



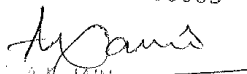
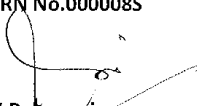


BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE:+044-25267517/25270992, FAX:91-44-25231264, Email: info@bafnapharma.com, website: www.bafnapharma.com
CIN: L24294TN1995PLC030698

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	Bafna Pharmaceuticals Limited
2	Annual Financial statements for the year ended	31 st March, 2014
3	Type of Audit Observation	None
4	Frequency of Observation	None
5	Signed by  BAFNA MAHAVEER CHAND Managing Director  M. SRIDHAR Manager-Accounts & Finance For ABHAY JAIN & CO For ABHAY JAIN & CO., Chartered Accountants Firm Reg. No. 000008S  A.K.Jain (Partner) FRN No.000008S Partner, M.No. 70224  V.Rajamani Audit Committee Chairman	

Factory: UNIT-I : 13, S.V. KOIL STREET, MADHAVARAM, CHENNAI-60, INDIA. PHONE: +044-25530329/25531965, E mail: factory@bafnapharma.com

UNIT-II : 147, Madhavaram Redhills High Road, Grantlyon Village, Vadakarai Post, Chennai-600 052. Phone: +044-26322900, E mail: factory1@bafnapharma.com



19TH ANNUAL REPORT
BAFNA PHARMACEUTICALS LTD.,



FINANCIAL YEAR 2013-14



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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. 178.94 Cr
Net Profit	:	Rs. 1.34 Cr
Listing	:	(i) BSE & (ii) NSE

Registered Office

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

Bankers

SBI, EXIM, 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

M/s. R. Sathyanarayanan & Co.,
Chartered Accountants, Chennai

Cost Auditors

M/s. Thanigaimani & Associates
Cost Auditor, Chennai

Board of Directors

Shri Bafna Mahaveer Chand
Chairman & Managing Director
Shri Paras Bafna
Whole time Director
Shri V. Rajamani
Non-Executive Independent Director
Shri R. Dwarakanathan
Non-Executive Independent Director
Shri B. Kamlesh Kumar
Non-Executive Independent Director
* Shri A. Sahasranaman
(*Resigned w.e.f. 20.05.2013)
Non-Executive Independent Director
Shri Sunil Bafna
Non-Executive Independent Director

Audit Committee

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

Stakeholders Relationship Committee (Investor Grievance and Share Transfer Committee)

Shri Sunil Bafna
Shri Bafna Mahaveer Chand
Shri Paras Bafna

Profile - Board of Directors

Shri Bafna Mahaveer Chand, Managing Director

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.

Shri Paras Bafna, Whole time Director

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.

Shri V. Rajamani, Independent Director

He is a greatly experienced, specialized in Financial Management, Secretarial Department and Company Accounts. He is a Graduate in Arts and a FICWA and ACS and has over three decades of experience in the areas of Finance and Administration. Prior to joining Bafna Pharma, he has served as the Company Secretary and Chief Vigilance Officer of M/s. Manganese Ore India Limited at Nagpur from 1980 to 1986. From 1986 to 1988 he worked as Additional / General Manager (co-ordination) and as Director of M/s. Neyveli Lignite Corporation. He is a Director in Morgan Industries Limited. He brings with him rich experience on account of the various posts / position held in the secretarial / financial departments held in the Central Government undertakings where he worked earlier.

Shri R. Dwarakanathan, Independent Director

He is greatly experienced, specialized in Financial Planning & Management. He is a post graduate in Arts from Madras University and an MBA from Wichita State University, Kansas, USA and also has to his credit CAIIB, Diploma in Industrial Finance and Corporation. He has over three decades of experience in the field of banking and finance. He started his career in State Bank of India and rose to the level of General Manager (Operations), Local Head Office, General Manager cum Vice Principal, State Bank Staff College at the time of his retirement in April, 2000. He is specialized in various areas such as Financial Management, Corporate Credit, Foreign Exchange, Organizational Development, Inspection and Management Audit and Rehabilitation of Sick Units. Presently he is serving as a Senior Faculty in Loyola Institute of Business Administration, Chennai.

Shri Sunil Bafna, Independent Director

He is B.A. (Corporate Secretaryship) Graduate from Madras University and he has completed a specialized course in Financial Management. He brings with him over 18 years of experience in functions of financial planning and management.

Shri B Kamlesh Kumar, Independent Director

He is specialized in Finance, Taxation and Capital Market. He is a graduate in B.A (Corporate) (1986-88) from A.M. Jain College, Chennai. He became a Member in the Institute of Chartered Accountants of India in 1992 and presently a fellow member of Institute of Chartered Accountants of India. He is a Director in JBM Properties Limited from 1996, Director (Finance) in JBM Shelters (P) Ltd from 2006 taking charge of Finance and Accounts Departments. Also he is a Director in Bafna Lifestyle Remedies Ltd from 2012. He has attended various National and International seminars on Audit, Finance and Capital Market. He has over two decades of experience in Taxation and Capital Market. He brings with him rich experience in Taxation, Accounts, Capital Market, Finance & Banking.

Key Message from CMD

Dear shareholders,

I am pleased to inform you that, the revenues for the year are a tad higher to last year revenues from Rs.170 Cr to Rs.178 Cr. but the company could not maintain the bottom line due to higher manpower cost and interest cost.

During the year we had to face challenges from Sri Lanka, it all started on 15th September, 2013 when we received a wrong signal through electronic media that Sri Lanka banned all our 84 products stating that, the products were of not good quality. The very next day a show cause notice was issued stating only 3 products failure, the details of which are given below:

- One among those product was not supplied since 2010 to Sri Lanka
- Other two products were tested during the expiry stage

We got a revocation letter within a span of 20 days, stating that it is not a product failure but only a registration sample and not a commercial batch. All this affected our cash flow cycle. Though the issue has been to a great extent mitigated, still we are not able to fully come out of the situation particularly with respect to working capital.

The company's profitability has been largely affected by interest & manpower cost. This resulted in company looking for raising money from various sources not only to meet the working capital requirements and also for finding a solution to put an end to interest burden which is putting pressure on the profits.

Moving away from the above,

in domestic marketing, we have PAN India presence (except Rajasthan) in women wellness & childcare therapeutic segments. We are happy to share with you that, we have registered growth in the Domestic Brand business from Rs. 16.15 Cr to Rs. 24.62 Cr a growth of 52%. We could not meet the target of achieving BEP in domestic marketing segment during FY 2013-14 as there was expansion in the marketing department. We hope to achieve the BEP during the FY 2014-15.

- During September, '13 year we have launched new products to increase our market presence. We hope that, the sales volume during 2014-15 will increase in these products.
- Further we have filed patent for Raricap chewable tablets and we are planning to launch the same during FY 14-15.
- During the year the company has been approved by MOH from Ukraine, Kenya & Tanzania.
- During the year the company also 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.

And plans are in place to develop export business in the coming years.



Revenue Front

- The turnover of the company for the year is Rs.170.94 Cr as against Rs. 154.02 Cr. achieving a growth of 11% Year on Year.
- Traditionally, Company has been strong in export / contract manufacturing and has clocked revenue of Rs. 83.13 in FY 14 (Previous year Rs. 98.71 Cr).
- Income from R&D services during the year is Rs. 6.60 Cr (Previous year Rs. 13.12 Cr).

Market expansion through launch of brands in Non - Regulated markets

- For the first time, we documented the details of the product application and registration in FY 10 annual report with 80 product registrations.
- During FY 14 the company got registrations for 45 products as follows: (i) 5 in Sri Lanka (ii) 7 in Nepal (iii) 2 in Ethiopia (iv) 9 in Nigeria (v) 2 in Uzbekistan (vi) 1 in Myanmar (vii) 3 in Yemen (viii) 2 in Costa Rica (ix) 6 in Ukraine (x) 5 in Philippines (xi) 3 products site approval in UK.
- As on date we have more than 176 Product registrations and 214 Product applications across globe.

Value growth factors

- 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 geographic locations.
- Focus on FR&D for launching new products.
- Make RARICAP Global brand by introducing in as many countries as possible.

We continue to focus on growing revenues, improving margins and thus enhancing market value of the company. We will continue launching brands across the geographies both in domestic and international markets.

I take this opportunity to sincerely thank the Board for their invaluable guidance & support during this process. I congratulate & thank the entire Bafna Pharma Team for their undaunted commitment, incredible dedication and value contribution. I thank all share holders and other partners in the business for the continuous faith on us and support you have extended to us till date.

Warm Regards,

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

Annual Report 2013-14



Annual Report 2013-14

Director's Report

To

The Shareholders

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company together with Audited Accounts for the Financial Year ended 31st March, 2014.

Financial Performance

The summarized Audited Financial Results for the year ended 31st March, 2014 along with comparative figures for the previous year is as under:

Particulars	Standalone		Consolidated	
	31 st March, 2014	31 st March, 2013	31 st March, 2014	31 st March, 2013
Total Income	1,789,445.90	1,701,663.58	1,871,940.30	1,788,086.40
Total Expenditure	1,683,959.02	1,649,869.18	1,757,089.94	1,734,489.87
Profit before Depreciation & Taxation	105,486.88	127,698.69	114,850.36	136,093.42
Less: Depreciation	83,235.79	75,904.29	89,938.37	82,496.89
Less: Exceptional Items	-	-	-	(1,324.17)
Profit before Tax	22,251.09	51,794.40	24,911.99	54,920.70
Less: Provision for Taxation	4,200.00	8,600.00	4,700.00	8,950.00
Less: Provision for Deferred Tax	4,689.69	4,402.09	5,767.72	5,839.16
Minority Interest (Loss)	-	-	(408.14)	(504.75)
Profit after Tax for the year	13,361.40	38,792.31	14,036.14	39,626.78

Consolidated Operating Results

The consolidated sales and operating income increased to Rs. 187.19 Cr from Rs. 178.81 Cr in the previous year yielding a growth of 5%. The consolidated operating profit for the year was Rs. 11.49 Cr as against Rs. 13.61 Cr in the previous year. The consolidated net profit for the year 2014 was Rs. 1.40 Cr as against FY 2013 of Rs. 3.96 Cr.

Standalone Operating Results

The sales and operating income increased to Rs. 178.94 Cr from Rs. 170.16 in the previous year yielding a growth of 5%. The operating profit for the year under review is Rs. 10.55 Cr as against Rs. 12.76 Cr in the previous year. The profit after tax for the year under review is Rs. 1.34 Cr as against Rs. 3.87 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, 2014 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 211(3C) of the Companies Act, 1956. 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 212 of the Companies Act, 1956, relating to subsidiary companies is attached and forms part of the report.

Change in Capital Structure

Particulars	(Rs. In '000)	
	31 st March, 2014	31 st March, 2013
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 58A and 58AA of the Companies Act, 1956.

Dividend

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

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 shares for operational convenience.

The ISIN of the scrip is INE878I01014. As on 31st March, 2014, around 99% of the total equity capital of the Company was held in dematerialized form.

Directors

Shri. A. Sahasranaman, Independent Director stepped down due to personal commitments & the same was accepted by the Board of Directors w.e.f. 20.05.2013.

The Companies Act, 2013 provides for appointment of Independent Directors. As per Section 149, Independent Directors shall hold office for a term of upto 5 (five) consecutive years on the Board of a

Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further the Act provides that, no independent director shall be eligible for more than two consecutive terms of five years & the provision of the Companies Act, 2013 on retirement by rotation shall not apply to such independent Directors.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, your Directors are seeking appointment of Shri V. Rajamani, Shri R. Dwarakanathan, Shri B. Kamlesh Kumar & Shri Sunil Bafna as Independent Directors for five consecutive years upto 09.09.2019. The aforesaid non-executive independent directors have given their consent to act as Independent Directors of the company and made a declaration that they meet the criteria of Independence.

At the AGM held on 30.09.2013 Shri. V. Rajamani & Shri. Sunil Bafna were re-appointed as directors liable to retire by rotation.

Shri V.Rajamani, Shri. R.Dwarakanathan & Shri Sunil Bafna are Directors of the Company from 2005. Shri B. Kamlesh Kumar was appointed as Director w.e.f. 10.08.2013.

Shri. Bafna Mahaveer Chand, Chairman & Managing Director & 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 will be subject to retirement by rotation due to the provisions of Section 149 & 152 of the Companies Act, 2013, wherein it is provided that Independent Directors are not subject to retirement by rotation. All Directors in the Board of Directors of the Company are Independent except Shri. Bafna Mahaveer Chand & Shri. Paras Bafna. Since none of the Independent Directors are subject 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 without change in any of their existing terms & conditions 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, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. M/s. Abhay Jain & Co., Chartered Accountants, Chennai have confirmed that the re-appointment, if made would be within the prescribed limits under Section 141 of the Companies Act, 2013.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, it is proposed to appoint M/s. Abhay Jain & Co., Chartered Accountants, Chennai as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-second AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

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

The Board recommends their reappointment as Statutory Auditors of the Company. The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

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 2014. The Cost Audit report for the year ended 31st March 2013 was filed on 28.11.2013 and the Cost Audit Compliance Report was filed on 28.11.2013. The Cost Audit Report & Cost Audit Compliance Report for the year ended 31st March, 2014 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 2014 – 15. 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

There are no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 and the rules made there under. Therefore a statement giving particulars of employees in pursuance to the above referred section is not enclosed.

Foreign Exchange earnings and outgo

The particulars in respect of Foreign Exchange Earnings and Outgo as required under Section 217 (1) (e) of the Companies Act, 1956, 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, 2014 was 677 as against 572 during FY 13, a net increase of 89 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 as required under Section 217 (1) (e) of the Companies Act, 1956, are given as an Annexure to this report.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

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, Commercial Manager | - Chairperson |
| (ii) | Mr. Meenakshi Sundaram, HR | - Member |
| (iii) | Ms. Sundari, HR Executive | - Member |

The committee places 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, 2014.

Corporate Social Responsibility

Corporate Social Responsibility is commitment of the Company 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 14-15

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 2014-15 at the Board Meeting held on 30.05.2014.

Re-appointed M/s. R. Sathyanarayanan & Co., Chartered Accountants, 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 30.05.2014 has appointed M/s. R. Sathyanarayanan & Co., Chartered Accountants, Chennai as Internal Auditors and further approved their Scope, Functions, Periodicity & Methodology.

Renaming of existing "Remuneration Committee" of the Board of Directors as "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.

Renaming of existing "Investor Grievance & Share Transfer Committee" as "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.

Directors Responsibility Statement

Your Directors wish to inform that the Audited Accounts contains Financial Statements for the financial year ended 31st March, 2014 are in full conformity with the requirements of the Companies Act, 1956. 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 profit 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, 1956 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.

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

Paras Bafna	Bafna Mahaveer Chand
(DIN: 01933663)	(DIN: 01458211)
Whole Time Director	Chairman & Managing Director

Place: Chennai
Date: 30.05.2014

ANNEXURE TO THE DIRECTOR'S REPORT

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

FORM - A

Disclosure of particulars with respect to Conservation of Energy

A. Conservation of Energy

Power & Fuel Consumption

SI No	Particulars	2014	2013
1.	Purchased: Units(Lakhs) Total Amount (Rs. In lakhs) Rate / Unit (Rs.)	Units 17.72 Lakhs Rs. 125.29 Lakhs Rs. 7.07 per unit	Units 14.32 Lakhs Rs. 102.80 Lakhs Rs. 7.17 per unit
2.	Own Generation Through Diesel Generator Units (KSH) in lakhs Unit per Lt. of Diesel Cost/Unit (Rs.)	Units 1.55 Lakhs Unit 2 per litre Rs. 22.38 per unit	Units 3.04 Lakhs Unit 2 per Litre Rs. 23.88 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

		(Rs. in '000)
Particulars	Current Year	Previous Year
Capital	1024.00	214.00
Recurring/Revenue	11627.00	12042.00
TOTAL	12651.00	12256.00
% of R&D expenditure to sales	0.71%	0.73%

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 pharmacopoeial 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

FOREIGN EXCHANGE EARNINGS & OUTGO

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

- (i) During FY 14 the company got registrations for 45 products as follows: (i) 5 in Sri Lanka (ii) 7 in Nepal (iii) 2 in Ethiopia (iv) 9 in Nigeria (v) 2 in Uzbekistan (vi) 1 in Myanmar (vii) 3 in Yemen (viii) 2 in Costa Rica (ix) 6 in Ukraine (x) 5 in Philippines (xi) 3 products site approval in UK. As on date we have more than 176 Product registrations and 214 Product applications across globe.
- (ii) The export turnover consists of Rs. 83.13 Cr of the total turnover for the FY 14 as against Rs. 98.71 Cr for the previous year

(b) Foreign Exchange earned and used

- (iii) Your Company has earned foreign exchange of Rs. 83.14 Cr (previous year Rs. 98.71 Cr)
- (iv) Foreign Exchange outgo was Rs. 30.17 Cr (previous year Rs. 6.08 Cr) on account of international travel & purchase of foreign currency.

On behalf of the Board of Directors
For Bafna Pharmaceuticals Limited

Paras Bafna (DIN: 01933663)	Bafna Mahaveer Chand (DIN: 01458211)
Whole Time Director	Chairman & Managing Director

Place: Chennai
Date: 30.05.2014

Corporate Governance

CORPORATE GOVERNANCE

For the year ended 31st March, 2014

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, 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 6 (six) Directors, out of which 2 (Two) are Executive Directors, 4 are Non-Executive and Independent Directors as 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 A. Sahasranaman (resigned w.e.f. 20.05.2013)	01983690	Non-Executive Independent Director	1. Bhartiya International Limited 2. Indian Leather Industry Foundation 3. Chennai Environmental Management Company Of Tanners	NIL
Shri B. Kamlesh Kumar (Appointed w.e.f. 10.08.2013)	01218959	Non-Executive Independent Director	1. JBM Properties Limited 2. Bafna Lifestyles Remedies Limited	NIL

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

- (1) 20.05.2013 (2) 10.08.2013 (3) 30.10.2013 (4) 13.11.2013
(5) 13.02.2014 (6) 24.02.2014

The details of attendance of directors at the Board Meetings along with their attendance at the last AGM during the financial year 2013-14 are as follows:

Name of Director	No. of Meetings Attended	AGM Date & Attendance – 30 th September, 2013
Shri Bafna Mahaveer Chand	6	P
Shri Paras Bafna	5	P
Shri A. Sahasranaman (resigned w.e.f. 20.05.2013)	0	NA
Shri Sunil Bafna	6	A
Shri V. Rajamani	6	P
Shri R. Dwarakanathan	6	P

Shri B. Kamlesh Kumar (Appointed w.e.f. 10.08.2013)	5	P
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"P" represents Present

"A" represents Absent

None of the non-executive Directors have 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.

