT PROVIDED FOR

		(Rs. in '000)	
Particulars		As at 31st March 2016	As at 31st March 2015
a)	In respect of Letter of Credit and Bank Guarantee	16,380.32	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	-	87,000.00

28 SECONDARY SEGMENT / GEOGRAPHICAL SEGMENT

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

PARTICULARS					(Rs. in '000)	
					As at 31st March 2016	As at 31st March 2015
	INDIA	ASIA	AFRICA	UK	Total	Total
Sales	562,879.56	167,644.12	23,824.26	98,836.24	853,184.17	1,014,094.31
Operating Expenses	470,106.02	140,013.09	19,897.55	82,546.10	712,562.76	940,437.29
Operating Income /Loss	92,773.54	27,631.02	3,926.70	16,290.14	140,621.41	73,657.02

Un-allocated Income					12,412.79	422,458.71
Total Income					153,033.60	496,115.74
Un-allocated Expenses					(278,308.78)	(408,445.15)
Net profit before Tax					(125,275.19)	60,789.67
Income Tax and Deferred tax					3,430.83	283.67
Net profit after Tax					(121,844.36)	61,073.34

30 CENVAT

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

31 GENERAL

- a) Tax deducted at Source from the payment to contractors, professional charges and salaries have been generally delayed in depositing. As on 31st March 2016 Rs.4, 144.09('000)
- 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 31st March 2016	As at 31st March 2015
TAMILNADU STEEL TUBES LIMITED (Including Interest thereon)	14,441.09	15,200.00

The Fixed deposit of sum of Rs. 25368.36 ('000) (Previous Year Rs. 22888.58 ('000)) lying with State bank of India are under lien against Bank Guarantee Margin, LC Margin Money and Loan against Deposit

- e) Margin Money and loan against Deposit.

The New Schedule II of the Companies Act, 2013 become applicable during the year 2014-15 to the Company and hence previous figures have been reclassified, regrouped and re-arranged wherever necessary.

SIGNATURE TO NOTE ON FINANCIAL STATEMENT No.1 TO No: 31

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: 30.05.2016

R.S. Gowdhaman
(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 31st March, 2016, 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 maintenance 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.

Auditors' 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 mis-statement.

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 31st March, 2016, 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 of 898.77 Lacs as at 31 March, 2016, total revenue of ₹ 73.74 Lacs and net cash out flows amounting to ₹ 30.29 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, 2016 (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, 2016 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, 2016 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: 30.05.2016

**A K JAIN
(Partner)
M No. :070224**

Consolidated – Balance Sheet
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016
(Rs. in '000)

PARTICULARS	NOTE	March 31, 2016		March 31, 2015	
EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	3	186,563.35		186,563.35	
(b) Reserves & Surplus	4	390,956.46		531,225.74	
		-	577,519.81	-	717,789.09
(2) MINORITY INTEREST	-	-	-	9,339.40	9,339.40
		-		-	
(3) NON-CURRENT LIABILITIES					
(a) Long Term Borrowings	5	351,713.43		116,408.74	
(b) Deferred Tax Liabilities (Net)	6	38,216.18		39,993.78	
(c) Other Long Term Liabilities	5.1	9,152.50		3,,900.00	
(d) Long Term Provisions			399,082.12		160,302.52
(4) CURRENT LIABILITIES					
(a) Short Term Borrowings	7	453,078.60		570,131.40	
(b) Trade Payables	8	377,008.21		422,453.02	
(c) Other Current Liabilities	9	120,363.49		118,276.86	
(d) Short Term Provisions		-	950,450.30	-	1,110,861.27
TOTAL			1,927,052.23		1,998,292.28
ASSETS					
(1) NON CURRENT ASSETS					
(a) FIXED ASSETS					
(i) Tangible Assets	10	525,708.52		545,257.39	
(ii) Intangible Assets		-		-	
(iii) Good will	10.1	358.03		358.03	
(iv) Capital Work-in-Progress		-		-	
(v) Intangible Assets under Development		-	526,066.55	-	545,615.42

(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	11	7,167.66	176,167.66	12,798.95	181,798.95
(2) CURRENT ASSETS					
(a) Current Investments					
(b) Inventories	12	163,798.89		161,227.86	
(c) Trade Receivables	13	808,471.32		886,851.59	
(d) Cash and cash Equivalents	14	27,138.37		27,702.45	
(e) Short Term Loans and Advances	15	223,603.95	1,223,012.53	195,096.01	1,270,877.90
(3) MINORITY INTEREST	16	1,805.46	1,805.46		
TOTAL			1,927,052.23		1,998,292.28