M/s. R. Sathyanarayanan & Co., Chartered Accountants, Chennai are the Internal Auditors of the Company. The points raised by the internal auditors are placed before the Audit Committee & Board of Directors for their appropriate action.

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	21,28,550
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

(v) Mr. V. Rajamani (DIN: 00052868)

Name of the Director	Shri V. Rajamani
Date of Birth	17/02/1939
Status	Non-Executive Independent Director
Qualification & Expertise	He is a greatly experienced, specialized in Financial Management, Secretarial Department and Company Accounts. He is a Graduate in Arts and a FICWA and ACS and has over three decades of experience in the areas of Finance and Administration. Prior to joining Bafna Pharma, he has served as the Company Secretary and Chief Vigilance Officer of M/s. Manganese Ore India Limited at Nagpur from 1980 to 1986. From 1986 to 1988 he worked as Additional / General Manager (co-ordination) and as Director of M/s. Neyveli Lignite Corporation. He is a Director in Morgan Industries Limited. He brings with him rich experience on account of the various posts / position held in the secretarial / financial departments held in the

	Central Government undertakings where he worked earlier.
Names of other public company(ies) in which directorship held	Morgan Industries Limited
Total shares held by him in the company	Nil
Relationship with other directors in the company	NA

(vi) Shri. R. Dwarakanathan (DIN: 01933653)

Name of the Director	Shri R. Dwarakanathan
Date of Birth	247/04/1940
Status	Non-Executive Independent Director
Qualification & Expertise	He is greatly experienced, specialized in Financial Planning & Management. He is a post graduate in Arts from Madras University and an MBA from Wichita State University, Kansas, USA and also has to his credit CAIIB, Diploma in Industrial Finance and Corporation. He has over three decades of experience in the field of banking and finance. He started his career in State Bank of India and rose to the level of General Manager (Operations), Local Head Office, General Manager cum Vice Principal, State Bank Staff College at the time of his retirement in April, 2000. He is specialized in various areas such as Financial Management, Corporate Credit, Foreign Exchange, Organizational Development, Inspection and Management Audit and Rehabilitation of Sick Units. Presently he is serving as a Senior Faculty in Loyola Institute of Business Administration, Chennai.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	Nil
Relationship with other directors in the company	NA

(v) Shri. Sunil Bafna (DIN: 01458225)

Name of the Director	Shri Sunil Bafna
Date of Birth	11/10/1976
Status	Non-Executive Independent Director

Qualification & Expertise	He is B.A. (Corporate Secretaryship) Graduate from Madras University and he has completed a specialized course in Financial Management. He brings with him over 18 years of experience in functions of financial planning and management.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	5,000
Relationship with other directors in the company	NA

(vi) Shri. B. Kamlesh Kumar (DIN: 01218959)

Name of the Director	Shri B Kamlesh Kumar
Date of Birth	13/06/1968
Status	Non-Executive Independent Director
Qualification & Expertise	He is specialized in Finance, Taxation and Capital Market. He is a graduate in B.A (Corporate) (1986-88) from A.M. Jain College, Chennai. He became a Member in the Institute of Chartered Accountants of India in 1992 and presently a fellow member of Institute of Chartered Accountants of India. He is a Director in JBM Properties Limited from 1996, Director (Finance) in JBM Shelters (P) Ltd from 2006 taking charge of Finance and Accounts Departments. Also he is a Director in Bafna Lifestyle Remedies Ltd from 2012. He has attended various National and International seminars on Audit, Finance and Capital Market. He has over two decades of experience in Taxation and Capital Market. He brings with him rich experience in Taxation, Accounts, Capital Market, Finance & Banking.
Names of other public company(ies) in which directorship held	JBM Properties Limited Bafna Lifestyles Remedies Limited
Total shares held by him in the company	NIL
Relationship with other directors in the company	NA

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, 2014 is as follows:

- Shri V. Rajamani - Chairman

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

During 2013-14 the details of the meetings attended by the members were as follows:

Name of Directors	Status	No. of Meetings attended
Shri V. Rajamani	Chairman	4
Shri R. Dwarakanathan	Member	4
Shri Bafna Mahaveer Chand	Member	4
Shri B. Kamlesh Kumar (Appointed w.e.f. 10.08.2013)	Member	2

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

(1) 20.05.2013 (2) 10.08.2013 (3) 13.11.2013 (4) 13.02.2014

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 18th AGM held on 30th September, 2013 and provided clarifications to the shareholders queries.

All directors attending meetings of the Audit Committee are entitled to sitting fees of Rs. 5,000/- for every meeting attended by them.

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 30.05.2014. 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.

III. NOMINATION & REMUNERATION COMMITTEE (REMUNERATION COMMITTEE)

The Composition of the Nomination & Remuneration Committee (Remuneration Committee) as on 31st March, 2014 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 2013-14 committee meeting was held on 20.05.2013 and all the members of the committee attended the meeting.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE (INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE)

The composition of the Investor Grievance and Share Transfer Committee as on 31st March, 2014 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 2013-14 and there are no pending complaints as on 31st March, 2014.

No committee meetings were held during FY 2013-14.

I. GENERAL BODY MEETINGS:

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

FY ended	Date	Time	Venue	If Special Resolution is passed
31 st March, 2011	23.09.2011	12.00 Noon	Hotel Ashoka, NO.47, Pantheon Road, Egmore, Chennai – 600008	YES*
31 st March, 2012	27.09.2012	3.00 PM	The TNCA Club, MA Chidambaram Stadium, 5, Victoria Hostel Road, Chepauk, Chennai - 600005	YES**
31 st March, 2013	30.09.2013	2.30 PM	NARADA GANA SABHA (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai – 600018	Yes***

*Three Special Resolutions were passed

- (i) Preferential Issue of 11,00,000 Warrants to Promoters

(ii) Preferential Issue of 25,00,000 Warrants to Non-Promoters

(iii) Preferential Issue of 9,00,000 Equity Shares to Non-Promoters

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

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

Extra-Ordinary General Meetings:

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

Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2013-14. 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 / Manager – Accounts & Finance Certification

The Chairman & Managing Director, CEO and Manager - Accounts & Finance of the Company give quarterly and annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The certificate from the Managing Director, CEO & Manager–Accounts & Finance of the company is enclosed as Annexure.

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 at the Board Meeting held on 30.05.2014.

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 at the Board Meeting held on 30.05.2014.

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 at the Board Meeting held on 30.05.2014.

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 at the Board Meeting held on 30.05.2014.

Terms of reference of Statutory Auditors.

Board of Directors has approved the terms of reference of the Statutory Auditors at the Board Meeting held on 30.05.2014.

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 modified Code of Conduct for Directors & Senior Management at the Board Meeting held on 30.05.2014.

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)
Chairman & Managing Director

V. 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. 28** 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 '14, 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.

VI. 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 10th September, 2014 at 10.30 AM

Venue : Narada Gana Sabha (Mini Hall),
at 314, T.T.K. Road, Alwarpet, Chennai - 600018

Financial Year: : The Accounting year covers the period from
1st April to 31st March.

Financial reporting for the quarters ending on:

30th June, 2014 - By 10st August, 2014

30th September, 2014 - By 10th November, 2014

31st December, 2014 - By 10th February, 2015

31st March, 2015 - By 10th May, 2015

Book Closure Dates : 06.09.2014 to 10.09.2014 (both dates inclusive)

Dividend Payment Date : Not Applicable

**Cut-off date for taking list of
shareholders for e-voting** : 08.08.2014

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 : 6262 (As at 31st March, 2014)

Shareholding Pattern as at 31st March, 2014

Particulars	Holding (%)
Promoters & Promoters Group	35.67
Total (A)	35.67
Public - Institutions	0.00
Total (B)	0.00
Public – Non Institutions	
Bodies Corporate	15.50
Individuals	39.59
Others	9.23
Total (C)	64.33
Total (A+B+C)	100.00

Distribution of Shareholding as on 31st March, 2014

Share or Debenture Holding	Share Holders		Share Amount	
Rs.	Number	% of Total	Rs.	% of Total
10-5000	5005	79.93	9113680	4.89
5001-10000	488	7.79	4253430	2.28
10001-20000	301	4.81	4838500	2.59
20001-30000	106	1.69	2835090	1.52
30001-40000	66	1.05	2434420	1.30
40001-50000	60	0.96	2873160	1.54
50001-100000	91	1.45	7026400	3.77
100001-And above	145	2.32	153188670	82.11
TOTAL	6262	100.00	186563350	100.00

Share market data: Monthly Share Price movement during the financial year ended 31st March, 2014 at BSE & NSE

The closing market price of equity share on 31st March, 2014 (last trading day of the year) was Rs.17.00 on BSE & Rs. 17.05 on NSE.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr- 13	43.20	34.80	423478	40.95	34.90	229636
May- 13	40.00	35.50	399205	40.90	34.00	339995
June- 13	38.80	34.00	484384	37.50	34.10	475911
July - 13	38.25	17.90	915346	38.00	17.75	515389
Aug - 13	28.65	23.50	522165	28.30	23.25	229228
Sep - 13	32.70	26.55	156211	32.80	26.35	101755
Oct - 13	29.25	22.80	244757	28.95	23.00	104133
Nov - 13	35.95	24.00	1453612	36.00	22.50	3299621
Dec - 13	30.00	21.90	1195766	29.80	22.05	1783920
Jan - 14	28.50	22.45	331372	28.50	21.75	672200
Feb - 14	24.25	19.30	287957	24.60	19.70	525557
Mar - 14	23.20	16.90	603943	23.50	16.80	764480

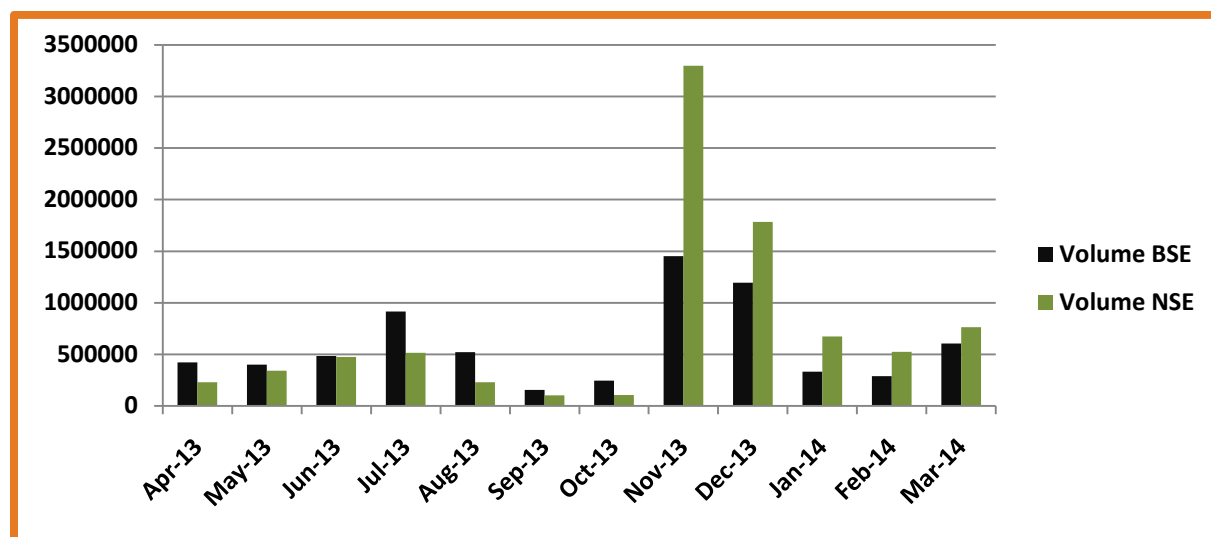
Reconciliation of Share Capital Audit:

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, 2014, 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.

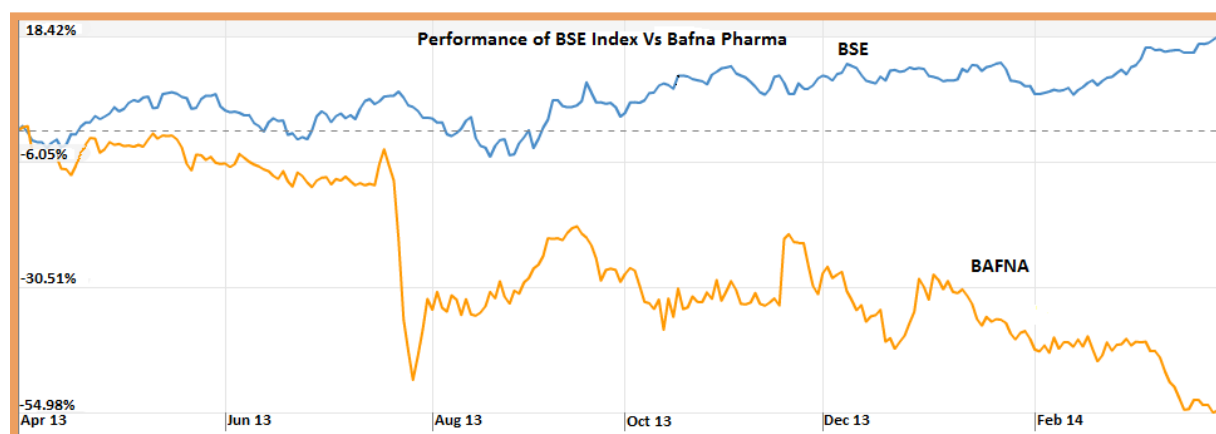
Share Transfer System:

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.

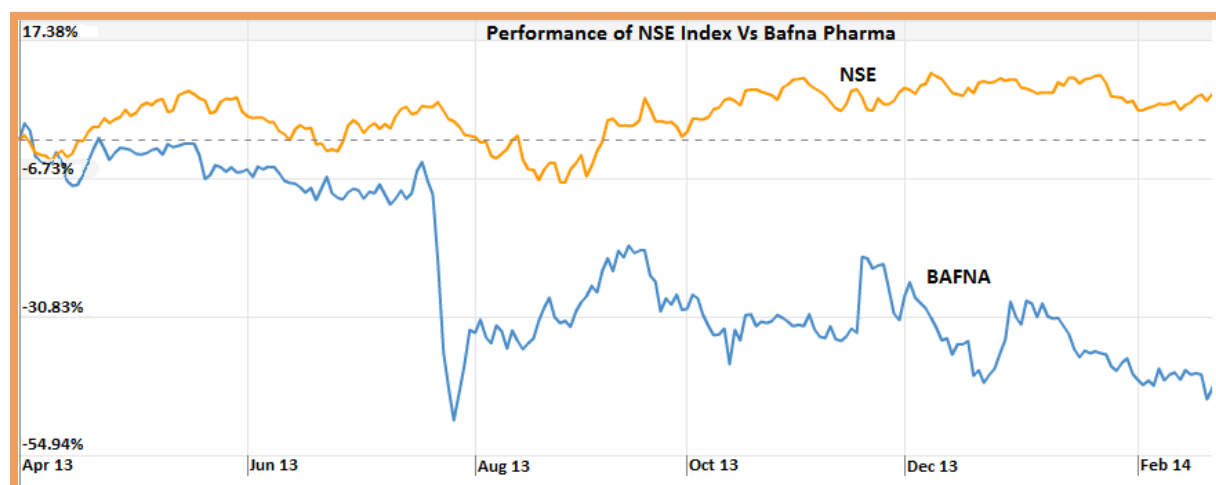
Graphical presentation of number of shares traded during the financial year ended 31st March, 2014 at BSE & NSE



Performance of BSE Index Vs Bafna Pharma from 1st April, 2013 to 31st March, 2014



Performance of NSE Index Vs Bafna Pharma from 1st April, 2013 to 31st March, 2014



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, 2014, 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 Snapshots' 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	: Cameo Corporate Services Ltd.
Transfer Agents (RTA)	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 A. Sahasranaman	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 198, 309 and Schedule XIII to the Companies Act, 1956.

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

Place: Chennai

Date: 30.05.2014

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

Management Discussion and Analysis

Economic & Industry Overview

The cumulative drugs and pharmaceuticals sector has attracted foreign direct investments (FDI) worth US\$ 11,304.91 million during April 2000 to April 2013, according to the latest data published by Department of Industrial Policy and Promotion (DIPP).

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 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.

The developing markets have 65% share of the global market which is expected to reduce to 57% by 2016, whereas the Pharmerging market's share will be around 30%. Essentially more than 50% of the growth of the Global Pharma market will be driven by the Pharmerging markets because of the increased contribution to the global market and the higher growth rate compared to the developed market.

Pharmaceuticals markets both domestic and international are more prone to regulatory risks apart from the regular business risks.

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 weightage 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 2012-16. 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 the 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.

Company Overview

The setting up of sales & marketing team PAN India (except Rajasthan) has been a great boon & motivating factor for the company. The company has consciously entered Women's Healthcare segment.

The company is positive on the products already launched which would augment the growth in times to come. And further your company is positive on the new products to be introduced during FY'15.

In geographical terms, our focus after setting up domestic marketing division is further to penetrate the market both urban and rural areas. Internationally, our focus is on expanding the revenue from registered products and applying for registration of products enabling for more revenue generation opportunities.

In line with identified growth paths namely domestic branded sales, branded generics, brands in emerging markets & CRAMS, the company has reduced the thin margin domestic institutional business and your company is building up the Domestic Marketing team.

We strategically capitalized on our brand RARICAP and also by introducing product extensions including drops, syrup, etc.

Your company continuous to work towards optimizing the capacities of its manufacturing facilities and also on adding additional capacities aimed at the business opportunities available to its in its domain capability in line with its strategy. Your Company will try to ensure that it remains competitive in market, in costs and will try to 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 infrastructure, R & D wing and Domestic Marketing division. Our expanding customer base is a great boon & motivating factor for the company.

The company is in growth/expansion mode requiring further investment; your company is therefore 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.
- Make RARICAP Global brand by introducing in as many countries as possible.
- Launch line-extensions of RARICAP and other products in woman wellness and child care therapeutic segment.

Bafna Pharma's Global footprint

S.NO	NAME OF COUNTRY	NO OF APPROVALS	NO.FO APPLICATIONS PENDING FOR REGISTRATION
1	Sri Lanka	72	93
2	Nepal	9	9
3	Ethiopia	3	4
4	Nigeria	13	14
5	Honduras	3	-

6	Uzbekistan	8	-
7	Vietnam	3	3
8	Ghana	15	5
9	Kyrgyzstan	4	-
10	Georgia	2	-
11	Philippines	9	22
12	Myanmar	2	4
13	Lebanon	-	8
14	Yemen	3	-
15	Columbia	1	-
16	Venezuela	-	1
17	Peru	-	2
18	Costa Rica	2	3
19	Cameroon	-	4
20	Ukraine	6	19
21	Dominican Republic	-	3
22	Russia	-	3
23	Taiwan	-	1
24	UAE	-	3
25	UK	21	13
	TOTAL	176	214

Performance and operations review

Bafna Pharma has recorded a revenue growth of CAGR of about 30% in the past 4 years. The company aims at a CAGR of about 30% for the next 3 years.

Consolidated Operating Results

The consolidated sales and operating income increased to Rs. 187.19 Cr from Rs. 178.81 Cr in the previous year yielding a growth of 5%. The consolidated operating profit for the year was Rs. 11.49 Cr as against Rs. 13.61 Cr in the previous year. The consolidated net profit for the year is Rs. 1.40 Cr as against FY 2013 of Rs. 3.96 Cr.

Standalone Operating Results

The sales and operating income increased to Rs. 178.94 Cr from Rs. 170.16 in the previous year yielding a growth of 5%. The operating profit for the year under review is Rs. 10.55 Cr as against Rs. 12.76 Cr in the previous year. The profit after tax for the year under review is Rs. 1.34 Cr as against Rs. 3.87 Cr in the previous year.

Internal Control Systems and their Adequacy

The company has reasonable internal control system, commensurate with the size and spread, with defined guidelines on compliance, which enables it to run its factories and office with a fair degree of comfort.

Internal Audit is being undertaken by independent Audit firm M/s. Sathyanarayanan & Co., Chartered Accountants, 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, 2014 was 677 as against 572 during FY 13, a net increase of 89 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 together with providing them adequate opportunities. We have made efforts to discipline our hiring process. Acquisition and retention of talent continues to be a major thrust area. With eye on long term, the company has begun several programmes and engages employees to enhance their knowledge / skills in line with company's goals.

On behalf of the Board of Directors
For BAFNA PHARMACEUTICALS LIMITED

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

Date: 30.05.2014
Place: Chennai

CMD / CEO / Manager - Accounts & Finance Certification

As required by Clause 49 of the Listing Agreement, CEO / CFO certification was submitted to the Board.

To

The Board of Directors,

Bafna Pharmaceuticals Limited, Chennai

We, Bafna Mahaveer Chand, Chairman & Managing Director, S.S. Bharti, CEO and M. Sridhar - Manager Accounts & Finance of Bafna Pharmaceuticals Limited to the best of our knowledge and belief certify that,

- a) We have reviewed the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement and all the notes on accounts & the Directors Report of the Company for the year 2013-14 (standalone & consolidated):
 - These financial statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - These financial statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining disclosure controls, procedures and internal controls for financial reporting and we have:
 - Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
 - Evaluated the effectiveness of the Company's disclosure, controls & procedures
 - Disclosed in this report change, if any, in the company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect, the company's internal control over financial reporting.
- d) We have disclosed, based on most recent evaluation of the company's internal control over financial reporting, wherever applicable, to the company's auditors and the audit committee & also to Board of Directors :
 - There were no deficiencies in the design or operation of internal controls that could adversely affect the company's ability to record process, summaries and report financial data and there have no material adverse weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies, if any.

- There were no significant changes in internal controls during the year covered by this report.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - There were no instances of fraud of which we are aware, that involve the management or other employees who have significant role in the company's internal control system.
- e) We further declare that all Board members and senior management personnel have confirmed compliance with code of conduct and ethics for the current year.
- f) We affirm that we have not denied any personnel, access to the audit committee of the company and no complaint was lodged / reported to the said committee and further we provide protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

Bafna Mahaveer Chand

Chairman & Managing Director

(DIN: 01458211)

S.S. Bharti

CEO

M. Sridhar

Manager Accounts & Finance

Place: Chennai

Date: 30.05.2014

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, 2014 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, 2014 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: 30.05.2014

Standalone Financial Statements as at 31st March, 2014

*Standalone Financial
Statements*

Standalone - Auditors' Report

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bafna Pharmaceuticals Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (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 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

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, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit 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, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(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, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Place : Chennai

Date : 30.05.2014

(A K JAIN)

Partner

M No 70224

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of BAFNA PHARMACEUTICALS LIMITED. On the accounts of the Company for the year ended 31st March, 2014.

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.
 (c) In our opinion the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
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.
 (c) In our opinion and on the basis of our examination of the records, 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 /taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act and exceeding five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956 and the provision of Clause VI of the Paragraph 4 of the order is not applicable to the company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth

Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us there were undisputed amounts payable in respect of income tax of Rs. 97.61 lakhs and Profit Distribution Tax of Rs. 18.25 Lakhs as on 31st March 2014 which were paid subsequently, other than these Wealth tax, service tax, sales tax, customs duty and excise duty and cess were not in arrears as on 31st of March, 2014 for a period of more than six months from the date they became payable.

10. The Company does not have accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. In case of subsidiary, Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has given corporate Guarantee to the extent of Rs. 6.50 Crores to M/s. Bank of Ceylon on behalf of M/s. Bafna Lifestyles Remedies Limited, according to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The company has raised new term loan during the year. The Term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by the management

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

Place: Chennai
Date: 30.05.2014

A K JAIN
(Partner)
M No. :070224

Standalone - Balance Sheet**BALANCE SHEET AS AT 31ST MARCH, 2014****(Rs. in '000)**

Particulars	NOTE	March 31, 2014		March 31, 2013	
EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	186,563.35		186,563.35	
(b) Reserves & Surplus	4	501,205.64		456,594.24	
(c) Money Received Against Share Warrants	5	-	687,768.99	31,250.00	674,407.59
(2) Share Application Money Pending Allotment		-			-
(3) Non-Current Liabilities					
(a) Long Term Borrowings	6	204,561.74		225,538.55	
(b) Deferred Tax Liabilities (Net)	7	59,681.53		54,991.84	
(c) Other Long Term Liabilities	6.1	9,300.00		8,800.00	
(d) Long Term Provisions		-	273,543.27	-	289,330.39
(4) Current Liabilities					
(a) Short Term Borrowings	8	788,876.39		684,840.80	
(b) Trade Payables	9	394,777.45		720,884.73	
(c) Other Current Liabilities	10	80,935.72		59,954.20	
(d) Short Term Provisions		-	1,264,589.56	-	1,465,679.73
TOTAL			2,225,901.82		2,429,417.71
ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	470,450.86		482,415.98	
(ii) Intangible Assets	11.1	158,882.34		181,562.11	
(iii) Capital Work-in-Progress		-		-	

(iv) Intangible Assets under Development		-		-	
(b) Non Current Investment	12	14,300.00		14,300.00	
(c) Deferred Tax Assets (Net)		-		-	
(b) Long Term Loans and Advances		-		-	
(e) Other Non Current Assets	13	92,365.58	735,998.78	77,915.40	756,193.49
(2) Current Assets					
(a) Current Investments		-		-	
(b) Inventories	14	267,156.74		210,494.26	
(c) Trade Receivables	15	930,992.19		854,708.16	
(d) Cash and cash Equivalents	16	24,740.36		207,208.13	
(e) Short Term Loans and Advances	17	267,013.76		400,813.67	
(b) Other Current Assets		-	1,489,903.04	-	1,673,224.22
TOTAL			2,225,901.82		2,429,417.71

Significant Accounting policies, Notes on Financial Statements 1 to 33
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: 30.05.2014

K. Premnatha
(Company Secretary)

Standalone - Statement of Profit & Loss**STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2014****(Rs. in '000)**

Particulars	NOTE	March 31, 2014	March 31, 2013
Revenue from Operations	18	1,775,422.44	1,671,359.05
Other Income	19	14,023.46	30,304.53
Total Revenue		1,789,445.90	1,701,663.58
Expenses			
Cost of Material Consumed	20	637,496.32	426,997.14
Purchase of Stock-in-trade	21	696,151.43	849,223.33
Changes in Inventories of Finished Goods	22	(34,432.58)	(13,818.17)
Payment to Employees	23	138,461.71	105,966.02
Financial Expenses	24	120,666.88	112,326.75
Depreciation and Amortization expenses	25	83,235.79	75,904.29
Other Expenses	26	125,615.27	93,269.80
Total Expenses		1,767,194.81	1,649,869.18
Profit before Exceptional Items and Tax		22,251.09	51,794.40
Exceptional Items		-	-
Profit before Extraordinary items		22,251.09	51,794.40
Extraordinary items		-	-
Profit before Tax		22,251.09	51,794.40
Current Tax		(4,200.00)	(8,600.00)
Deferred Tax		(4,689.69)	(4,402.09)
Tax for Earlier Years		-	-
Profit (Loss) for the period		13,361.40	38,792.31

Earnings per Equity Share			
(1) Basic		0.72	2.08
(2) Diluted		0.72	2.08

Significant Accounting policies, Notes on Financial Statements 1 to 33

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: 30.05.2014

K. Premnatha
(Company Secretary)

Standalone - Cash Flow Statement**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014****(Rs. in '000)**

Particulars	March 31, 2014		March 31, 2013	
Cash Flow From Operating Activities				
Net Profit Before Tax	22,251.09		51,794.40	
Add: Depreciation and Amortization Expenses	83,235.79		75,904.29	
Add: Interest Paid	120,666.88		112,326.75	
Less: Interest Received	(3,604.30)		(3,925.66)	
Less: Other Income	(10,419.16)		(26,378.87)	
Operating Profit before change of Working Capital	212,130.30		209,720.92	
Adjustment For:				
Change of Inventories	(56,662.48)		15,337.17	
Change in Debtors	(76,284.02)		(38,476.76)	
Change in Other Current Assets	133,799.91		(148,972.36)	
Change in Current Liabilities	(201,090.17)		324,966.79	
Cash generated from Operation	11,893.53		362,575.76	
Less: Tax Paid	(4,200.00)		(8,600.00)	
Net Cash From Operating Activities		7,693.53		353,975.76
Cash Flow from Investing Activities:				
Sale of Fixed Investments	-		-	
Purchase of Fixed Assets	(17,461.00)		(17,162.21)	
Repayment of Long Term Loans	(20,976.81)		(11,758.27)	
Other Income	10,419.16		26,378.87	
Interest Received	3,604.30		3,925.66	

Change in Other Non- Current Assets	(45,580.08)		(58,314.15)	
Net Cash used in Investing Activities		(69,994.43)		(56,930.10)
Cash Flow from Financing Activities				
Issue of Shares & Application Activities	-		9,755.63	
Proceed from Long Term Liabilities	500.00		2,675.00	
Proceed from Long Term Loans	-		-	
Interest Paid	(120,666.88)		(112,326.75)	
Dividend and Dividend Tax Expenses	-		(13,018.80)	
Net Cash from Financing Activities		(120,166.88)		(112,914.93)
Net Increase/ (Decrease)		(182,467.78)		184,130.73
In Cash or Cash Equivalents		(182,467.78)		184,130.73
Opening Balance of Cash & Cash Equivalents		207,208.13		23,077.40
Closing Balance of Cash & Cash Equivalents		24,740.36		207,208.13

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: 30.05.2014

K. Premnatha
(Company Secretary)

Standalone - Notes

Notes to the accounts of M/s Bafna Pharmaceuticals Ltd for the year ended on 31st March 2014.

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 and selling a reputed brand namely RARICAP. The Company has also got an excellent Research and Development Facility for life saving drugs. The Company caters to both domestic and international markets.

2. Basis of Preparation of Financial Statements

The financial statement are prepared under historical cost conversion, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in Indian and the provisions of the Companies Act, 1956.

Summary of Significant Accounting Policies

a. Change in Presentation of financial statement:

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

b. Use of estimates.

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, 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 on the management's best knowledge of current events and actions, 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.

Fixed assets, acquired are stated at 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 Schedule XIV to the Companies Act, 1956.

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 10 years.

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

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

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 only in subsidiary company i.e., M/s Bafna Life Style Remedies Ltd

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. Revenue Recognition

Revenue from sale of products is recognized when practically all obligation 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.

j. Foreign Currency Transactions

Transaction 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 are 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.

k. 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.

l. 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.**

m. Income Taxes**Current Tax**

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

Deferred Taxes

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.

n. 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".

o. 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.

p. 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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**3. SHARE CAPITAL**

		(Rs. in '000)	
	Particulars	As at 31st March 2014	As at 31st March 2013
	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 2014	As at 31st March 2013
	Bafna Mahaveer Chand		
	No. of Shares	2,128,550	2,375,681
	Percentage of Holding	11.40	12.73
	Sasikala Bafna		
	No. of Shares	1,278,569	1,150,080
	Percentage of Holding	6.85	6.16
	Chetna Bafna		
	No. of Shares	1,132,805	1,132,805
	Percentage of Holding	6.07	6.07

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

	Particulars	As at 31st March 2014	As at 31st March 2013
	Equity Shares at the beginning of the year	186,563.35	183,813.35
	Add: Shares issued on preferential allotment (Previous year 275000 Shares @ Rs. 10/- each fully paid up)	-	2,750.00
	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 2014	As at 31st March 2013
	Capital Reserve		
	Opening Balance	25,656.91	1,498.43
	Share Forfeiture Account (2500000 Warrants @Rs. 12.50 per warrant)	31,250.00	24,158.48
	Sub-Total (A)	56,906.91	25,656.91
	Share Premium Account		
	Opening Balance	303,113.68	292,856.18
	Add: Amount received from Preferential allotment (275,000 shares @ Rs.37.30 per warrant)	-	10,257.50
	Sub-Total (B)	303,113.68	303,113.68
	Profit and Loss Account		
	Opening Balance	116,032.32	94,138.03
	Add: Profit for the year	13,361.40	38,792.31
		129,393.72	132,930.35
	Less : Appropriations		
	Transfer to General Reserve	(1,336.14)	(3,879.23)
	Proposed Dividend	-	(11,193.80)
	Tax on Dividend	-	(1,825.00)
	Sub-Total (C)	128,057.58	116,032.31
	General reserve.		
	Opening Balance	11,791.34	7,912.11
	Add: Transfer from Profit & Loss Account for the year	1,336.14	3,879.23
	General reserve (net) Sub-Total (D)	13,127.48	11,791.34
	Total Reserve and Surplus for the year (A+B+C+D)	501,205.64	456,594.24

5 EQUITY SHARE WARRANT**(Rs. in '000)**

	Particulars	As at 31st March 2014	As at 31st March 2013
	Opening Balance	31,250.00	31,250.00
	Less: Forfeited and transferred to Capital Reserve	(31,250.00)	-
	Total	-	31,250.00

5.1 Out of the 2500000 share warrants issued on 13.01.2012, the Company has cancelled 25,00,000 shares warrants for non receipt of balance money and the same has been transferred to Capital Reserve under the head Share forfeiture account.

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

	Particulars	As at 31st March 2014	As at 31st March 2013
	Secured		
	State Bank of India (Term Loan)	-	7,928.92
	State Bank of India (FCNRB Loans)	-	2,096.56
	State Bank of India (Corporate Loans)	39,010.45	63,246.93
	State Bank of India (Car Loan)	190.18	266.16
	Export- Import Bank Of India	132,000.00	152,000.00
	Sundaram Paribas BNP Paribas Home Finance Ltd	33,361.11	-
	Total	204,561.74	225,538.56

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

	Particulars	As at 31st March 2014	As at 31st March 2013
	Trade Deposit	9,300.00	8,800.00
	Total	9,300.00	8,800.00

SECURITIES OFFERED**STATE BANK OF INDIA**

6.1.1 First Charge on the entire current assets on pari passu basis with Export Import Bank of India.

6.1.2 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India

6.1.3 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.

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

EXPORT- IMPORT BANK OF INDIA

6.1.5 Charge on Brand RARICAP

6.1.6 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

SUNDARAM BNP PARIBAS HOME FINANCE LTD

6.1.7 Personal property of the CMD – Mr. Bafna Mahaveer Chand

7 DEFERRED TAX LIABILITIES (NET)

(Rs. in '000)			
	Particulars	As at 31st March 2014	As at 31st March 2013
	Deferred Tax Liabilities (Net) Related to Fixed Assets	59,681.53	54,991.84
	Total	59,681.53	54,991.84

8 SHORT TERM BORROWINGS

(Rs. in '000)			
	Particulars	As at 31st March 2014	As at 31st March 2013
	SECURED		
I	STATE BANK OF INDIA		
a)	Cash Credit Account	245,313.86	191,941.51
b)	Bill Discounting Account	10,281.07	15,270.65
c)	Export Packing Credit	1,026.03	26,960.20
d)	Collection (Export Bills)	27,482.92	30,225.35
e)	Standby line of Credit (SLC)	41,416.44	11,939.87
f)	Loans installments Repayable within one year	53,438.28	80,998.39
g)	Packing Credit Foreign Bills	-	-
II	INDUSTRIAL DEVELOPMENT BANK OF INDIA		
a)	Bill Discounting	-	45,840.75
b)	Cash credit Account	143,333.11	103,218.55
c)	WCDL	-	

III	DBS BANK		
a)	Cash Credit Account	68,133.03	45,078.17
b)	WCDL	-	20,000.00
c)	Packing Credit Foreign Bills	3,323.40	1,561.24
d)	Bill Discounting	29,546.15	-
IV	BANK OF CEYLON		
	Cash Credit Account	50,492.77	50,226.90
IV	AXIS BANK		
	Current account	-	30.38
V	DEVELOPMENT CREDIT BANK		
	Cash Credit Account	115,089.33	61,548.86
	Total	788,876.39	684,840.80

SECURITIES OFFERED**STATE BANK OF INDIA**

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

8.1.2 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

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

INDUSTRIAL DEVELOPMENT BANK OF INDIA

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

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

DEVELOPMENT CREDIT BANK

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

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

BANK OF CEYLON

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

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

9 TRADE PAYABLES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
(Unsecured)		
Sundry Creditors	394,777.45	720,884.73
Total	394,777.45	720,884.73

10 OTHER CURRENT LIABILITIES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Outstanding expenses	60,778.26	32,284.22
Sales Tax	3,978.46	1,044.92
TDS payable	710.91	880.50
Income Tax	4,200.00	8,600.00
Provision for DDT	-	1,825.00
Provision for Dividend	-	11,193.80
Advance from Customer	11,268.10	4,125.76
Total	80,935.72	59,954.20

12 NON CURRENT INVESTMENT

(Rs. in '000)			
	Particulars	As at 31st March 2014	As at 31st March 2013
	1,430,000 shares @ Rs.10/- Each in BAFNA LIFESTYLES REMEDIES LIMITED (UNQUOTED)	14,300.00	14,300.00
	Total	14,300.00	14,300.00

13 OTHER NON CURRENT ASSETS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Product Registration	13,473.70	15,105.13
Product Launch Expenditure	110,021.78	82,289.12
Preliminary expenses and Share issue Expenses	-	5,027.09
	123,495.48	102,421.35
Less: Amortization charged to P&L Account	31,129.90	24,505.94
Total	92,365.58	77,915.40

14 INVENTORIES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Raw material(Valued at cost)	70,641.90	58,550.29
Work in progress(valued at cost)	65,866.02	43,054.36
Finished Product(valued at cost or market value whichever is less)	86,319.72	74,698.81
Packing material(Valued at cost)	16,890.54	9,881.50
Stores and spares (At Cost)	27,438.55	24,309.30
Total	267,156.74	210,494.26