Significant Accounting policies, Notes on Financial Statements 1 to 30
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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

Consolidated – Statement of Profit & Loss
CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2016 (Rs. in '000)

PARTICULARS	NOTE	March 31 2016	March 31 2015
Revenue from Operations	17	853,184.17	976,749.31
Profit on Sale of Brand	17.1	-	411,107.48
Other Income	18	19,786.39	48,958.34
Total Revenue		872,970.56	1,436,815.13
EXPENSES			
Cost of Material Consumed	19	226,800.76	355,236.10
Purchase of Stock- in-Trade	20	508,888.86	439,693.94
Changes in Inventories of Finished Goods	21	(6,519.24)	121,697.16)
Employee Benefit Expenses	22	69,852.01	107,791.77
Financial Costs	23	129,558.53	134,606.92
Depreciation and Amortization Expenses	24	48,586.04	59,854.65
Other Expenses	25	48,995.32	128,920.23
Total Expenses		1,026,162.29	1,347,800.77
Profit before Exceptional Items and Tax		(153,191.73)	89,014.36
Exceptional Items	26	-	28,342.57
Profit before Extraordinary items		(153,191.73)	60,671.79
Extraordinary items		-	-
Profit before Tax		(153,191.73)	60,671.79
Current Tax		-	(22,587.38)
Deferred Tax		1,777.59	24,113.06
Tax for Earlier Years		-	-
Profit of Minority Interest		11,144.85	(423.68)
Profit (Loss) for the period		(140,269.29)	61,773.78
Earnings per Equity Share			
(1) Basic		(8.80)	3.28
(2) Diluted		(8.80)	3.28

Significant Accounting policies, Notes on Financial Statements 1 to 30
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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

Consolidated – Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Rs. in '000)

PARTICULARS	AS AT 31 ST MARCH 2016		AS AT 31 ST MARCH 2015	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax	(153,191.73)		62,133.44	
Add: Depreciation and Amortization Expenses	48,586.04		59,854.65	
Add Interest Paid	129,558.53		134,606.92	
Less: Profit on Sale of Intangible Brand	-		(411,107.48)	
Less: Interest Received	(3,881.45)		(3,685.98)	
Less: Other Income	(15,904.95)		(45,272.36)	
Operating Profit before change of Working Capital	5,166.45		(203,470.81)	
Adjustment for Change in Working Capital				
Change of Inventories	(2,571.03)		112,791.86	
Change in Debtors	78,380.27		88,281.25	
Change in Other Current Assets	(28,507.94)		92,459.84	
Change in Current Liabilities	(43,358.17)		39,175.19	
Cash generated from Operation	9,109.56		129,237.33	
Less: Tax Paid	-		(22,587.38)	
Net Cash From Operating Activity		9,109.56		106,649.95
Cash Flow from Investing Activities:				
Sale of Fixed Investment	-		150,938.22	
Purchase of Fixed Assets	(23,069.48)		(77,898.72)	
Repayment of Long Term Loans				
Other Income	15,904.95		45,272.36	
Interest Received	3,881.45		3,685.98	
Profit on Sale of Intangible Asset	--		411,107.48	
Change in other Non-Current Assets	(336.41)		68,153.85)	
Net Cash used in Investing Activities		(3,619.49)		601,259.16

Cash Flow from Financing Activities				
Issue of Shares & Application Activities:	-		(169,000.00)	
Proceeds of Long Term Loans	240,557.19		-	
Repayment of Long Terms Loans	-		(122,057.06)	
Repayment of Short Term Loans	(117,052.80)		(282,604.74)	
Interest Paid	(129,558.53)		(134,606.92)	
Dividend and Tax expenses				
Net Cash from Financing Activities		(6,054.14)		(708,268.72)
Net Increase/ (Decrease)		(564.08)		(359.61)
In Cash or Cash Equivalents		(564.08)		(359.61)
Opening Balance of Cash & Cash Equivalents		27,702.45		28,062.07
Closing Balance of Cash & Cash Equivalents		27,138.37		27,702.45

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: 30.05.2016

R.S. Gowdhaman
(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 interest's 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 interest's shares of net Asset has been computed and disclosed in the Consolidated Balance sheet of the Company.
5. As far as possible the consolidated 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, 2016

3 SHARE CAPITAL

PARTICULARS	(Rs. in '000)	
	AS AT 31 ST MARCH 2016	AS AT 31 ST MARCH 2015
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 2016	As at 31st March 2015
Bafna Mahaveer Chand		
No. of Shares	2,303,221	2,128,550
Percentage of Holding	12.35	11.40
Sasikala Bafna		
No. of Shares	1,292,941	1,278,569
Percentage of Holding	6.93	6.85
Chetna Bafna		
No. of Shares	1,132,805	1,132,805
Percentage of Holding	6.07	6.07

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

Particulars	As at 31st March 2016	As at 31st March 2015
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 2016	As at 31st March 2015
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	152,682.27	129,566.78
Add: Profit for the year	(140,269.29)	61,773.78
	12,412.98	191,340.56
Less: Appropriation:		
Transfer to General reserve	-	(6,107.33)
Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible assets fixed assets with nil useful life(Net of Deferred Tax)	-	(32,550.95)
Proposed Dividend	-	-
Tax on Dividend	-	-
TOTAL (C)	12,412.98	152,682.27
General reserve.		
Balance Brought Forward	18,522.89	12,415.56
Add: Transfer from Profit & Loss Account for the year	-	6,107.33
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)	390,956.46	531,225.74

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

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
STATE BANK OF INIDA (CORPORATE LOANS)	-	20,281.94
STATE BANK OF INDIA (CAR LOAN)		115.51
Term Loan from Bank of Ceylon		12,478.00
SHRIRAM CITY UNION FINANCE LTD		33,910.00
SHRIRAM HOSUING FINANCE LTD		49,623.30
ADITYA BIRLA FINANCE LIMITED	351,713.43	
Total	351,713.43	116,408.74

5.1 OTHER LONG TERM LIABILITIES**(Rs. in '000)**

Particulars	As at 31st March 2016	As at 31st March 2015
Trade Deposit	700.00	1,650.00
Lease Deposit (BLRL)	2,250.00	2,250.00
M.R. Impex	6,202.50	
Total	9,152.50	3,900.00

SECURITIES OFFERED**STATE BANK OF INDIA**

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

5.2 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.

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

ADITYA BIRLA FINANCE LTD

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

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

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

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

Particulars	As at 31st March 2016	As at 31st March 2015
DEFERRED TAX LIABILITIES (NET)	38,216.18	-
Related to Fixed Assets	-	39,993.78
Total	38,216.18	39,993.78

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

Particulars	As at 31st March 2016	As at 31st March 2015
SECURED		
I .STATE BANK OF INDIA		
a. Cash Credit Account	165,191.06	183,379.83
b. Collection (Export Bills)	-	205.25
I. Loans installments Repayable within one year	18,526.77	39,694.90
III.INDUSTRIAL DEVELOPMENT BANK OF INDIA		
Cash credit Account	105,340.06	119,424.19
Current Account	63.54	-
IV.DBS BANK		
Cash Credit Account	14,951.08	12,128.27
Packing Credit Foreign Bills	18,641.34	38,902.67
Bill Discounting	11,507.68	4,624.84
V.BANK OF CEYLON		
Cash Credit Account	32,484.53	80,620.16
		-
VI.DEVELOPMENT CREDIT BANK		
Cash Credit Account	86,372.53	91,151.29
Total	453,078.60	570,131.40

SECURITIES OFFERED**STATE BANK OF INDIA**

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

7.1.2 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.

7.1.3 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

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

7.1.8 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

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

7.1.10 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

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

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

8. TRADE PAYABLES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured		
Sundry Creditors BPL	299,270.35	346,547.36
Sundry Creditors BLRL	77,737.86	75,905.66
Total	377,008.21	422,453.02

9 OTHER CURRENT LIABILITIES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Outstanding expenses	14,650.65	8,422.10
Sales Tax	1.12	1,014.52
TDS payable	4,383.74	1,357.29
Advance from Customer	81,358.93	86,482.00
Income Tax	19,969.06	21,000.95
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Total	120,363.49	118,276.86