Standalone - Fixed Assets**11 FIXED ASSETS**

(Rs. in '000)

Description	Gross block				Depreciation/ Amortization				Net Block	
	As at 01-04-2013	Additions	Deductions / Adjustments	As at 31/03/2014	As at 01-04-2013	For the year	Deductions / Adjustments	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
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	215,856.81	-	-	215,856.81	27,892.83	8,654.09	-	36,546.92	179,309.88	187,963.98
Light Ceiling	812.40	-	-	812.40	467.99	34.44	-	502.43	309.97	344.41
Aluminium Partion	232.12	-	-	232.12	133.72	9.84	-	143.56	88.56	98.40

Plant & Machinery	186,754.21	8,003.39	-	194,757.60	42,278.88	9,048.64	-	51,327.52	143,430.08	144,475.33
Lab Equipments	59,411.64	7,099.76	-	66,511.40	13,124.61	3,263.35	-	16,387.95	50,123.45	46,287.03
Factory Equipments	7,894.87	-	-	7,894.87	2,010.40	389.05	-	2,399.45	5,495.43	5,884.47
Pollution Control Devices	1,213.16	-	-	1,213.16	353.29	60.76	-	414.05	799.11	859.87
Power Factor Controller	66.95	-	-	66.95	60.46	0.90	-	61.36	5.59	6.49
Bottle Washing & Filling	1,971.06	-	-	1,971.06	1,721.78	34.68	-	1,756.45	214.60	249.28
Machinery	-	-	-	-	-	-	-	-	-	-
Electrical Equipment & Installations	32,162.48	-	-	32,162.48	7,547.88	1,532.70	-	9,080.58	23,081.91	24,614.61
Electrical Fixtures & Fittings	395.65	-	-	395.65	184.15	9.88	-	194.03	201.62	211.50
Generator	5,342.81	-	-	5,342.81	1,367.54	287.67	-	1,655.20	3,687.61	3,975.27
Air Floating &	47,442.53	-	-	47,442.53	11,871.30	2,259.51	-	14,130.81	33,311.71	35,571.23
Circulating System	-	-	-	-	-	-	-	-	-	-
Boiler	811.03	-	-	811.03	236.03	37.37	-	273.40	537.63	575.00
Camera	4,258.55	-	-	4,258.55	714.33	202.28	-	916.61	3,341.94	3,544.22
Air Conditioner	1,235.42	-	-	1,235.42	681.90	56.31	-	738.21	497.21	553.52
U.P.S	5,505.23	173.47	-	5,678.70	1,335.21	310.32	-	1,645.53	4,033.16	4,170.02
Office Equipments	1,426.70	164.32	-	1,591.02	481.70	83.86	-	565.55	1,025.47	945.01
Cell Phone	263.29	10.00	-	273.29	75.80	25.75	-	101.55	171.74	187.49
Dies & Punches	5,820.12	1,060.66	-	6,880.78	2,283.21	748.29	-	3,031.50	3,849.28	3,536.91
Computer	7,627.54	845.62	-	8,473.16	5,359.65	1,244.28	-	6,603.93	1,869.24	2,267.90
Furniture & Fittings	2,820.52	37.79	-	2,858.30	1,491.62	182.10	-	1,673.72	1,184.58	1,328.90
Vehicle	1,758.63	23.00	-	1,781.63	854.11	234.31	-	1,088.42	693.21	904.52
Accessories	683.68	-	-	683.68	98.42	33.64	-	132.07	551.62	585.26
Chiller	3,017.74	-	-	3,017.74	150.00	143.34	-	293.34	2,724.39	2,867.74

Systems										
Bio-Equipment	1,446.73	-	-	1,446.73	71.91	68.72	-	140.63	1,306.10	1,374.82
Water Systems	6,537.41	43.00	-	6,580.41	321.93	328.03	-	649.96	5,930.45	6,215.47
ETP Plant	459.00	-	-	459.00	77.66	53.04	-	130.71	328.29	381.34
Shrink Pak Machine	175.10	-	-	175.10	3.03	8.32	-	11.35	163.75	172.07
HAVC Systems	400.52	-	-	400.52	68.56	80.65	-	149.21	251.31	331.96
TOTAL	606,735.86	17,461.00	-	624,196.86	124,319.88	29,426.11	-	153,746.00	470,450.86	482,415.98
Previous Year	589,573.65	17,162.21	-	606,735.86	95,601.31	28,718.58	-	124,319.88	482,415.98	
12.1 FIXED ASSETS										
INTANGIBLE ASSETS										
Raricap (Brand)	226,797.72	-	-	226,797.72	45,235.61	22,679.77	-	67,915.38	158,882.34	181,562.11
	226,797.72	-	-	226,797.72	45,235.61	22,679.77	-	67,915.38	158,882.34	181,562.11
Previous Year	226,797.72	-	-	226,797.72	22,555.84	22,679.77	-	45,235.61	181,562.11	

15 TRADE RECEIVABLES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
(Unsecured Considered Good)		
Trade Receivables- More than Six month	105,957.97	69,107.10
Less Than Six Month	825,034.22	785,601.06
Total	930,992.19	854,708.16

16 CASH AND CASH EQUIVALENTS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Cash on hand	677.03	1,337.71
Balance with:		
In current account	675.10	186,249.89
In Fixed Deposits	23,388.23	19,620.53
Total	24,740.36	207,208.13

17 SHORT TERM LOANS AND ADVANCES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	130,294.71	296,473.79
Advance Others	64,394.91	40,609.43
Deposits with Govt. or Semi Govt. Depot.	2,516.49	2,469.71
Deposits with Others	19,670.00	19,700.00
Interest Accrued But Not Due	-	293.44
Prepaid expenses	2,133.28	2,652.49
Cenvat Credit & PLA Account	27,165.55	22,245.79
Sales Tax Refund account	11,514.61	8,386.46
TDS Receivable	1,718.34	376.70
License On hand	1,143.04	1,143.04
Brand Building	6,462.82	6,462.82
Total	267,013.76	400,813.67

18 REVENUE FROM OPERATIONS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Sales (Domestic)	879,233.99	560,456.02
Less: Excise Duty on local sales	-	6,146.32
	879,233.99	554,309.69
Sales(Export)	831,371.18	987,108.75
Less: Excise Duty on Export Sales	1,151.35	1,222.32
	830,219.84	985,886.43
FR & D Income	65,968.62	131,162.93
Revenue from operations	1,775,422.44	1,671,359.05

Note : Sale of goods to EOU (Exporter) has been made to the tune of Rs 42927.136 ('000) (Previous year 4803.782 ('000)) and has been included in the Export Sales

19 OTHER INCOME

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Interest Received Bank	192.10	519.46
Interest Received Others	3,412.20	3,406.20
Gain or (Loss) on Exchange	-	23,762.98
Export Incentive	2,605.37	2,449.57
Discount Received	556.00	46.33
Commission Received	6,828.22	-
Rent Received	-	120.00
Expiry Claims Received	429.58	-
Total other income	14,023.46	30,304.53

20 COST OF RAW MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	58,550.29	86,075.27
Add: Purchase	546,778.56	300,918.15
	605,328.85	386,993.42
Less: Closing stock	70,641.90	58,550.29
Raw Material Consumption (A)	534,686.95	328,443.13

20.1 COST OF PACKING MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	9,881.50	16,627.57
Add: Purchase	57,334.44	53,800.21
	67,215.95	70,427.78
Less: Closing stock	16,890.54	9,881.50
Packing material consumption (B)	50,325.40	60,546.28

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

Particulars	As at 31st March 2014	As at 31st March 2013
Consumable Stores	3,074.86	41.33
Analytical Expenses	4,233.97	1,414.79
Power & Fuel	19,347.83	17,855.19
Machinery Maintenance	5,286.40	3,950.19
Factory Maintenance	2,502.84	868.73
Chemical Purchase	3,944.58	2,269.52
Security Charges	1,538.59	1,427.50
Repairs & Maintenance	1,510.27	1,461.04
Other Manufacturing	8,846.10	6,244.17
Total (C)	50,285.44	35,532.45

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

Particulars	As at 31st March 2014	As at 31st March 2013
Freight Charges (D)	2,198.52	2,475.29
COST OF MATERIAL CONSUMED (A+B+C+D)	637,496.32	426,997.14

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

Particulars	As at 31st March 2014	As at 31st March 2013
Purchase of stock in Trade	696,151.43	849,223.33
Total	696,151.43	849,223.33

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

Particulars	As at 31st March 2014	As at 31st March 2013
Closing Inventories:		
Finished Goods	86,319.72	74,698.81
Work in progress	65,866.02	43,054.36
	152,185.75	117,753.16
Opening Inventories:		

Finished Goods	74,698.81	62,325.97
Work in progress	43,054.36	41,609.02
	117,753.16	103,935.00
Change in Inventory	(34,432.58)	(13,818.17)

23 EMPLOYEE BENEFIT EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Salaries	108,494.02	84,837.92
Bonus	11,704.85	7,328.34
PF Companies contribution	6,698.73	5,666.55
ESI Companies Contribution	2,462.96	2,679.88
Staff welfare	9,101.15	5,453.34
Total	138,461.71	105,966.02

24 FINANCIAL EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Interest to bank	105,870.24	97,674.91
Bank charges	11,399.06	11,260.34
Interest others	3,397.57	3,391.49
Total	120,666.88	112,326.75

25 DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Depreciation and Amortization expenses	83,235.79	75,904.29
Total	83,235.79	75,904.29

26 OTHER EXPENSES

Particulars	(Rs. in '000)	
	As at 31st March 2014	As at 31st March 2013
Rent	3,350.06	3,041.67
Postage and Telegram	2,642.75	1,704.31
Insurance	2,425.81	1,835.47
Conveyance	1,367.05	1,139.47
Travelling expenses	30,938.99	25,442.65
Printing and stationary	792.98	1,171.05
Fees	1,736.64	3,044.32
Office Maintenance	294.20	404.81
Miscellaneous Expenses	1,407.38	896.33
Professional Charges	2,521.35	7,255.05
Computer Maintenance	1,155.52	1,706.94
Sales Tax	-	100.64
Freight and Transportation	20,166.46	13,874.74
Sales promotion	14,509.71	8,265.00
Commission/Liaisoning charges	8,093.36	6,119.27
Payment to Auditors	550.56	561.80
Telephone	932.96	857.62
Subscription & Membership	260.41	146.48
Vehicle Maintenance	546.77	443.47
Service Tax	901.78	672.75
Discount Allowed	4,034.11	2,805.27
Packing Charges	225.81	243.91
Exchange Difference	21,419.56	2,430.01
Advertisement	2,112.33	5,406.42
MHRA Expenses	-	764.01
Liquidative Damages	893.72	546.33
Directors Salary	2,160.00	2,160.00
Directors Sitting Fees	175.00	230.00
Total	125,615.27	93,269.80

26.1 PAYMENT TO AUDITORS AS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Statutory Audit Fees	350.00	350.00
Tax Audit Fees	50.00	50.00
Certification Fees	88.76	100.00
Service Tax	61.80	61.80
Total	550.56	561.80

26.2 DIRECTORS REMUNERATION

(Rs. in '000)

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
a)	Salary	1,200.00	1,200.00	960.00	960.00
b)	Contribution to PF	144.00	86.40	115.20	115.20
c)	Lease Rent for Car	60.00	60.00	60.00	60.00
	Total	1,404.00	1,346.40	1,135.20	1,135.20

26.3 FOREIGN CURRENCY TRANSACTIONS

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

26.4 EXPENDITURE IN FOREIGN CURRENCY

(in '000)

Particulars		As on 31st March 2014		As on 31st March 2013	
			Amount (Rs.'000)		Amount (Rs.'000)
RAW MATERIAL	USD	4,799.94	271,054.91	6,096.74	34,133.95
	EURO	5.60	406.67	0.55	39.23
	GBP	144.12	13,568.70	62.90	5,433.80
CAPITAL GOODS	USD	-	-	3.95	218.09
	EURO	2.79	227.58	0.75	54.78
	JPY (YEN)	-	-	-	-
	SWISS FRANC	-	-	-	-

PAYMENT FOR EXPS	USD	5.80	461.13	-	-
OVERSEAS TRAVEL	INR				
PRODUCT REGISTRATION CHARGES	USD	23.23	1,369.52	140.26	7,522.23
	EURO	0.28	20.08	-	-
MHRA AUDIT FEES	GBP	NIL	-	9.10	764.01
TENDER PARTICIPATION	USD	NIL	-	-	-
ADVANCE FOR EXPS	USD	259.39	14,484.75	232.16	12,649.34
	EURO	0.98	76.31	-	-

27 EARNINGS IN FOREIGN CURRENCY

		(in '000)	
Particulars		As at 31st March 2014	As at 31st March 2013
EXPORT SALES	USD	10,204.40	14,329.60
	INR	610,316.22	772,939.64
	GBP	1,933.81	2,452.06
	INR	178,127.83	208,289.84
	AUD	-	106.11
	INR	-	5,879.27

Note : Sale of goods to EOU (Exporter) has been made to the tune of Rs 42927.136 ('000) (Previous year 4803.782 ('000)) and has been included in the Export Sales

Standalone - 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) Mr. PARAS BAFNA
- c) Mrs. CHETNA BAFNA
- d) Mr. NAVEEN BAFNA

28.2 Directors interest

- a) BAFNA LIFESTYLES REMEDIES LIMITED
- b) BAFNA LIFELINE PRIVATE LIMITED
- c) 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	Rel of KMP	Total as on 31.03.2014	As on 31.03.2013
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			33,662.24	31,100.84
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		6,984.39	2,601.60
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	65,000.00
11	Manage Contracts including for Deputation of Employees				-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,202.48	1,865.40

29 CONTINGENT LIABILITIES NOT PROVIDED FOR

		(Rs. in '000)	
Particulars		As at 31st March 2014	As at 31st March 2013
a)	In respect of Letter of Credit and Bank Guarantee	95,414.32	53,726.08
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	87,000.00

30 SECONDARY SEGMENT / GEOGRAPHICAL SEGMENT

The Company has indentified manufacture of Medicine and drugs as the only primary reportable Segment
(Rs. in '000)

PARTICULARS					As at 31st March 2014	As at 31st March 2013
	INDIA	ASIA	AFRICA	UK	Total	Total
Sales	935,798.40	579,045.52	77,617.93	182,960.60	1,775,422.44	1,671,359.05
Operating Expenses	684,796.72	423,732.80	56,799.09	133,886.55	1,299,215.17	1,262,402.30
Operating Income/ Loss	251,001.67	155,312.72	20,818.83	49,074.05	476,207.28	408,956.75
Unallocable Income					14,023.46	30,304.53
Total Income					490,230.74	439,261.28
Unallocable Expenses					(467,979.65)	(387,466.87)
Net profit before Tax					22,251.09	51,794.41
Income Tax and Deferred tax					(8,889.69)	(13,002.09)
Net profit after Tax					13,361.40	38,792.32

31 CENVAT

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

32 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 2014	As at 31st March 2013
TAMILNADU STEEL TUBES LIMITED (Including Interest thereon)	15,200.00	15,200.00

e) The Fixed deposit of sum of Rs. 23388.23 ('000) (Previous Year Rs. 19620.53 ('000)) lying with State bank of India are under lien against Bank Guarantee Margin, LC Margin Money and Loan against Deposit

f) The Revised schedule VI of the companies Act 1956 become applicable during the year 2011-12 to the Company and hence Previous Years figures have been reclassified, regrouped and re-arranged wherever necessary.

33 The Ministry of corporate affairs, Government of India, vide General Circular No : 2 and 3 dated 8th February 2011 and 21st February 2011 respectively, has granted a general exemption from Compliance of Section 212 of the Companies Act 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated Financial Statements.

SIGNATURE TO NOTE ON FINANCIAL STATEMENT No.1 TO No: 33

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: 30.05.2014

K. Premnatha
(Company Secretary)

Consolidated Financial Statements as at 31st March, 2014

Consolidated Financial Statements

Consolidated – Auditors' Report

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 (the Company), and its subsidiary which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these Consolidated financial statements 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 Standards notified under the Companies Act, 1956 (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 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 the consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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.

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:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Place : Chennai
Date : 30.05.2014

(A K JAIN)
Partner
M No 70224

Consolidated – Balance Sheet**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014****(Rs. in '000)**

PARTICULARS	NOTE	March 31, 2014		March 31, 2013	
EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	3	186,563.35		186,563.35	
(b) Reserves & Surplus	4	502,002.92		456,716.78	
(c) Money Received Against Share Warrants	5	-	688,566.27	31,250.00	674,530.13
(2) MINORITY INTEREST	6	8,915.70	8,915.70	8,507.58	8,507.58
(3) Share Application Money Pending Allotment		-		-	
(4) NON-CURRENT LIABILITIES					
(a) Long Term Borrowings	7	229,465.80		251,977.40	
(b) Deferred Tax Liabilities (Net)	8	64,106.83		58,339.11	
(c) Other Long Term Liabilities	7.1	12,900.00		12,400.00	
(d) Long Term Provisions			306,472.63		322,716.51
(4) CURRENT LIABILITIES					
(a) Short Term Borrowings	9	852,736.14		749,863.90	
(b) Trade Payables	10	418,240.45		787,039.74	
(c) Other Current Liabilities	11	83,314.23		63,194.87	
(d) Short Term Provisions		-	1,354,290.82	-	1,600,098.51
TOTAL			2,358,245.43		2,605,852.73
ASSETS					
(1) NON CURRENT ASSETS					
(a) FIXED ASSETS					
(i) Tangible Assets	12	533,517.45		547,943.80	
(ii) Intangible Assets	12.1	158,882.34		181,562.11	
(iii) Good will	12.2	358.03		358.03	
(iv) Capital Work-in-Progress		-		-	
(v) Intangible Assets under Development		-	692,757.82	-	729,863.94

(b) Non Current Assets		-		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long Term Loans and Advances		-		-	
(e) Other Non Current Assets	13	100,717.15	100,717.15	90,442.75	90,442.75
(2) CURRENT ASSETS					
(a) Current Investments					
(b) Inventories	14	274,019.71		222,127.20	
(c) Trade Receivables	15	975,132.84		916,271.76	
(d) Cash and cash Equivalents	16	28,062.07		210,708.99	
(e) Short Term Loans and Advances	17	287,555.85		436,438.08	
(f) Other Current Assets		-	1,564,770.46	-	1,785,546.03
TOTAL			2,358,245.43		2,605,852.73

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: 30.05.2014

K. Premnatha
(Company Secretary)

Consolidated – Statement of Profit & Loss**CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2014 (Rs. in '000)**

PARTICULARS	NOTE	March 31 2014	March 31 2013
Revenue from Operations	18	1,853,394.05	1,757,707.01
Other Income	19	18,546.25	30,379.38
Total Revenue		1,871,940.30	1,788,086.40
EXPENSES			
Cost of Material Consumed	20	658,443.51	444,609.49
Purchase of Stock- in-Trade	21	730,878.30	892,597.38
Changes in Inventories of Finished Goods	22	(33,442.06)	(8,095.73)
Employee Benefit Expenses	23	142,353.91	109,099.99
Financial Costs	24	132,136.62	119,132.93
Depreciation and Amortization Expenses	25	89,938.37	82,496.89
Other Expenses	26	126,719.66	94,648.91
Total Expenses		1,847,028.31	1,734,489.87
Profit before Exceptional Items and Tax		24,911.99	53,596.53
Exceptional Items		-	(1,324.17)
Profit before Extraordinary items		24,911.99	54,920.70
Extraordinary items		-	-
Profit before Tax		24,911.99	54,920.70
Current Tax		(4,700.00)	(8,950.00)
Deferred Tax		(5,767.72)	(5,839.16)
Tax for Earlier Years		-	-
Profit of Minority Interest		(408.14)	(504.75)
Profit (Loss) for the period		14,036.14	39,626.78

Earnings per Equity Share			
(1) Basic		0.76	2.14
(2) Diluted		0.76	2.14

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: 30.05.2014

K. Premnatha
(Company Secretary)

Consolidated – Cash Flow Statement**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs. in '000)**

PARTICULARS	AS AT 31 ST MARCH 2014		AS AT 31 ST MARCH 2013	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax	24,911.99		54,920.70	
Add: Depreciation and Amortization Expenses	89,938.37		82,496.89	
Add Interest Paid	132,136.62		119,132.93	
Less: Interest Received	(3,604.30)		(3,925.66)	
Less: Other Income	(14,941.96)		(26,453.73)	
Operating Profit before change of Working Capital	228,440.72		226,171.13	
Adjustment for Change in Working Capital				
Change of Inventories	(51,892.51)		17,062.35	
Change in Debtors	(58,861.08)		(77,856.05)	
Change in Other Current Assets	148,882.24		(172,506.64)	
Change in Current Liabilities	(245,807.69)		382,401.13	
Cash generated from Operation	20,761.68		375,271.92	
Less: Tax Paid	(4,700.00)		(8,950.00)	
Net Cash From Operating Activity		16,061.68		366,321.92
Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(17,526.56)		(21,276.57)	
Repayment of Long Term Loans	(22,511.60)		(11,758.27)	
Other Income	14,941.96		26,453.73	
Interest Received	3,604.30		3,925.66	
Change in other Non-Current Assets	(45,580.08)		(58,314.15)	
Net Cash used in Investing Activities		(67,071.98)		(60,969.60)

Cash Flow from Financing Activities				
Issue of Shares & Application Activities:			9,755.63	
Proceeds from other Long Term Liabilities	500.00		2,675.00	
Proceed from Long Term Loans	-		429.93	
Interest Paid	(132,136.62)		(119,132.93)	
Dividend and Tax expenses			(13,018.80)	
Net Cash from Financing Activities		(131,636.62)		(119,291.17)
Net Increase/ (Decrease)		(182,646.93)		186,061.14
In Cash or Cash Equivalents		(182,646.93)		186,061.14
Opening Balance of Cash & Cash Equivalents		210,708.99		24,647.86
Closing Balance of Cash & Cash Equivalents		28,062.07		210,708.99

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: 30.05.2014

K. Premnatha
(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 and selling a reputed brand namely RARICAP. The Company has also got an excellent Research and Development Facility for life saving drugs. The Company caters to both domestic and international markets.

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

2. Summary of Significant Accounting Policies

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

1. The financial statement of the company and its subsidiary company are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses. After fully eliminating intra-group balances and intra-group transactions in accordance with accounting standard (AS) 21-“Consolidated financial statements”).
2. The difference between the costs of investment in the subsidiary over the net asset at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
3. Minority interests shares of net profit of consolidated of subsidiary for the year is identified and adjusted against the income of the group in order to arrive 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.

B) 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, 2014**3 SHARE CAPITAL**

PARTICULARS	(Rs. in '000)	
	AS AT 31 ST MARCH 2014	AS AT 31 ST MARCH 2013
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		
1,8656,335 Equity shares of Rs 10 each fully paid up.	186,563.35	186,563.35
Total	186,563.35	186,563.35

3.1 900,000 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 detail of Shareholding more than 5% shares

Name of the shareholders	(Rs. in '000)	
	As at 31st March 2014	As at 31st March 2013
Bafna Mahaveer Chand		
No. of Shares	2,128,550	2,375,681
Percentage of Holding	11.40	12.73
Sasikala Bafna		
No. of Shares	1,278,569	1,150,080
Percentage of Holding	6.85	6.16

Chetna Bafna		
No. of Shares	1,132,805	1,132,805
Percentage of Holding	6.07	6.07

3.8 The reconciliation of number of shares outstanding is set out below**(Rs. In '000)**

Particulars	As at 31st March 2014	As at 31st March 2013
Equity Shares at the beginning of the year	186,563.35	183,813.35
Add: Shares issued on preferential allotment (Previous year 275,000 shares @ Rs. 10/- each fully paid up)	-	2,750.00
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 2014	As at 31st March 2013
Capital Reserve		
Balance Brought Forward	25,656.91	1,498.43
Share Forfeiture Account	31,250.00	24,158.48
(A)	56,906.91	25,656.91
Share Premium Account		
Balance Brought Forward	303,113.68	292,856.18
Add: Amount received from Preferential allotment	-	10,257.50
(B)	303,113.68	303,113.68
Profit and Loss Account		
Balance Brought Forward	116,866.78	94,138.03
Add: Profit for the year	14,036.14	39,626.78
	130,902.92	133,764.81
Less: Appropriation:		
Transfer to General reserve	(1,336.14)	(3,879.23)
Proposed Dividend	-	(11,193.80)
Tax on Dividend	-	(1,825.00)
TOTAL (C)	129,566.78	116,866.78

General reserve.		
Balance Brought Forward	11,079.42	7,200.19
Add: Transfer from Profit & Loss Account for the year	1,336.14	3,879.23
ADD: Capital profit on Consolidation	-	-
General reserve (net) (D)	12,415.56	11,079.42
Total Reserve and Surplus for the year (A+B+C+D)	502,002.92	456,716.78

5 EQUITY SHARE WARRANT

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
EQUITY SHARE WARRANT	31,250.00	31,250.00
Less : Transferred to share forfeiture account	31,250.00	-
Total	-	31,250.00

5.1 The Company allotted 25,00,000 share warrants @ Rs.50/- Per Share on 13.01.2012, which was cancelled for Non- receipt of balance money and the same has been transferred to Capital Reserve account.

6 CALCULATION OF MINORITY INTEREST

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Share Capital	8,507.57	8,002.82
Revenue profit	408.14	504.75
Total	8,915.70	8,507.57

7 LONGTERM BORROWING

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
STATE BANK OF INDIA (TERM LOAN)	-	7,928.92
STATE BANK OF INDIA (FCNRB LOANS)	-	2,096.56
STATE BANK OF INIDA (CORPORATE LOANS)	39,010.45	63,246.93
STATE BANK OF INDIA (CAR LOAN)	190.18	266.15

EXIM BANK OF INDIA	132,000.00	152,000.00
Term Loan from Bank of Ceylon	24,904.06	26,438.85
SUNDARAM BNP PARIBAS HOME FINANCE LTD	33,361.11	-
Total	229,465.80	251,977.40

7.1 OTHER LONGTERM BORROWING

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Trade Deposit	10,650.00	10,150.00
Lease Deposit (BLRL)	2,250.00	2,250.00
Total	12,900.00	12,400.00

SECURITIES OFFERED**STATE BANK OF INDIA**

7.1.1 First Charge on the entire current assets on pari passu basis with Export Import Bank of India.

7.1.2 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

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

EXPORT- IMPORT BANK OF INDIA

7.1.5 Charge on Brand Raricap.

7.1.6 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

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

SUNDARAM BNP PARIBAS HOME FINANCE LTD

7.1.8 Personal property of the CMD – Mr. Bafna Mahaveer Chand

8 DEFERRED TAX LIABILITIES (NET)

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
DEFERRED TAX LIABILITIES (NET)		
Related to Fixed Assets	64,106.83	58,339.11
Total	64,106.83	58,339.11

9 SHORT TERM BORROWINGS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st march 2013
SECURED		
STATE BANK OF INDIA		
Cash Credit Account	245,313.86	191,941.51
Bill Discounting Account	10,281.07	15,270.65
Export Packing Credit	1,026.03	26,960.20
Collection (Export Bills)	27,482.92	30,225.35
Short Loan Credit (SLC)	41,416.44	11,939.87
Loans installments Repayable within one year	60,088.14	91,760.82
INDUSTRIAL DEVELOPMENT BANK OF INDIA		
Bill Discounting	-	45,840.75
Cash credit Account	143,333.11	103,218.55
WDCL	-	-
DBS BANK		
Cash Credit Account	68,133.03	45,078.17
WCDL	-	20,000.00
Packing Credit Foreign Bills	3,323.40	1,561.24
Bill Discounting	29,546.15	-
BANK OF CEYLON		
Cash Credit Account	107,702.66	104,420.57
Bill Discounting	-	-
AXIS BANK		
Current account	-	97.38
Cash Credit Account	-	-
DEVELOPMENT CREDIT BANK		
Cash Credit Account	115,089.33	61,548.86
Total	852,736.14	749,863.90

SECURITIES OFFERED**STATE BANK OF INDIA**

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

9.1.2 First Charge on the entire fixed assets on Pari Passu basis with Export Import Bank of India except Fixed Assets acquired out of Term Loan Sanctioned By State Bank of India.

9.1.3 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.

9.1.4 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

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

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

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

DEVELOPMENT BANK OF SINGAPORE

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

9.1.9 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

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

9.1.11 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

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

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

9.1.14 Corporate Guarantee to the extent of Rs. 6.50 Crores By M/s. BAFNA PHARMACEUTICALS LIMITED

10 TRADE PAYABLES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured		
Sundry Creditors BPL	394,777.45	720,884.73
Sundry Creditors BLRL	23,463.01	66,155.01
Total	418,240.45	787,039.74

11 OTHER CURRENT LIABILITIES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Outstanding expenses	62,606.26	35,021.23
Sales Tax	3,984.85	1,162.73
TDS payable	755.02	916.35
Advance from Customer	11,268.10	4,125.76
Income Tax	4,700.00	8,950.00
Proposed Dividend	-	11,193.80
Tax on Proposed Dividend	-	1,825.00
Total	83,314.23	63,194.87

Consolidated – Fixed Assets**12 FIXED ASSETS**

(Rs. in '000)

DESCRIPTI ON	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	As on 01.04. 2013	Additio ns	Ded ucti ons/ Adj ust men ts	As on 31.03.20 14	As on 01.04.201 3	For the year	De du cti on s/ A dj us tm en ts	Total Depreciati on Upto 31.03.2014	As on 31.03. 2014	As on 31.03. 2013
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	248,605.24	-	-	248,605.24	31,520.57	9,747.89	-	41,268.46	207,336.78	217,084.67
Light Ceiling	812.40	-	-	812.40	467.99	34.44	-	502.43	309.97	344.41
Aluminium Partion	232.12	-	-	232.12	133.72	9.84	-	143.56	88.56	98.40
Plant & Machinery	209,074.73	8,003.39	-	217,078.12	43,818.67	10,108.86	-	53,927.52	163,150.60	165,256.07
Lab Equipments	59,760.18	7,158.96	-	66,919.14	13,138.22	3,281.84	-	16,420.05	50,499.09	46,621.96
Factory Equipments	7,894.87	-	-	7,894.87	2,010.40	389.05	-	2,399.45	5,495.43	5,884.47
Pollution Control Devices	1,576.46	-	-	1,576.46	362.90	78.02	-	440.91	1,135.54	1,213.56
Power Factor Controller	66.95	-	-	66.95	60.46	0.90	-	61.36	5.59	6.49

Bottle Washing & Filling Machinery	1,971.06	-	-	1,971.06	1,721.78	34.68	-	1,756.45	214.60	249.28
Electrical Equipment & Installations	32,162.48	-	-	32,162.48	7,798.26	1,532.70	-	9,330.96	22,831.53	24,364.23
Electrical Fixtures & Fittings	5,898.85	-	-	5,898.85	232.14	271.28	-	503.42	5,395.43	5,666.71
Generator	5,997.75	-	-	5,997.75	1,404.88	318.78	-	1,723.65	4,274.10	4,592.88
Air Floating & Circulating System	47,442.53	-	-	47,442.53	11,871.30	2,259.51	-	14,130.81	33,311.71	35,571.23
Boiler	811.03	-	-	811.03	236.03	37.37	-	273.40	537.63	575.00
Camera	4,258.55	-	-	4,258.55	714.33	202.28	-	916.61	3,341.94	3,544.22
Air Conditioner	1,322.17	-	-	1,322.17	685.02	60.43	-	745.45	576.72	637.16
U.P.S	5,820.23	173.47	-	5,993.70	1,348.94	310.32	-	1,659.27	4,334.43	4,471.28
Office Equipments	1,426.70	164.32	-	1,591.02	481.70	98.82	-	580.51	1,010.51	945.01
Cell Phone	263.29	10.00	-	273.29	75.80	25.75	-	101.55	171.74	187.49
Dies & Punches	5,820.12	1,060.66	-	6,880.78	2,283.21	748.29	-	3,031.50	3,849.28	3,536.91
Computer	7,745.25	845.62	-	8,590.87	5,375.15	1,263.36	-	6,638.51	1,952.37	2,370.11
Furniture & Fittings	2,915.53	44.15	-	2,959.68	1,518.85	188.47	-	1,707.32	1,252.36	1,396.69
Vehicle	1,758.63	23.00	-	1,781.63	854.11	234.31	-	1,088.42	693.21	904.52
Accessories	683.68	-	-	683.68	98.42	33.64	-	132.07	551.62	585.26
Chiller Systems	3,017.74	-	-	3,017.74	150.00	143.34	-	293.34	2,724.39	2,867.74
Bio-Equipment	1,446.73	--	-	1,446.73	71.91	68.72	-	140.63	1,306.10	1,374.82
Water Systems	6,537.41	43.00	-	6,580.41	321.93	328.03	-	649.96	5,930.45	6,215.47
ETP Plant	459.00	-	-	459.00	77.66	53.04	-	130.71	328.29	381.34
Shrink Pak Machine	175.10	-	-	175.10	3.03	8.32	-	11.35	163.75	172.07
HAVC Systems	400.52	-	-	400.52	68.56	80.65	-	149.21	251.31	331.96
TOTAL	677,849.73	17,526.56	-	695,376.29	129,905.91	31,952.92	-	161,858.84	533,517.45	547,943.80
Previous Year Figures	656,573.16	19,952.39	1,324.17	677,849.73	98,770.52	31,135.39	-	129,905.91	547,943.82	

12.1 INTANGIBLE ASSETS										
Raricap (Brand)	226,797.72		-	226,797.72	45,235.61	22,679.77	-	67,915.38	158,882.34	181,562.11
	226,797.72	-	-	226,797.72	45,235.61	22,679.77	-	67,915.38	158,882.34	181,562.11
Previous Year Figures	226,797.72	-	-	226,797.72	22,555.84	22,679.77	-	45,235.61	181,562.11	
12.2 INTANGIBLE ASSETS										
Good will on Consolidation	358.03	-	-	358.03	-	-	-	-	358.03	358.03
	358.03	-	-	358.03	-	-	-	-	358.03	358.03
Previous Year Figures	358.03	-	-	358.03	-	-	-	-	358.03	

13 OTHER NON CURRENT ASSETS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Product Registration	25,856.62	15,105.13
Product Launch Expenditure	110,021.78	98,799.68
Preliminary expenses and Share issue Expenses	-	5,219.66
	135,878.40	119,124.47
Less: Amortization charged to P&L Account	35,305.69	28,681.72
Total	100,572.72	90,442.74

14 INVENTORIES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Raw material(Valued at cost)	71,449.01	61,532.44
Work in progress(valued at cost)	65,866.02	44,319.36
Finished Product(valued at cost or market value whichever is less)	91,087.88	79,192.49
Packing material(Valued at cost)	17,102.60	12,697.96
Stores and spares (At Cost)	28,514.20	24,384.95
Total	274,019.71	222,127.20

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

Particulars	As at 31st March 2014	As at 31st March 2013
(Unsecured Considered Good)		
Trade Receivables- More than Six month	107,344.72	70,493.85
Others	867,788.12	845,777.91
Total	975,132.84	916,271.76

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

Particulars	As at 31st March 2014	As at 31st March 2013
Cash on hand	3,987.74	4,652.57
Balance with:		
In current account	686.10	186,260.89
In Fixed Deposits	23,388.23	19,795.53
Total	28,062.07	210,708.99

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

Particulars	As at 31st March 2014	As at 31st March 2013
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to suppliers	147,370.64	328,329.97
Advance Others	66,716.72	43,514.49
Deposits with Govt. or Semi Govt. Depot.	2,581.84	2,535.05
Deposits with Others	19,670.00	19,700.00
Interest Accrued But Not Due	-	293.44
Prepaid expenses	2,641.05	2,652.49
Cenvat Credit & PLA Account	27,182.24	22,579.52
Sales Tax Refund account	11,514.61	8,386.46
TDS Receivable	2,272.90	840.80
License On hand	1,143.04	1,143.04
Brand Building	6,462.82	6,462.82
Total	287,555.85	436,438.08

18 REVENUE FROM OPERATIONS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Sales:		
Sales (Domestic)	990,867.83	686,082.88
Less: Excise Duty on local sales	-	(14,324.39)
	990,867.83	671,758.49
Sales(Export)	831,371.18	987,108.75
Less: Excise Duty on Export Sales	(1,151.35)	(1,222.32)
	830,219.84	985,886.43
Less: Sales of BLRL to BPL	(33,662.24)	(31,100.84)
Revenue from operations	1,787,425.43	1,626,544.09
FR &D INCOME	65,968.62	131,162.93
Grand Total	1,853,394.05	1,757,707.01

Note : Sale of goods to EOU (Exporter) has been made to the tune of Rs 42927.136 ('000) (Previous year 4803.782('000)) and has been included in the Export Sales

19 OTHER INCOME

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Interest Received Bank	192.10	519.46
Interest Received Others	3,412.20	3,406.20
Gain or (Loss) on Exchange	-	23,762.98
Export Incentive	2,605.37	2,449.57
Discount Received	556.00	83.14
Commission Recd	6,828.22	38.05
Rent Received	-	120.00
Miscellaneous Receipt	429.58	-
Job Work Income	4,522.79	-
Total other income	18,546.25	30,379.38