10 FIXED ASSETS

DESCRIPTI ON	GROSS BLOCK				DEPRECIATION/ AMORTIZATION					NET BLOCK	
	As on 01.04. 2015	Additi ons	Deducti ons/ Adjust ments	As on 31.03.201 6	As on 01.04.201 5	Transfer to General Reserve	For the year	Dedu ctions / Adjus tmen ts	Total Depreciati on Upto 31.03.2016	As on 31.03. 2016	As on 31.03. 2015
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	250,156.04	-	-	250,156.04	48,201.82	-	8,904.87	-	57,106.69	193,049.35	201,954.22
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	246,689.21	1,325.27	-	248,014.49	57,662.54	-	11,389.26	-	69051.81	178,962.68	189,026.67
Lab Equipments	74,325.12	4,774.00	-	79,099.12	37,524.08	-	7,139.95	-	44,664.02	34,435.10	36,801.04
Factory Equipments	7,894.87	44.24	-	7,939.11	5,187.28	-	1,311.76	-	6,499.04	1,440.07	2,707.60
Pollution Control Devices	1,943.96	-	-	1,943.96	869.59	-	91.76	-	961.36	982.60	1,074.36
Power Factor Controller	66.95	-	-	66.95	63.37	-	-	-	63.37	3.58	3.58
Bottle Washing & Filling Machinery	1,971.06	-	-	1,971.06	1,786.30	-	-	-	1,786.30	184.75	184.75
Electrical Equipment & Installations	32,162.48	541.00	-	32,703.48	21,260.43	-	3,058.66	-	24,319.10	8,384.39	10,902.05
Electrical Fixtures & Fittings	5,898.85	-	-	5,898.85	1,634.49	-	526.09	-	2,160.58	3,738.27	4,264.36
Generator	5,997.75	-	-	5,997.75	3,898.05	-	166.26	-	4,064.31	1,933.45	2,099.70

Air Floating & Circulating System	47,442.53	-	-	47,442.53	17,709.59	-	1,958.70	-	19,668.29	27,774.24	29,732.94
Boiler	811.03	-	-	811.03	310.10	-	36.12	-	346.22	464.80	500.93
Camera	4,258.55	202.87	-	4,461.42	2,235.91	-	432.78	-	2,668.69	1,792.73	2,022.64
Air Conditioner	1,310.17	-	-	1,310.17	1,067.17	-	40.58	-	1,107.76	202.41	243.00
U.P.S	5,993.70	155.05	-	6,148.75	3,783.56	-	456.67	-	4,240.23	1,908.51	2,210.13
Office Equipments	1,606.51	27.00	-	1,633.51	1,531.12	-	-	-	1,531.12	102.39	75.39
Cell Phone	307.04	-	-	307.04	262.73	-	-	-	262.73	44.31	44.31
Dies & Punches	7,392.78	378.25	-	7,771.03	1,689.00	-	461.43	-	2,150.42	5,620.61	5,703.78
Computer	9,282.37	745.79	-	10,028.16	8,235.88	-	1,345.74	-	9,581.63	446.54	1,046.49
Furniture & Fittings	19,004.14	-	-	19,004.14	6,159.05	-	3,129.77	-	9,288.82	9,715.31	12,845.08
Vehicle	1,781.63	-	-	1,781.63	1,536.52	-	76.55	-	1,613.07	168.56	245.11
Accessories	683.68	-	-	683.68	165.36	-	33.00	-	198.36	485.33	518.32
Chiller Systems	3,017.74	-	-	3,017.74	436.69	-	143.34	-	580.03	2,437.71	2,581.05
Bio-Equipment	1,446.73	-	-	1,446.73	412.33	-	68.72	-	481.05	965.68	1,034.40
Water Systems	7,546.19	-	-	7,546.19	1,856.73	-	370.16	-	2,226.89	5,319.30	5,689.46
ETP Plant	459.00	-	-	459.00	176.37	-	39.31	-	215.69	243.31	282.63
Shrink Pak Machine	175.10	-	-	175.10	39.40	-	8.32	-	47.72	127.38	135.70
HAVC Systems	21,085.96	14,876.00	-	35,961.95	304.54	-	1,428.54	-	1,733.08	34,228.87	20,781.41
TOTAL	773,248.07	23,069.48	-	796,317.55	227,990.68	-	42,618.34	-	270,609.02	525,708.52	545,257.39
Intangible Asset Good will on Consolidation	358.03	-		358.03						358.03	358.03
	358.03	-		358.03						358.03	358.03