20 COST OF RAW MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	61,532.44	86,880.23
Add: Purchase	553,459.48	312,103.95
	614,991.92	398,984.18
Less: Closing stock	71,449.01	61,532.44
Raw Material Consumed (A)	543,542.91	337,451.74

20.1 COST OF PACKING MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	12,697.96	17,663.02
Add: Purchase	59,647.98	59,466.19
	72,345.94	77,129.21
Less: Closing stock	17,102.60	12,697.96
Packing Material Consumption (B)	55,243.34	64,431.24

20.2 MANUFACTURING EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Consumable Stores	4,026.29	137.43
Analytical Expenses	4,265.99	1,453.50
Power & Fuel	20,845.99	20,268.15
Machinery Maintenance	5,881.80	4,649.24
Factory Maintenance	2,617.80	987.05
Chemical Purchase	4,077.99	2,368.95
Security Charges	1,745.34	1,616.26
Repairs & Maintenance	1,820.46	2,251.25
Other Manufacturing	11,962.50	6,261.64
Lab Maintenance	23.27	-
Total (C)	57,267.41	39,993.46

20.3 FREIGHT

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Freight Charges	2,389.84	2,733.05
Total (D)	2,389.84	2,733.05
COST OF MATERIAL CONSUMED (A+B+C+D)	658,443.51	444,609.49

21 PURCHASE OF STOCK IN TRADE

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Purchase of stock in Trade	730,878.30	892,597.38
Total	730,878.30	892,597.38

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

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Closing Inventories:		
Finished Goods	91,087.88	79,192.49
Work in progress	65,866.02	44,319.36
	156,953.91	123,511.85
Opening Inventories:		
Finished Goods	79,192.49	73,096.01
Work in progress	44,319.36	42,320.11
	123,511.85	115,416.12
Change in inventory	(33,442.06)	(8,095.73)

23 EMPLOYEE BENEFIT EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Salaries	110,856.72	87,895.88
Bonus	11,968.07	7,328.34

PF Companies contribution	7,425.37	5,666.55
ESI Companies Contribution	2,608.08	2,679.88
Staff welfare	9,358.49	5,529.35
Gratuity	137.18	-
Total	142,353.91	109,099.99

24 DEPRECIATION AND AMORTISATION CHARGES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Depreciation and Amortization expenses	89,938.37	82,496.89
Total	89,938.37	82,496.89

25 FINANCIAL EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Interest to bank	113,300.07	104,196.73
Bank charges	11,404.20	11,382.71
Interest others	7,432.34	3,553.49
Total	132,136.62	119,132.93

26 OTHER EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Rent	3,371.06	3,077.67
Postage & Telegram	2,646.00	1,704.74
Telephone	949.43	870.82
Insurance	2,425.97	1,858.34
Conveyance	1,395.38	1,157.04
Travelling Expenses	30,978.51	25,442.65
Printing & Stationery	884.00	1,402.59
Subscription & Membership	260.41	146.48

Fees	1,837.23	3,168.84
Office Maintenance	294.20	404.81
Vehicle Maintenance	546.77	443.47
Miscellaneous Expenses	1,442.05	897.85
Professional Charges	2,627.26	7,360.52
Computer Maintenance	1,234.17	1,961.57
Service Tax	1,175.13	792.20
Discount Allowed	4,034.11	2,805.27
Packing Charges	225.81	243.91
Exchange Difference	21,419.56	2,430.01
Freight & Transportation	20,228.51	13,905.22
Advertisement	2,112.33	5,406.42
Sales Promotion	14,617.36	8,265.00
Commission/Liasoning Charges	8,102.38	6,286.90
Sales Tax	61.58	290.77
Liquidative Damages	893.72	546.33
MHRA Expenses	-	764.01
Payment to Auditor	606.74	617.98
Directors Salary	2,160.00	2,160.00
Directors Sitting Fees	190.00	237.50
Total	126,719.66	94,648.91

26.1 PAYMENT TO AUDITORS AS

Particulars	(Rs. in '000)	
	As at 31st March 2014	As at 31st March 2013
Statutory Audit Fees	385.00	385.00
Tax Audit Fees	65.00	65.00
Certification fees	88.76	100.00
Service Tax	67.98	67.98
Total	606.74	617.98

26.2 DIRECTORS REMUNERATION

(Rs. in '000)

	Particulars	Bafna Mahaveer Chand		Paras Bafna	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
a)	Salary	1,200.00	1,200.00	960.00	960.00
b)	Contribution to PF	144.00	86.40	115.20	115.20
c)	Lease Rent for Car	60.00	60.00	60.00	60.00
	Total	1,404.00	1,346.40	1,135.20	1,135.20

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 is recognized in the Profit and loss account.

b) EXPENDITURE IN FOREIGN CURRENCY

(in '000)

Particulars		As on 31st March 2014		As on 31st March 2013	
RAW MATERIAL	USD	4,799.94	271,054.91	6,096.74	34,133.95
	EURO	5.60	406.67	0.55	39.23
	GBP	144.12	13,568.70	62.90	5,433.80
CAPITAL GOODS	USD	-	-	3.95	218.09
	EURO	2.79	227.58	0.75	54.78
	JPY (YEN)	-	-	-	-
	SWISS FRANC	-	-	-	-
PAYMENT FOR EXPENSES	USD	5.80	461.13	-	-
OVERSEAS TRAVEL	INR	-	-	-	-
PRODUCT REGISTRATION CHARGES	USD	23.23	1,369.52	140.26	7,522.23
	EURO	0.28	20.08	-	-
MHRA AUDIT FEES	GBP	NIL	-	9.10	764.01
TENDER PARTICIPATION	USD	NIL	-	-	-
ADVANCE FOR EXPENSES	USD	259.39	14,484.75	232.16	12,649.34
	EURO	0.98	76.31	-	-

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

Particulars		As at 31st March 2014	As at 31st March 2013
EXPORT SALES	USD	10,204.40	14,329.60
	INR	610,316.22	772,939.64
	GBP	1,933.81	2,452.06
	INR	178,127.83	208,289.84
	AUD	-	106.11
	INR	-	5,879.27

Note : Sale of goods to EOU (Exporter) has been made to the tune of Rs 42927.136 ('000) (Previous year 4803.782 ('000)) and has been included in the Export Sales

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)** Mr. PARAS BAFNA
- c)** Mrs. CHETNA BAFNA
- d)** Mr. NAVEEN BAFNA

28.2 Directors' Interest

- a)** BAFNA LIFESTYLES REMEDIES LIMITED
- b)** BAFNA LIFELINE PRIVATE LIMITED
- c)** 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	Associate s	Key Managemen t Personnel	Rel of KMP	Total as on 31.03.2014	As on 31.03.2013
1	Purchase of goods	Bafna Lifestyles Remedies Ltd			33,662.24	31,100.84
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		6,984.39	2,601.60
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	65,000.00
11	Manage Contracts including for Deputation of Employees				-	-
12	Rent		Bafna Mahaveer Chand	Bhansilal Bafna (HUF)	2,202.48	1,865.40

28.3 CONTINGENT LIABILITIES NOT PROVIDED FOR

		(Rs. in '000)	
	Particulars	As at 31st March 2014	As at 31st March 2013
a)	In respect of Letter of Credit and Bank Guarantee	95,414.32	53,726.08
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	87,000.00

28.4 SECONDARY SEGMENT/ GEOGRAPHICAL SEGMENT

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

						(Rs. in '000)
					As at 31st March 2014	As at 31st March 2013
PARTICULARS	INDIA	ASIA	AFRICA	UK	Total	Total
Sales	935,798.40	579,045.52	77,617.93	182,960.60	1,775,422.44	1,671,359.05
Operating Expenses	684,796.72	423,732.80	56,799.09	133,886.55	1,299,215.17	1,262,402.30
Operating Income/ Loss	251,001.67	155,312.72	20,818.83	49,074.05	476,207.28	408,956.75
Unallocable Income					14,023.46	30,304.53
Total Income					490,230.74	439,261.28
Unallocable Expenses					(467,979.65)	(387,466.87)
Net profit before Tax					22,251.09	51,794.41
Income Tax and Deferred tax					(8,889.69)	(13,002.09)
Net profit after Tax					13,361.40	38,792.32

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 2014	As at 31st March 2013
TAMILNADU STEEL TUBES LIMITED (includes interest thereon)	15,200.00	15,200.00

e) The Fixed deposit of sum of Rs. 23388.23 (in '000) (previous year Rs.19620.53 (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.

31 The Ministry of corporate affairs, Government of India, vide General Circular No: 2 and 3 dated 8th February 2011 and 21st February 2011 respectively, has granted a general exemption from Compliance of Section 212 of the Companies Act 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated Financial Statements.

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: 30.05.2014

K. Premnatha
(Company Secretary)

Statement pursuant to Section 212

Statement Regarding Subsidiary Company pursuant to Section 212 of the Companies Act, 1956

1. Name of the subsidiary Company : BAFNA LIFESTYLES REMEDIES LIMITED
2. Holding Company's interest : 62.31%
3. Net aggregate amount of Subsidiary Profit /
(Loss) not dealt with in the Holding Company's Accounts
 - (i) For the financial period of the Subsidiary ended
As on 31st March, 2014 : (Profit) Rs. 4,08,236 /-
 - (ii) For the previous financial periods of the Subsidiary
Since it became Holding Company's Subsidiary : (Profit) Rs. 5,04,752/-
4. Net aggregate amount of Subsidiary's Profit/
Dealt with in the Holding Company's Account
 - (i) For the financial period of the subsidiary ended
As on 31st March, 2014 : (Profit) Rs. 6,74,739/-
 - (ii) For the previous financial periods of the Subsidiary
Since it became Holding Company's subsidiary : (Profit) Rs. 8,34,467/-

For M/s. ABHAY JAIN & CO
Chartered Accountants
FRN No: 000008S

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

Bafna Mahaveer Chand
Managing Director

Paras Bafna
Whole Time Director

K.Premnatha
Company Secretary

Place : Chennai
Date : 30.05.2014

Subsidiary Financial Statements as at 31st March, 2014

Subsidiary Financial Statements

Subsidiary – Directors Report**DIRECTORS REPORT****BAFNA LIFESTYLES REMEDIES LIMITED****Dear Shareholders,**

The Directors have pleasure in submitting the Annual Report along with the audited Balance Sheet as at 31st March, 2014.

FINANCIAL RESULTS:

PARTICULARS	(Rs. In '000)	
	2014	2013
Total Income	116,156.64	117,523.66
Total Expenditure	113,495.74	109,128.94
Profit before Depreciation & Taxation	9,363.48	8,394.72
Less: Depreciation & Amortization	6,702.58	-6,592.60
Less: Exceptional Items	0.00	-1,324.17
Profit before Tax	2,660.90	3,126.29
Less: Current Tax	-500.00	-350.00
Less: Deferred Tax	-1,078.03	-1,437.07
Profit after Tax for the year	1,082.88	1,339.22
Brought forward from previous years	-377.91	-1,717.13
Profit (loss) for the year	704.96	-377.91

Your directors are striving hard to improve the overall performance of the company in the years to come and are taking steps to achieve the same.

DIVIDEND:

Your directors do not recommend any dividend during the year under review.

FIXED DEPOSITS:

Your company has not accepted any deposits from the public during the year under report.

AUDITORS:

M/s. Abhay Jain & Co., Chartered Accountants, Chennai who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, it is proposed

to appoint M/s. Abhay Jain & Co., Chartered Accountants, Chennai as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2017 for a period of 3 years, subject to ratification of their appointment at every AGM.

The Board recommends their reappointment as Statutory Auditors of the Company. The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

COMPLIANCE CERTIFICATE:

As required under proviso to Section 383A(1) of the Companies Act, 1956, a Secretarial Compliance Certificate issued by a practicing Company Secretary is being attached to this report.

SUBSIDIARY OF M/S. BAFNA PHARMACEUTICALS LIMITED:

By virtue of holding more than 51% of the paid-up capital of the Company by M/s. Bafna Pharmaceuticals Limited, your company is a subsidiary of M/s. Bafna Pharmaceuticals Limited.

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 a Internal Complaints Committee was constituted, with following members:

- | | | |
|------|-----------------|---------------|
| (i) | Ms. Sabitha | - Chairperson |
| (ii) | Mehul B Sanghvi | - Member |

DIRECTORS:

The Companies Act, 2013 provides for appointment of Independent Directors. As per Section 149, Independent Directors shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further the Act provides that, no independent director shall be eligible for more than two consecutive terms of five years & the provision of the Companies Act, 2013 on retirement by rotation shall not apply to such independent Directors.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, your Directors are seeking appointment of Shri. Gyanmal Jain & Shir. B. Kamlesh Kumar as Directors for five consecutive years upto 31.08.2019. The aforesaid non-executive independent directors have given their consent to act as Independent Directors of the company and made a declaration that they meet the criteria of Independence.

Ms. S.Hemalatha & Mrs. Sabitha are Non-Independent Directors as per Section 149(e)(i) of the Companies Act, 2013 who were earlier treated as Independent Directors. In terms of Section 152 of the Companies Act, 2013 Ms. S.Hemalatha & Mrs. Sabitha are liable to retire by rotation and being eligible they have offered themselves for re-appointment.

Your Board recommends the above appointments/reappointment of Directors in the best interest of the Company.

PARTICULARS OF EMPLOYEES:

As required by Section 217(2A) of the Companies Act, 1956 the Directors state that none of the employees of the company are in receipt of remuneration in excess of the amount specified.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 your directors state;

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as 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 Profit of the company for that period;
- iii) that the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company is taking all necessary measures to conserve the energy. There was no Technology absorption during the year under review. There is no foreign exchange earnings and outgo during the year.

HUMAN RESOURCES

The company recognizes the crucial role of human resource in realizing corporate objectives. Organization structure is reviewed to give a better scope for talented employees to move up in the hierarchy and make greater contribution.

ACKNOWLEDGEMENT:

Your directors take this opportunity to place on record, their gratitude for the company operation and support extended by the employees of the company, banks, shareholders and Government Authorities.

On behalf of Board of Directors
For BAFNA LIFESTYLES REMEDIES LIMITED

S.Hemalatha
(DIN: 02714329)
Director

Sabitha
(DIN: 02643259)
Director

Place: Chennai

Date: 23.05.2014

Subsidiary – Compliance Certificate

COMPLIANCE CERTIFICATE

CIN: U 52599 TN 1994 PLC 027134

AUTHORISED CAPITAL: Rs. 3 CRORES

To,

The Members,

M/s. BAFNA LIFESTYLES REMEDIES LIMITED

(Formerly Ranfab Pharmaceuticals Private Limited)

We have examined the registers, records, books and papers of **M/s. BAFNA LIFESTYLES REMEDIES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, including re-enactment thereof (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of the information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and wherever required entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai under the Act and the rules made thereunder with additional fees for belated filing.
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors met SIX times on 29.04.2013, 18.05.2013, 10.08.2013, 12.11.2013, 13.02.2014 & 28.03.2014 in respect of which meetings notices were given and the proceedings were recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 23.09.2013 after giving notice to the members of the Company and the resolutions passed thereat were recorded and signed in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act.
11. According to the information & explanations given to us, there were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate certificates during the year.
13. The Company has:
 - (i) not made any allotment / transfer / transmission of securities during the financial year.

- (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) no unpaid / unclaimed dividend, application money due for refund, matured deposit, matured debentures and the interest accrued thereon for a period of seven years, required to be transferred to Investor Education and Protection Fund during the financial year under review.
 - (v) generally complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing director / Whole time director / Manager during the financial year.
 16. The Company has not appointed any sole - selling agents during the financial year.
 17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
 18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any Preference shares / debentures, hence the question of redeeming any Preference shares / debentures does not arise.
 22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the financial year under review.
 24. The amount borrowed by the Company from directors, members, Public, financial institutions, Banks and others during the financial year ending 31.03.2014 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in the duly convened General Meeting held on 13.12.2010.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
 26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its articles of association during the financial year.

31. According to the information and explanations given to us, there was no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. According to information and explanations given to us, the Company has not constituted its own Provident Fund Trust for its employees; therefore Section 418 of the Act is not applicable to the Company.

For A. K. JAIN & ASSOCIATES
Company Secretaries

Place: Chennai

Date: 23.05.2014

PANKAJ MEHTA

Partner

M. No. A29407

C.P. No. 10598

ANNEXURE ARegisters as maintained by the Company

1. Register of Members u/s 150.
2. Register of Share Transfer.
3. Register of Directors u/s 303.
4. Register of Directors Share Holdings u/s 307.
5. Register of Charges u/s 143.
6. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 297, 299, 301 and 301(3).
7. Minutes of Meeting of the Board of Directors & the Share Holders u/s 193.

ANNEXURE BForms and Returns as filed by the Company with the Registrar of Companies, Chennai during the financial year ending on 31st March, 2014

S.No.	e-Form	Particulars	Event date	SRN	Filed on	With additional fees
1.	8	Registration of modification of charge in favour of BANK OF CEYLON, EGMORE BRANCH, CHENNAI filed u/s 125/127/135	30.04.2013	B75896050	28.05.2013	NO
2.	32	For changes among Directors filed u/s 303(2)	18.05.2013	B77375772	18.06.2013	YES
3.	66	Compliance Certificate filed u/s 383A.	31.03.2013	Q15102361	21.10.2013	NO
4.	20B	Annual Return - Schedule V filed u/s 159.	23.09.2013	Q15105661	21.10.2013	NO
5.	23AC & 23ACA	Profit & Loss a/c and Balance Sheet filed u/s 220.	31.03.2013	Q24657637	23.11.2013	YES

* * * * *

Subsidiary – Auditors’ Report

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF BAFNA LIFESTYLES REMEDIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bafna Lifestyles Remedies Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (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 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

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, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit 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, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(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, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For ABHAY JAIN & Co.

Chartered Accountants

FRN:000008S

A K JAIN

(Partner)

Place: Chennai

Date: 23.05.2014

M No. :070224

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of BAFNA LIFESTYLES REMEDIES LIMITED. On the accounts of the Company for the year ended 31st March, 2014.