11 OTHER NON CURRENT ASSETS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31 st March 2015
Product Registration	13,087.21	19,034.24
Product Launch Expenditure	48.14	81,682.19
Preliminary expenses and Share issue Expenses	-	-
	13,135.36	100,717.15
Less: Amortization charged to P&L Account	5,967.69	87,918.19
Total	7,167.66	12,798.95

12 INVENTORIES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31 st March 2015
Raw material(Valued at cost)	79,975.33	83,459.17
Work in progress(valued at cost)	17,726.86	16,702.00
Finished Product(valued at cost or market value whichever is less)	24,049.12	18,554.74
Packing material(Valued at cost)	10,323.51	11,248.49
Stores and spares (At Cost)	31,724.07	31,263.45
Total	163,798.89	161,227.86

13 TRADE RECEIVABLES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
(Unsecured Considered Good)		
Trade Receivables- More than Six month	572,645.17	539,871.63
Others	244,057.93	355,211.74
Less: Provision for Doubtful Debts	(8,231.78)	(8,231.78)
Total	808,471.32	886,851.59

14 CASH AND CASH EQUIVALENTS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Cash on hand	269.58	3,992.37

Balance with:		
In current account	1,500.03	821.50
In Fixed Deposits	25,368.76	22,888.58
Total	27,138.37	27,702.45

15 SHORT TERM LOANS AND ADVANCES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	128,212.48	98,905.09
Advance Others	38,051.67	38,402.68
Deposits with Govt. or Semi Govt. Depot.	2,832.28	3,668.51
Deposits with Others	17,496.98	18,550.00
Interest Accrued But Not Due	-	-
Prepaid expenses	1,614.12	1,600.72
Cenvat Credit & PLA Account	20,353.79	22,597.03
Sales Tax Refund account	11,089.44	7,510.86
TDS Receivable	2,810.15	2,718.07
License On hand	1,143.04	1,143.04
Brand Building	-	-
Total	223,603.95	195,096.01

16 MINORITY INTEREST

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Share Capital	9,339.40	8,915.72
Revenue Profit	(11,144.86)	423.68
Total	(1,805.46)	9,339.40

17 REVENUE FROM OPERATIONS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Sales:		
Sales (Domestic)	545,005.59	698,749.95

Less: Excise Duty on local sales	(9,012.48)	(7,059.33)
	535,993.11	691,690.62
Sales(Export)	317,521.18	325,284.04
Less: Excise Duty on Export Sales	(1,674.86)	(2,132.97)
	315,846.32	323,151.07
Less: Sales of BLRL to BPL	-	(38,895.40)
Revenue from operations	851,839.43	975,946.30
FR &D INCOME	1,344.74	803.01
Grand Total	853,184.17	976,749.31

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs.30743.46 ('000) (Previous year 12497.42 ('000) and has been included in the Export Sales. Domestic Sales of Traded goods to the tune of Rs 504334.10 ('000) during the current year and Rs 420331.49 ('000) in the previous year.

17.1. PROFIT / LOSS ON SALE OF ASSETS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Profit on Sale of Branded Assets	-	411,107.48
Total	-	411,107.48

18 .OTHER INCOME

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Interest Received Bank	340.15	235.98
Interest Received Others	3,541.30	3,450.00
Gain or Loss on Exchange	1702.35	-
Export Incentive	2134.14	-
Insurance Claim Received	3,069.88	-
Rent Received	55.20	55.20
Non-Competent Fees	-	5,000.00
Sundry Balances Written Off	1,569.17	262.10
Miscellaneous Receipt	-	-
Analytical Charges	-	2,610.05
Job Work Income	7,374.21	37,345.00
Total other income	19,786.39	48,958.34

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

Particulars	As at 31st March 2016	As at 31st March 2015
Opening stock	83,459.17	71,449.01
Add: Purchase	124,148.87	223,489.92
	207,608.04	294,938.93
Less: Closing stock	79,975.33	83,459.17
Raw Material Consumed (A)	127,632.71	211,479.76

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

Particulars	As at 31st March 2016	As at 31st March 2015
Opening stock	11,248.49	17,102.60
Add: Purchase	29,839.55	38,034.03
	41,088.04	55,136.63
Less: Closing stock	10,323.51	11,248.49
Packing Material Consumption (B)	30,764.53	43,888.15

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

Particulars	As at 31st March 2016	As at 31st March 2015
Consumable Stores	3,613.85	3,135.34
Analytical Expenses	905.66	616.39
Power & Fuel	25,425.70	20,122.65
Machinery Maintenance	8,852.57	10,696.26
Factory Maintenance	2,622.51	2,603.44
Chemical Purchase	4,570.44	5,133.86
Security Charges	2,316.27	1,481.66
Repairs & Maintenance	3,637.66	2,614.09
Other Manufacturing	15,003.70	51,575.97
Lab Maintenance	70.32	83.12
Total (C)	67,018.67	98,062.77

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

Particulars	As at 31st March 2016	As at 31st March 2015
Freight Charges	1,384.86	1,805.42
Total (D)	1,384.86	1,805.42
COST OF MATERIAL CONSUMED (A+B+C+D)	226,800.76	355,236.10

20 PURCHASE OF STOCK IN TRADE

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Purchase of stock in Trade	508,888.86	439,693.94
Total	508,888.86	439,693.94

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

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Closing Inventories:		
Finished Goods	24,049.12	18,554.74
Work in progress	17,726.86	16,702.00
	41,775.98	35,256.74
Opening Inventories:		
Finished Goods	18,554.74	91,087.88
Work in progress	16,702.00	65,866.02
	35,256.74	156,953.91
Change in inventory	(6,519.24)	121,697.16

22 EMPLOYEE BENEFIT EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Salaries	60,533.65	91,461.22
Bonus	3,051.33	4,678.41
PF Companies contribution	5,050.12	3,474.25
ESI Companies Contribution	869.87	957.01
Staff welfare	347.03	7,220.88

Gratuity	-	-
Total	69,852.01	107,791.77

23 FINANCIAL COSTS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Interest to bank	76,690.06	113,116.36
Bank charges	16,669.85	10,128.09
Interest others	36,198.62	11,362.46
Total	129,558.53	134,606.92

24 DEPRECIATION AND AMORTISATION CHARGES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Depreciation and Amortization expenses	48,586.04	59,854.65
Total	48,586.04	59,854.65

25 OTHER EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Rent	2,405.92	3,442.35
Postage & Telegram	733.70	2,421.99
Telephone	766.74	853.35
Insurance	43.23	4,987.30
Conveyance	1,228.50	793.68
Travelling Expenses	1,131.44	18,559.03
Donation	12.00	1031.00
Printing & Stationery	1,709.95	1,806.08
Subscription & Membership	78.47	185.95
Fees	1,658.83	2,301.90
Office Maintenance	45.84	410.76
Vehicle Maintenance	475.96	467.82
Miscellaneous Expenses	591.83	1995.52
Sundry Balances Written Off	1,782.30	21,132.74

Professional Charges	2,810.84	4,871.53
Computer Maintenance	1,254.68	994.56
Service Tax	2,098.86	1,140.19
Discount Allowed	324.97	9,282.24
Packing Charges	32.19	12.43
Exchange Difference	3,930.61	2,637.33
Freight & Transportation	7,664.81	11,258.71
Advertisement	199.27	360.03
Sales Promotion	592.12	16,877.29
Loss of Expired Goods	7,467.72	-
Commission/ Liasoning Charges	3,306.62	7,222.45
Sales Tax	--	59.40
Liquidative Damages	3,363.35	1,786.96
MHRA Expenses	-	789.83
Payment to Auditor	624.61	646.07
Directors Salary	2,460.00	2,160.00
Directors Sitting Fees	200.00	200.00
Provision for Doubtful Debts	-	8,231.78
Total	48,995.32	128,920.24

25.1 PAYMENT TO AUDITORS AS

(Rs. in '000)

Particulars	As at 31st March 2016	As at 31st March 2015
Statutory Audit Fees	385.00	385.00
Tax Audit Fees	65.00	65.00
Certification fees	125.00	125.00
Service Tax	83.38	71.07
Total	658.38	646.07

25.2 DIRECTORS REMUNERATION

(Rs. in '000)

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31 st March 2015

a)	Salary	1,380.00	1,200.00	1,080.00	960.00
b)	Conveyance	180.00	-	120.00	-
c)	Contribution to PF	21.60	144.00	21.60	115.20
d)	Lease Rent for Car	60.00	60.00	60.00	60.00
	Total	1,641.60	1,404.00	1,281.60	1,135.20

26 EXCEPTIONAL ITEM

(Rs. in '000)