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.
(c) In our opinion the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
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.
(c) In our opinion and on the basis of our examination of the records, 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 /taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act and exceeding five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956 and the provision of Clause VI of the Paragraph 4 of the order is not applicable to the company.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
(b) According to the information and explanations given to us there were no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty and cess were in arrears as on 31st of March, 2014 for a period of more than six months from the date they became payable.
10. The Company does not have accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has taken corporate Guarantee to the extent of Rs. 6.50 Crores from M/s. BAFNA PHARMACEUTICALS LIMITED for the Term Loan availed from M/s. Bank of Ceylon, according to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The company has raised new term loan during the year. The Term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by the management

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

A K JAIN
(Partner)

Place: Chennai
Date: 23.05.2014

M No. :070224

Subsidiary – Balance Sheet**BALANCE SHEET AS AT 31ST MARCH, 2014****(Rs. in '000)**

Particulars	Note	March 31 2014		March 31 2013	
EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	3	22,950.00		22,950.00	
(b) Reserves & Surplus	4	704.97		(377.91)	
(c) Money Received Against Share Warrants		-	23,654.97		22,572.09
(2) Share Application Money Pending Allotment		-		-	
(3) NON-CURRENT LIABILITIES					
(a) Long Term Borrowings	5	24,904.06		26,438.85	
(b) Deferred Tax Liabilities (Net)	6	4,425.30		3,347.27	
(c) Other Long Term Liabilities	6.1	3,600.00		3,600.00	
(d) Long Term Provisions		-	32,929.36	-	33,386.12
(4) CURRENT LIABILITIES					
(a) Short Term Borrowings	7	63,859.75		65,023.10	
(b) Trade Payables	8	23,463.00		66,155.01	
(c) Other Current Liabilities	9	2,378.51		3,240.67	
(d) Short Term Provisions		-	89,701.25	-	134,418.78
TOTAL			146,285.58		190,376.99
ASSETS					
(1) NON CURRENT ASSETS					
(a) FIXED ASSETS	10				
(i) Tangible Assets		63,066.59		65,527.83	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(iv) Intangible Assets under					

Development					
(b) Deferred Tax Assets (Net)		-		-	
(c) Long Term Loans and Advances		-		-	
(d) Other Non Current Assets	11	8,351.57	71,418.16	12,527.35	78,055.18
(2) CURRENT ASSETS					
(a) Current Investments					
(b) Inventories	12	6,862.97		11,632.94	
(c) Trade Receivables	13	44,140.65		61,563.60	
(d) Cash and cash Equivalents	14	3,321.71		3,500.86	
(e) Short Term Loans and Advances	15	20,542.08		35,624.41	
(f) Other Current Assets		-	74,867.41	-	112,321.81
TOTAL			146,285.58		190,376.99

Significant Accounting Policies Notes on Financial Statements 1 to 29**As per our report of Even Date Annexed**

For M/s. ABHAY JAIN & CO

Chartered Accountants

FRN No: 000008S

(A.K.JAIN)

PARTNER

M.No:70224

(S.Hemalatha)

Director

(K.Sabitha)

Director.

Place : Chennai

Date : 23.05.2014

Subsidiary –Statement of Profit & Loss**STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2014****(Rs. in '000)**

PARTICULARS	Note	March 31 2014	March 31 2013
Revenue from Operations	16	111,633.85	117,448.80
Other Income	17	4,522.79	74.86
Total Revenue		116,156.64	117,523.66
EXPENSES			
Cost of Raw Material Consumed	18	20,947.19	17,612.35
Purchase of Stock- in-Trade	19	68,389.12	74,474.89
Changes in Inventories of Finished Goods	20	990.53	5,722.44
Employee Benefit Expenses	21	3,892.19	3,133.96
Financial Costs	22	11,469.75	6,806.18
Depreciation and Amortization Expenses	23	6,702.58	6,592.60
Other Expenses	24	1,104.39	1,379.11
Total Expenses		113,495.74	115,721.54
Profit before Exceptional Items and Tax		2,660.90	1,802.12
Exceptional Items	25	-	(1,324.17)
Profit before Extraordinary items		2,660.90	3,126.29
Extraordinary Items		-	
Profit before Tax		2,660.90	3,126.29
Current Tax		(500.00)	(350.00)
Deferred Tax		(1,078.03)	(1,437.07)
Profit (Loss) for the year		1,082.88	1,339.22
Brought forward from previous years		(377.91)	(1,717.13)
Less : Utilized for Bonus Shares		-	-
Profit (Loss) for the year		704.96	(377.91)

Earnings per Equity Share			
(1) Basic		0.47	(0.58)
(2) Diluted		0.47	(0.58)

Significant Accounting Policies Notes on Financial Statements 1 to 29

As per our report of Even Date Annexed

For M/s. ABHAY JAIN & CO

Chartered Accountants

FRN No: 000008S

(A.K.JAIN)

PARTNER

M.No:70224

(S.Hemalatha)

Director

(K.Sabitha)

Director.

Place : Chennai

Date : 23.05.2014

Subsidiary – Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**(Rs. in '000)**

Particulars	For the Year 2013-14		For the Year 2012-13	
Cash flow from Operating Activities				
Net Profit Before Tax	2,660.90		3,126.29	
Add: Depreciation and Amortization	6,702.58		6,592.60	
Add : Interest Paid	11,469.75		6,806.18	
Less : Interest Received	-		-	
Less: Other Income	(4,522.79)		(74.86)	
Operating Profit before change of Working Capital	16,310.43		16,450.22	
Adjustment For Working capital:				
Change of Inventories	4,769.97		1,725.17	
Change in Debtors	17,422.95		(39,379.29)	
Change in Other Current Asset	15,082.33		(23,534.28)	
Change in Current Liabilities	(44,717.53)		57,434.34	
Cash generated from Operation	8,868.15		12,696.16	
Less: Tax Paid	(500.00)		(350.00)	
Net Cash From Operating Activities		8,368.15		12,346.16
Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(65.56)		(4,114.36)	
Repayment of Long Term Loans	(1,534.79)			
Other Income	4,522.79		74.86	
Change in Other Non- Current Assets	-		-	
Net Cash used in Investing Activities		2,922.45		(4,039.50)
Cash Flow from Financing Activities				
Issue of Shares & Application Activities:	-		-	
Proceed from Long Term Liabilities	-		-	
Proceed from Long Term Loans	-		429.93	
Interest Paid	(11,469.75)		(6,806.18)	

Dividend and Dividend Tax Expenses	-		-	
Net Cash from Financing Activities		(11,469.75)		(6,376.25)
Net Increase/ (Decrease)		(179.15)		1,930.40
In Cash or Cash Equivalents		(179.15)		1,930.40
Opening Balance of Cash & Cash Equivalents		3,500.86		1,570.46
Closing Balance of Cash & Cash Equivalents		3,321.71		3,500.86

Significant Accounting Policies Notes on Financial Statements 1 to 29

As per our report of Even Date Annexed

For M/s. ABHAY JAIN & CO

Chartered Accountants

FRN No: 000008S

(A.K.JAIN)

PARTNER

M.No:70224

(S.Hemalatha)

Director

(K.Sabitha)

Director.

Place : Chennai

Date : 23.05.2014

Subsidiary – Notes

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information :

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. Basis of Preparation of Financial Statements

The financial statement are prepared under historical cost conversion, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

Summary of Significant Accounting Policies

a. Change in Presentation of financial statement:

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

b. Use of estimates.

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, 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 on the management's best knowledge of current events and actions, 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.

Fixed assets, acquired are stated at 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.

d. Depreciation on tangible assets

Depreciation on fixed assets is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives estimated by the management or those prescribed under the Schedule XIV to the Companies Act, 1956.

Depreciation for additions to / deletions from owned assets is calculated on pro rata from / to the day of addition /put to use and up to date of deletion.

e. Borrowing costs

Borrowing cost includes interest. 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.

f. 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.

g. 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.

h. 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.

i. Gratuity

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

j. Income Taxes

Current Tax

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

Deferred Tax

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

k. 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”.

l. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**3 SHARE CAPITAL**

Particulars	(Rs. in '000)	
	As at 31st March 2014	As at 31st March 2013
Authorised Share capital		
30,00,000 Equity shares of Rs 10 each	30,000.00	30,000.00
	30,000.00	30,000.00
Issued subscribed & Paid up capital		
22,95,000 Equity shares of Rs 10 each fully paid up in cash	22,950.00	22,950.00
Total	22,950.00	22,950.00

3.1 21,70,000 Shares out of the issued, subscribed and paid up share capital were allotted as a preferential allotment during the year 2011-12

3.2 75,000 Shares out of the issued, subscribed and paid up share capital were allotted as a bonus shares in the financial year 2010-11 by capitalization of Profit and Reserve.

3.3 The detail of Shareholders holding more than 5% shares.

(Rs. in '000)		
Name of the shareholders	As at 31st March 2014	As at 31st March 2013
Bafna Pharmaceuticals Limited		
No: of Shares	1,430.00	1,430.00
in %	62.31%	62.31%
Chetna Bafna		
No: of Shares	408.25	408.25
in %	17.79%	17.79%
Shasikala Bafna		
No: of Shares	154.63	154.63
in %	6.73%	6.73%

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

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Equity shares at the beginning of the year	22,950.00	22,950.00
Equity shares at the end of the year	22,950.00	22,950.00

4 RESERVES & SURPLUS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
General reserve		
Balance Brought Forward	(377.91)	(1,717.13)
	(377.91)	(1,717.13)
Add: Profit/Loss for the year	1,082.88	1,339.22
Profit & Loss A/c	704.97	(377.91)

5 LONGTERM BORROWING

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
Term Loan from Bank of Ceylon	24,904.06	26,438.85
Total	24,904.06	26,438.85

Securities offered

5.1 Secured by First Charge on the entire Fixed Assets and proposed to be acquired out of Term Loan and also personally guaranteed by Mr. Bafna Mahaveer Chand and Mr. Paras Bafna, Chairman and Director of BAFNA PHARMACEUTICALS LIMITED

5.2 Corporate Guarantee by M/s. BAFNA PHARMACEUTICALS LIMITED

6 DEFERRED TAX LIABILITY (NET)

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Deferred tax liability	4,425.30	3,347.27
Total	4,425.30	3,347.27

6.1 OTHER LONG TERM LIABILITIES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Lease Deposit received from BAFNA PHARMACEUTICALS LIMITED	2,250.00	2,250.00
Trade Deposit	1,350.00	1,350.00
Total	3,600.00	3,600.00

7 SHORT TERM BORROWINGS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Secured		
Working capital loan from Bank of Ceylon - cash credit account	57,209.89	54,193.67
Current Account - Axis Bank	-	67.00

Term Loan Installment due within one Year	6,649.86	10,762.43
Total	63,859.75	65,023.10

SECURITIES OFFERED

7.1 Exclusive charge on the Entire current assets of the Company both present and Future

7.2 Corporate Guarantee by M/s. BAFNA PHARMACEUTICALS LIMITED

7.3 Personally guaranteed by Mr. Bafna Mahaveer Chand and Mr. Paras Bafna, the Chairman and Director respectively of BAFNA PHARMACEUTICALS LIMITED

8 TRADE PAYABLES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
For Goods Supplied	23,463.00	66,155.01
Total	23,463.00	66,155.01

9 OTHER CURRENT LIABILITIES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Outstanding expenses	1,828.01	2,737.01
TDS payable	44.11	35.85
Sales Tax Payable	6.39	117.81
Provision for Income Tax	500.00	350.00
Total	2,378.51	3,240.67

10 FIXED ASSETS

(Rs. in '000)

Description	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04. 2013	Additions	Deductions/ Adjustments	As at 31.03. 2014	As on 01.04. 2013	For the year	Deductions/ Adjustments	As at 31.03. 2014	As at 31.03. 2014	As at 31.03. 2013
Land	-	8,560.44	-	-	8,560.44	-	-	-	-	8,560.44	8,560.44

Building	3.34%	32,748.4 3	-	-	32,748.43	3,627.74	1,093.80	-	4,721.54	28,026.89	29,120.69
Furniture & Fittings	6.33%	95.02	6.36	-	101.38	27.23	6.35	-	33.58	67.80	67.79
Plant & Machinery	4.75%	22,320.52	-	-	22,320.52	1,539.78	1,060.22	-	2,600.01	19,720.51	20,780.74
Computer	16.21 %	117.71	-	-	117.71	15.50	19.08	-	34.58	83.13	102.21
Electrical fittings	4.75%	5,503.21	-	-	5,503.21	298.37	261.40	-	559.77	4,943.43	5,204.83
Generator	4.75%	654.94	-	-	654.94	37.34	31.11	-	68.45	586.49	617.60
Air-Conditioner	4.75%	86.75	-	-	86.75	3.12	4.12	-	7.24	79.51	83.63
Lab Equipments	4.75%	348.54	59.20	-	407.74	13.61	18.49	-	32.10	375.64	334.93
Pollution Control Equipments	4.75%	363.30	-	-	363.30	9.61	17.26	-	26.86	336.44	353.69
U.P.S	4.75%	315.00			315.00	13.73	14.96		28.70	286.30	301.27
TOTAL		71,113.86	65.56	-	71,179.42	5,586.03	2,526.80	-	8,112.83	63,066.59	65,527.83
Previous year Figures		66,999.50	2,790.19	1,324.17	71,113.86	3,169.21	2,416.82		5,586.03	65,527.83	

11 OTHER NON CURRENT ASSETS

Particulars	(Rs. in '000)	
	As at 31st March 2014	As at 31st March 2013
Product Launch Expenditure	12,382.92	16,510.56
Preliminary expenses	144.43	192.58
	12,527.35	16,703.13
Less: Amortization charged to P&L Account	4,175.78	4,175.78
Total	8,351.57	12,527.35

11. 1/5th of the above expenses has been charged to P&L A/c each year.

12 INVENTORIES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Raw material(Valued at cost)	807.11	2,982.15
Work in progress(valued at cost)	-	1,265.00
Finished Product(valued at cost or market value whichever is less)	4,768.16	4,493.69
Packing material(Valued at cost)	212.06	2,816.46
Stores and spares (At Cost)	1,075.65	75.65
Total	6,862.97	11,632.94

13 TRADE RECEIVABLES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Trade Receivables- Due for More than Six month	1,386.75	1,386.75
Other Debts (Unsecured Considered Good)	42,753.90	60,176.85
Total	44,140.65	61,563.59

14 CASH AND CASH EQUIVALENTS

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Cash on hand	3,310.71	3,314.86
Balance with Bank :		
In current account	11.00	11.00
In Fixed Deposits	-	175.00
Total	3,321.71	3,500.86

15 SHORT TERM LOANS AND ADVANCES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Advance to suppliers	17,075.92	31,856.18
Advance Others	2,321.81	2,905.06

Deposits with Govt. or Semi Govt. Depot.	65.35	65.35
Prepaid expenses	507.77	-
TDS Receivable	554.55	464.10
Sales Tax Refund account	-	-
Cenvat and PLA Accounts	16.69	333.73
Total	20,542.08	35,624.42

16 REVENUE FROM OPERATIONS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Sales	111,633.85	125,626.87
Less : Excise Duty	-	8,178.07
Revenue from operations	111,633.85	117,448.80

17 OTHER INCOME

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Commission Received	-	38.05
Discount Received	-	36.81
Conversion Charges (Job Work)	4,522.79	-
Total other income	4,522.79	74.86

18 COST OF MATERIAL CONSUMED

(Rs. in '000)

Particulars	Ref. Note	As at 31st March 2014	As at 31st March 2013
Cost of Raw material consumed	18.1	8,855.96	9,008.61
Cost of packing material consumed	18.2	4,917.94	3,884.96
Manufacturing Expenses	18.3	6,981.97	4,461.02
Freight	18.4	191.32	257.76
Total		20,947.19	17,612.35

18 COST OF RAW MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	2,982.15	804.96
Add: Purchase	6,680.92	11,185.80
	9,663.07	11,990.76
Less: Closing stock	807.11	2,982.15
Raw material consumed	8,855.96	9,008.61

18 COST OF PACKING MATERIAL CONSUMED

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening stock	2,816.46	1,035.45
Add: Purchase	2,313.53	5,665.97
	5,130.00	6,701.42
Less: Closing stock	212.06	2,816.46
Packing material consumed	4,917.94	3,884.96

18 MANUFACTURING EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Consumable stores	951.43	96.10
Power and Fuel	1,498.16	2,412.96
Machinery Maintenance	595.40	572.50
Security Charges	206.74	188.76
Analytical expenses	32.02	38.71
Chemical Purchases	133.41	99.43
Lab equipment expenses	23.27	126.56
Factory Maintenance	114.96	118.32
Repairs & Maintenance	310.19	807.69
Other Manufacturing Expenses	3,116.40	-
Total	6,981.97	4,461.02

18 FREIGHT

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Freight	191.32	257.76
Total	191.32	257.76

19 PURCHASE OF STOCK IN TRADE

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Purchase of stock in trade	68,389.12	74,474.89
Total	68,389.12	74,474.89

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

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Closing Inventories:		
Finished Goods	4,768.16	4,493.69
Work in progress	-	1,265.00
	4,768.16	5,758.69
Opening Inventories:		
Finished Goods	4,493.69	10,770.04
Work in progress	1,265.00	711.09
	5,758.69	11,481.13
Change in inventory	990.53	5,722.44

21 EMPLOYEE BENEFITS EXPENSES

(Rs. in '000)		
Particulars	As at 31st March 2014	As at 31st March 2013
Salaries	2,362.70	3,057.96

Bonus	263.21	-
Gratuity	137.72	-
PF Contribution	726.64	-
ESI Contribution	145.12	-
Staff welfare	257.34	76.01
Total	3,892.73	3,133.96

22 FINANCIAL COSTS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Interest to bank	7,429.83	6,521.81
Bank charges	5.14	122.37
Interest to others	4,034.78	162.00
Total	11,469.75	6,806.18

23 DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Depreciation	2,526.79	2,416.82
Amortization expenses	4,175.78	4,175.78
Total	6,702.58	6,592.60

24 OTHER EXPENSES

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Rent	21.00	36.00
Postage and Telegram	3.25	0.43
Insurance	0.16	22.87
Conveyance	67.85	17.57
Printing and stationary	91.01	231.54
Fees	100.59	124.52
Miscellaneous Expenses	34.67	1.52

Professional Charges	105.91	105.47
Computer Maintenance	78.65	254.62
Sales Tax	61.58	190.14
Freight and Transportation	62.05	30.48
Commission/Liasoning charges	9.02	167.62
Payment to Auditor (including of service tax)	56.18	56.18
Board Fees	15.00	7.50
Telephone Charges	16.47	13.20
Service Tax	273.35	119.45
Sales promotion expenses	107.66	-
Total	1,104.39	1,379.11

24 PAYMENT TO AUDITOR

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Audit Fees	35.00	35.00
Tax Audit Fee	15.00	15.00
Service Tax	6.18	6.18
Total	56.18	56.18

25 EXCEPTIONAL ITEMS

(Rs. in '000)

Particulars	As at 31st March 2014	As at 31st March 2013
Prior period differential sales tax for the year 2008-09	-	-
Prior Period Depreciation due to change of Method of Depreciation	-	(1,324.17)
Total	-	(1,324.17)

RELATED PARTY DISCLOSURE**26 Name of the related Party**

a) Mr. BAFNA MAHAVEER CHAND

26 Directors' Interest

a) BAFNA PHARMACEUTICALS LIMITED

b) BAFNA LIFELINE PRIVATE LIMITED

Sl.NO	Particulars	Associates	Key Management Personnel	Rel of KMP	As at 31st March 2014	As at 31st March 2013
1	Purchase of goods	Bafna Pharmaceuticals Limited			-	-
2	Sale of goods	Bafna Pharmaceuticals Limited			33,662.24	31,100.84
3	Sale of Fixed Assets				-	-
4	Rendering Services	Bafna Pharmaceuticals Limited			4,522.79	-
5	Agency agreements				-	-
6	Leasing or Hire Purchase	Bafna Pharmaceuticals Limited			2,250.00	2,250.00
7	Transfer of R&D				-	-
8	License Agreements				-	-
9	Finance loans and Equity in Cash or Kind	Bafna Pharmaceuticals Limited			14,300.00	14,300.00
10	Guarantee and Collaterals	Bafna Pharmaceuticals Limited			65,000.00	65,000.00
11	Manage Contracts including for Deputation of Employees				-	-
12	Rent		Bafna Mahaveer Chand		-	-

27 GENERAL

- a) Balance in Sundry Debtors/ Creditors and advances are subject to confirmation.
- b) Previous Year's Figures have been re-arranged, re-classified and re-grouped wherever necessary.