	As at 31st March 2016	As at 31st March 2015
Exceptional Item	-	28,342.57
	-	28,342.57

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 2016		As on 31st March 2015	
RAW MATERIAL	USD	409.58	27,706.08	219.93	13,708.89
	EURO	10.35	199.29	6.00	511.46
	GBP			62.40	6,469.41
CAPITAL GOODS	USD	14.50	995.86	71.68	4,539.31
	EURO	3.12	230.52	NIL	NIL
MHRA AUDIT FEES	GBP			8.29	385.00

c) EARNINGS IN FOREIGN CURRENCY

(in '000)

Particulars		As at 31st March 2016	As at 31st March 2015
EXPORT SALES	USD	3,599.85	3,773.73
	INR	233,622.43	229,850.77
	GBP	550.97	843.02
	INR	53,155.29	82,935.85

Note: Sale of goods to EOU (Exporter) has been made to the tune of Rs 30,743.46 ('000) (Previous year 12,497.42 ('000) and has been included in the Export Sales

d) RESEARCH AND DEVELOPMENT EXPENDITURE**(in '000)**

Particulars		As at 31st March 2016	As at 31st March 2015
Capital Expenditure		374.00	7,540.81
Revenue Expenditure		8,169.18	9,557.39
		8,543.18	17,098.20

Consolidated – Related party disclosures**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

Sl.NO	Particulars	Associates	Key Management Personnel	Relative of KMP	Total as on 31.03.2016	As on 31.03.2015
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			-	1.550.00
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		10,314.21	39,781.60
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	-	-	-	65,000.00
10	Guarantee and Collaterals	Bafna Lifestyles Remedies Ltd	-	-	-	-
11	Manage Contracts including for Deputation of Employees		-	-	-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,241.00	2,202.48

28.4 CONTINGENT LIABILITIES NOT PROVIDED FOR

(Rs. in '000)			
	Particulars	As at 31st March 2016	As at 31st March 2015
a)	In respect of Letter of Credit and Bank Guarantee	16,380.32	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	-	87,000.00

28.5 SECONDARY SEGMENT/ GEOGRAPHICAL SEGMENT

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

(Rs. in '000)						
					As at 31st March 2016	As at 31st March 2015
PARTICULARS	INDIA	ASIA	AFRICA	UK	Total	Total
Sales	562,879.56	167,644.12	23,824.26	98,836.24	853,184.17	1,014,094.31
Operating Expenses	470,106.02	140,013.09	19,897.55	82,546.10	712,562.76	940,437.29

Operating Income/ Loss	92,773.54	27,631.02	3,926.70	16,290.14	140,621.41	73,657.02
Un allocable Income					12,412.19	422,458.71
Total Income					153,033.60	496,115.74
Un allocable Expenses					(278,308.78)	(408,445.15)
Net profit before Tax					(125,275.19)	60,789.67
Income Tax and Deferred tax					3,430.83	283.67
Net profit after Tax					(121,844.36)	61,073.34

29. CENVAT

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

30. GENERAL

- a) Tax deducted at Source from the payment to contractors, professional charges and salaries have been deposited in time except in few cases.
- 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 31st March 2016	As at 31st March 2015
TAMILNADU STEEL TUBES LIMITED (includes interest thereon)	14,441.09	15,200.00

- e) The Fixed deposit of sum of Rs. 25368.76 (in '000) (previous year Rs.22888.58 (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: 30.05.2016

R.S. Gowdhaman
(Company Secretary)

Notice

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Bafna Pharmaceuticals Limited will be held on 28th day of September 2016 at 3.00 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, 2016, 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, 2016 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.

Ratification of Appointment of Statutory Auditor:

Item No 5: To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT the appointment of M/s. Abhay Jain & Co., Chartered Accountants (FRN: 000008S), as Statutory Auditors of the Company, made in the 19th Annual General Meeting held on 10.09.2014, be and

is hereby ratified from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting."

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 2016 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 an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of Mrs. Sabitha (DIN: 02643259) as a Executive Director of the Company for a term of five years effective from March 27.03.2015 on remuneration, terms and conditions as mentioned in the explanatory statement be and is hereby approved, ratified and confirmed.

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."

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

Place: Chennai
Date: August 11, 2016
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 Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/ re-appointment as mentioned under items nos. 2 & 3 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. 2, 3 & 5 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 22.09.2016 to 27.09.2016 (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 2015-16 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 2015-16 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 31.03.2016	Date of Declaration	Due Date for Transfer to Investor Education and Protection Fund Account
2012-13	Rs.1,41,149/=	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 on 02.09.2016.
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 Mr. Pankaj, Practicing Company Secretary (Membership No: A29408 & COP No: 10598) of 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 27th September 2016 at 5.00 PM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 21st September 2016 (cut-off / record date for determining the eligibility to vote through postal ballot / electronic mode).

Mr. Pankaj Mehta, (Membership No: A 29407 and Certificate of Practice No: 10598) Practicing Company Secretary has been appointed as the scrutinizer to ensure that the postal ballot & e-voting process is conducted in a fair and transparent manner. The Scrutinizer's Report of the votes cast in favour or against, if any, will be submitted on 30th September 2016, to the Chairperson or Whole time Director of the Company. The Chairperson / Whole time Director shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's Notice Board at the registered office & Company's website and on the websites of NSE, BSE & CDSL, immediately, after the Chairperson / Whole time Director declares the result.

The instructions for shareholders voting electronically are as under:

- 1) The voting period begins on 25th September 2016 at 9.00 am and ends on 27th September 2016 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/Record Date as of 21st September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) The shareholders should log on to the e-voting website [**www.evotingindia.com**](http://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 30th May , 2016 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.11 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:

In terms of provisions of Section 149 of the Companies Act, 2013, Mrs. Sabitha, an executive of the Company, was appointed as Women cum Executive Director of the Company w.e.f. 27.03.2015 and her appointment was confirmed by the members of the Company in the Annual General Meeting held on September 30, 2015. In terms of Section 196 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the Act, the company intends to ratify her remuneration for a period of five years effective from March 27, 2015, as mentioned below;

1. Monthly remuneration

BASIC:	Rs.33,900/-
HRA:	Rs.16,950/-
Conveyance	Rs.1600/-
SPL:	Rs.4050/-
TOTAL	Rs.56,500

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.

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)
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

II. Information about the appointee:

1.	Background details	Post Graduate in International Business (MBA), having 19 years of experience in Pharma Industry.
2.	Past remuneration	Rs.53,000/- p.m.
3.	Recognition and awards	Long serving Employee.
4.	Job profile	Manager – Purchase Department.
5.	Remuneration proposed	As mentioned in monthly remuneration above
6.	Comparative remuneration profile with respect to industry	Information not available
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the	She does not hold any Equity Shares in the Company.

	Managerial Personnel	She is not related to any Directors
8.	Directorship in other companies	Bafna Life Styles Remedies Limited.

III. Other Information

None of the Directors of the Company, other than Mrs. Sabitha, is interested or concerned in this resolution. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other details of the Directors whose appointment is proposed at Item Nos. 3 & 4 of the accompanying Notice, have been given in the annexure attached.

(i) *Mr. 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	24,61,381
Relationship with other directors in the company	NA

(ii) Mr. 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 Promoter - Director of the Company. He is a Commerce Graduate and MBA with 24 years of experience in Planning & Production. His innate understanding of emerging pharmaceutical market trends has helped us to advance technically by innovative methods. His astute thinking and management skills are largely responsible for the smooth functioning of our factories.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	9,12,163
Relationship with other directors in the company	NA

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

21st 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 First Annual General Meeting held on Wednesday the 28th day of September, 2016 at 3.00 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

BAFNA PHARMACEUTICALS LIMITED

CIN: L24294TN1995PLC030698

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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**

21st Annual General Meeting

Name of the member(s) :

Registered address :

E-mail id :

Folio No / Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: E-mail Id:

Address:

Signature:, or failing him / her

2. Name: E-mail Id:

Address:

Signature:, or failing him / her

3. Name: E-mail Id:

Address:

Signature:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Wednesday, the 28th day of September, 2016 at 3.00 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, 2016 including the audited Balance Sheet as at 31 st March, 2016, 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, 2016 including the audited Balance Sheet as at 31 st March, 2016, 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	Ratification of Appointment of M/s. Abhay Jain & Co., Chartered Accountants, Chennai.			
6	To ratify Appointment & Remuneration of Cost Auditors.			
7	To ratify and confirm appointment and remuneration of Mrs. Sabitha (DIN: 02643259) , Executive Director of the Company.			

*Affix 1
Rupee
Revenue
Stamp*

Signed this..... day of..... 2016

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.