- c) Tax deducted at Source from the payment to contractors, professional charges and salaries have been deposited in time.
- d) The Fixed deposit of sum of Rs.NIL ('000) lying with Bank of Ceylon are under lien against Bank Guarantee Margin LC Margin Money and Loan against deposit.
- e) As explained to us , there is no Contingent Liabilities for the year under audit.

28 Additional Disclosures

(Rs. in '000)			
	Particulars	As at 31st March 2014	As at 31st March 2013
1	Purchase of Finished Goods	68,389.12	74,474.89
2	Sale of Finished Goods(Inclusive of excise Duty)	119,873.88	125,626.87
3	Consumption of Raw Material Indigenous	13,773.89	9,008.61
	Stores and Spares	951.43	96.10

29 The Ministry of corporate affairs, Government of India, vide General Circular No : 2 and 3 dated 8th February 2011 and 21st February 2011 respectively, has granted a general exemption from Compliance of Section 212 of the Companies Act 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated Financial Statements.

Significant Accounting Policies and Notes on Financial Statements 1 to 29

As per our report of Even Date Annexed

For M/s. ABHAY JAIN & CO

Chartered Accountants

FRN No: 000008S

(A.K.JAIN)

PARTNER

M.No:70224

(S.Hemalatha)

Director

(K.Sabitha)

Director.

Place : Chennai

Date : 23.05.2014

Notice

Notice

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of the Bafna Pharmaceuticals Limited will be held on Wednesday the 10th day of September, 2014 at 10.30 AM at Narada Gana Sabha (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai - 600018 to transact the following business:

ORDINARY BUSINESS:

Adoption of financial statements:

Item No.1: To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 including the audited Balance Sheet as at 31st March, 2014, 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.

Appointment of Director

Item No.2: To appoint 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.

Appointment of Director

Item No. 3. To appoint 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.

Appointment of Auditors

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and other applicable provisions, if any, as amended from time to time M/s. Abhay Jain & Co., Chartered Accountants, Chennai (FRN No: 000008S), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the twenty-second AGM to be held in the year 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM), at such remuneration plus service tax, out-of-pocket, travelling & living expenses, etc.. as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

Appointment of Mr. V. Rajamani (DIN: 00052868) as Independent Director

Item No. 5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Act, provisions of the Securities & Exchange Board of India, 1992 and Guidelines and other applicable provisions including any statutory modification(s), re-enactment thereof, for the time being in force, Listing Agreement entered into with the Stock Exchanges where the shares of the company are listed, Mr. V. Rajamani (DIN: 00052868), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act and in respect of whom the company has received a notice in writing from a member under Section 160 of the

Companies Act, 2013 signifying his intention to propose Mr. V. Rajamani as a candidate for the office of director of the company and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10.09.2014 upto 09.09.2019.

Appointment of Mr. R. Dwarakanathan (DIN: 01933653) as Independent Director

Item No. 6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Act, provisions of the Securities & Exchange Board of India, 1992 and Guidelines and other applicable provisions including any statutory modification(s), re-enactment thereof, for the time being in force, Listing Agreement entered into with the Stock Exchanges where the shares of the company are listed, Mr. R. Dwarakanathan (DIN: 01933653), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. R. Dwarakanathan as a candidate for the office of director of the company and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10.09.2014 upto 09.09.2019.

Appointment of Mr. Sunil Bafna (DIN: 01458225) as Independent Director

Item No. 7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Act, provisions of the Securities & Exchange Board of India, 1992 and Guidelines and other applicable provisions including any statutory modification(s), re-enactment thereof, for the time being in force, Listing Agreement entered into with the Stock Exchanges where the shares of the company are listed, Mr. Sunil Bafna (DIN: 01458225), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Sunil Bafna as a candidate for the office of director of the company and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10.09.2014 upto 09.09.2019.

Appointment of Mr. B Kamlesh Kumar (DIN: 01218959) as Independent Director

Item No. 8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Act, provisions of the Securities & Exchange Board of India, 1992 and Guidelines and other applicable provisions including any statutory modification(s), re-enactment thereof, for the time being in force, Listing Agreement entered into with the Stock Exchanges where the shares of the company are listed, Mr. B Kamlesh Kumar (DIN: 01218959), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Act and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. B. Kamlesh Kumar as a candidate for the

office of director of the company and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with from 10.09.2014 upto 09.09.2019.

To provide authority to the Board of Directors for borrowing money upto Rs.150 Crores

Item No. 9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT in supersession of resolutions passed in this regard at the Annual General Meeting of the Company held on 28th September, 2007 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 150 Crores (Rupees One Hundred & Fifty Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution.

To approve creation of charge/security over the assets/undertaking of the Company in respect of borrowings:

Item No. 10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT in supersession of resolutions passed in this regard at the Annual General Meeting of the Company held on 28th September, 2007 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') and other applicable provisions, if any, of the Act, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company, both present and future and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution.

To ratify Cost Auditors Remuneration

Item No. 11. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and 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 approval of Central Government & others, if any, the Cost Auditors M/s. Thanigaimani & Associates (FRN No.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, 2015, 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 authorised 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

Sd/-

Bafna Mahaveer Chand

(DIN: 01458211)

Chairman & Managing Director

Place: Chennai

Date: 30.05.2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF 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, 5, 6, 7 & 8 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. Further, all the Independent Directors have affirmed that they meet the requirements specified under Clause 49 I(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of the Company.

5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 2, 3, 4, 5, 6, 7, 8, 9, 10 & 11 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 06.09.2014 to 10.09.2014 (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 2013-14 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 2013-14 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.

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 08.08.2014.
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. R.Balasubramaniam, Practicing Company Secretary, 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 three 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

- (i) The voting period begins on 02.09.2014 at 10.00 AM and ends on 04.09.2014 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 08.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) 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.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) 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.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 (v).

Note: Sequence number has been provided as SI No. in the address label

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for the relevant BAFNA PHARMACEUTICALS LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - 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 they have to create 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.
 - 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.
- (xx) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item Nos. 2 & 3:**

Shri. Bafna Mahaveer Chand, Chairman & Managing Director & 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 will be subject to retirement by rotation due to the provisions of Section 149 & 152 of the Companies Act, 2013, wherein it is provided that Independent Directors are not subject to retirement by rotation. All Directors in the Board of Directors of the Company are Independent except Shri. Bafna Mahaveer Chand & Shri. Paras Bafna. Since none of the Independent Directors are subject 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 without change in any of their existing terms & conditions and being eligible they have offered themselves for re-appointment. As per the clarification issued by the Department of Company affairs (Int. Circular No. 3(No.8/16(1))/61-PR, Dated 9th May 1961), Managing Director's office does not suffer any break if he retires as a director under Section 255 of the Companies Act, 1956 and is re-elected as director in the same meeting. Upon re-appointment as a Director Shri. Bafna Mahaveer Chand shall continue to hold office as the Chairman and Managing Director of the Company.

No Director, Key Managerial Persons (KMPs) or their relatives, except Mr. Bafna Mahaveer Chand for Item No.2 is concerned or interested in the said resolution.

No Director, Key Managerial Persons (KMPs) or their relatives, except Mr. Paras Bafna for Item No.3 is concerned or interested in the said resolution.

Accordingly, your Board recommends the resolutions mentioned in Item No.2 & 3 of the notice of the meeting as an Ordinary Resolution.

Item No. 4:

M/s. Abhay Jain & Co., Chartered Accountants, Chennai (FRN No: 000008S) have been the Auditors of the Company for more than 10 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. Abhay Jain & Co., Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 30th May, 2014, proposed the appointment of M/s. Abhay Jain & Co., Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the twenty-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

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

Item Nos. 5:

Mr. V. Rajamani is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 20.10.2005. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. V. Rajamani being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. V. Rajamani for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. V. Rajamani (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. V. Rajamani as an Independent Director of the Company from 10.09.2014 upto 09.09.2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Nominations Committee has recommended the appointment of the director as Independent Director from 10.09.2014 upto 09.09.2019.

In the opinion of the Board of Directors, Mr. V. Rajamani, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of draft letter for the appointment of Mr. V. Rajamani as an Independent Director setting out the terms and conditions is available for inspection without any fee to the members of the company at the Registered Office during normal business hours from 10.00 AM to 12.00 Noon on working days upto the date of the AGM.

No director, Key Managerial Person or their relatives, except Mr. V. Rajamani to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

Item Nos. 6:

Mr. R. Dwarakanathan is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 20.10.2005. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. R. Dwarakanathan being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. R. Dwarakanathan for the office of Independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. R. Dwarakanathan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. R. Dwarakanathan as an Independent Director of the Company from 10.09.2014 upto 09.09.2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Nominations Committee has recommended the appointment of the director as Independent Director from 10.09.2014 upto 09.09.2019.

In the opinion of the Board of Directors, Mr. R. Dwarakanathan, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of draft letter for the appointment of Mr. R. Dwarakanathan as an Independent Director setting out the terms and conditions is available for inspection without any fee to the members of the company at the Registered Office during normal business hours from 10.00 AM to 12.00 Noon on working days upto the date of the AGM.

No director, Key Managerial Person or their relatives, except Mr. R. Dwarakanathan to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

Item Nos. 7:

Mr. Sunil Bafna is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 20.10.2005. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. Sunil Bafna being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Sunil Bafna for the office of Independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Sunil Bafna (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Sunil Bafna as an Independent Director of the Company from 10.09.2014 upto 09.09.2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Nominations Committee has recommended the appointment of the director as Independent Director from 10.09.2014 upto 09.09.2019.

In the opinion of the Board of Directors, Mr. Sunil Bafna, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of draft letter for the appointment of Mr. Sunil Bafna as an Independent Director setting out the terms and conditions is available for inspection without any fee to

the members of the company at the Registered Office during normal business hours from 10.00 AM to 12.00 Noon on working days upto the date of the AGM.

No director, Key Managerial Person or their relatives, except Mr. Sunil Bafna to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

Item Nos. 8:

Mr. B. Kamlesh Kumar is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 10.08.2013. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. B. Kamlesh Kumar being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. B. Kamlesh Kumar for the office of Independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. B. Kamlesh Kumar (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. B. Kamlesh Kumar as an Independent Director of the Company from 10.09.2014 upto 09.09.2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

The Nominations Committee has recommended the appointment of the director as Independent Director from 10.09.2014 upto 09.09.2019.

In the opinion of the Board of Directors, Mr. B. Kamlesh Kumar, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of draft letter for the appointment of Mr. B. Kamlesh Kumar as an Independent Director setting out the terms and conditions is available for inspection without any fee to the members of the company at the Registered Office during normal business hours from 10.00 AM to 12.00 Noon on working days upto the date of the AGM.

No director, Key Managerial Person or their relatives, except Mr. B. Kamlesh Kumar to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

Item Nos. 9 & 10:

In terms of the provisions of Section 180(1)(a) and 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves

(section 180(1)(c)) nor the Board can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure aforesaid borrowings (section 180(1)(a)).

The above section 180 of the Companies Act, 2013 corresponds to section 293 of Companies Act, 1956 under which the consent of the Company was required by ordinary resolution.

Accordingly, the shareholders of the Company had accorded consent by ordinary resolutions to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only) and to create security or create mortgages, charges and hypothecations over the assets of the Company to secure above borrowings upto Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only), at the Annual General Meeting of the Company held on 28th September, 2007.

However, the Ministry of Corporate Affairs, New Delhi vide its General Circular No. 4/2014 dated 25th March, 2014 has stated that such ordinary resolutions passed under old Companies Act, 1956 for borrowing money in excess of limits and to create security on undertaking of the Company, shall remain valid upto one year from the commencement of the Companies Act, 2013 i.e. upto 11th September, 2014.

Hence, it is proposed to reconfirm the limit of such borrowing power of Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only) and to create security or create mortgages, charges & hypothecations over the assets of the company to secure the above borrowings.

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

The Board recommends the resolution set out in Item no. 9 & 10 for the approval of the members.

Item No. 11:

The Board of Directors of the Company at their meeting held on 30th May, 2014 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 2014-15 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.

Other details of the Directors whose appointment is proposed at Item Nos. 2, 3, 5 to 8 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	21,28,550
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) Mr. V. Rajamani (DIN: 00052868)

Name of the Director	Shri V. Rajamani
Date of Birth	17/02/1939

Status	Non-Executive Independent Director
Qualification & Expertise	He is a greatly experienced, specialized in Financial Management, Secretarial Department and Company Accounts. He is a Graduate in Arts and a FICWA and ACS and has over three decades of experience in the areas of Finance and Administration. Prior to joining Bafna Pharma, he has served as the Company Secretary and Chief Vigilance Officer of M/s. Manganese Ore India Limited at Nagpur from 1980 to 1986. From 1986 to 1988 he worked as Additional / General Manager (co-ordination) and as Director of M/s. Neyveli Lignite Corporation. He is a Director in Morgan Industries Limited. He brings with him rich experience on account of the various posts / position held in the secretarial / financial departments held in the Central Government undertakings where he worked earlier.
Names of other public company(ies) in which directorship held	Morgan Industries Limited
Total shares held by him in the company	Nil
Relationship with other directors in the company	NA

(iv) Shri. R. Dwarakanathan (DIN: 01933653)

Name of the Director	Shri R. Dwarakanathan
Date of Birth	247/04/1940
Status	Non-Executive Independent Director
Qualification & Expertise	He is greatly experienced, specialized in Financial Planning & Management. He is a post graduate in Arts from Madras University and an MBA from Wichita State University, Kansas, USA and also has to his credit CAIIB, Diploma in Industrial Finance and Corporation. He has over three decades of experience in the field of banking and finance. He started his career in State Bank of India and rose to the level of General Manager (Operations), Local Head Office, General Manager cum Vice Principal, State Bank Staff College at the time of his retirement in April, 2000. He is specialized in various areas such as Financial Management, Corporate Credit, Foreign Exchange, Organizational Development, Inspection and Management Audit and Rehabilitation of Sick Units. Presently he is serving as a Senior Faculty in Loyola Institute of

	Business Administration, Chennai.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	Nil
Relationship with other directors in the company	NA

(v) Shri. Sunil Bafna (DIN: 01458225)

Name of the Director	Shri Sunil Bafna
Date of Birth	11/10/1976
Status	Non-Executive Independent Director
Qualification & Expertise	He is B.A. (Corporate Secretaryship) Graduate from Madras University and he has completed a specialized course in Financial Management. He brings with him over 18 years of experience in functions of financial planning and management.
Names of other public company(ies) in which directorship held	Nil
Total shares held by him in the company	5,000
Relationship with other directors in the company	NA

(vi) Shri. B. Kamlesh Kumar (DIN: 01218959)

Name of the Director	Shri B Kamlesh Kumar
Date of Birth	13/06/1968
Status	Non-Executive Independent Director
Qualification & Expertise	He is specialized in Finance, Taxation and Capital Market. He is a graduate in B.A (Corporate) (1986-88) from A.M. Jain College, Chennai. He became a Member in the Institute of Chartered Accountants of India in 1992 and presently a fellow member of Institute of Chartered Accountants of India. He is a Director in JBM Properties Limited from 1996, Director (Finance) in JBM Shelters (P) Ltd from 2006 taking charge of Finance and Accounts Departments. Also he is a Director in Bafna Lifestyle Remedies Ltd from 2012. He has attended various National and International seminars on Audit, Finance and Capital Market. He has over two decades of experience in Taxation and Capital Market. He brings with him rich experience in Taxation,

	Accounts, Capital Market, Finance & Banking.
Names of other public company(ies) in which directorship held	JBM Properties Limited Bafna Lifestyles Remedies Limited
Total shares held by him in the company	NIL
Relationship with other directors in the company	NA

By Order of the Board of Directors
For Bafna Pharmaceuticals Limited

Place: Chennai
Date: 30.05.2014

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

Attendance Slip

BAFNA PHARMACEUTICALS LIMITED

CIN: L24294TN1995PLC030698

Regd. Office: New No. 68, Old No. 299, Thambu Chetty Street, Chennai – 600 001

Ph: 044-25267517 / 25270992 Fax:044-25231264 Email: info@bafnapharma.com Website: bafnapharma.com

ATTENDANCE SLIP

19th 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 Nineteenth Annual General Meeting held on Wednesday the 10th day of September, 2014 at 10.30 AM at Narada Gana Sabha (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai – 600018 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 AGM.

BAFNA PHARMACEUTICALS LIMITED**CIN: L24294TN1995PLC030698****Regd. Office:** New No. 68, Old No. 299, Thambu Chetty Street, Chennai – 600 001**Ph: 044-25267517 / 25270992 Fax:044-25231264 Email: info@bafnapharma.com Website: bafnapharma.com****PROXY FORM****(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014****19th 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 19th Annual general meeting of the company, to be held on Wednesday the 10th day of September, 2014 at 10.30 AM at Narada Gana Sabha (Mini Hall), 314, T.T.K. Road, Alwarpet, Chennai – 600018 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, 2014 including the audited Balance Sheet as at 31 st March, 2014, the audited Statement of Profit and Loss for the year ended on that date, notes thereto, together with the reports of the Board of Directors and Auditors thereon			
2	Appointment of a Director in the place of Shri Bafna Mahaveer Chand (DIN: 01458211), who retires by rotation and being eligible, offers himself for re-			

	appointment as a Director			
3	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			
4	Appoint M/s. Abhay Jain & Co., Chartered Accountants, Chennai			
5	Appoint Mr. V.Rajamani as an Independent Director			
6	Appoint Mr. R. Dwarakanathan as an Independent Director			
7	Appoint Mr. Sunil Bafna as an Independent Director			
8	Appoint Mr. B Kamlesh Kumar as an Independent Director			
9	To provide authority to the Board of Directors for borrowing money upto Rs. 150 Crores (Rupees One Hundred & Fifty Crore Only)			
10	To approve creation of charge/security over the assets/undertaking of the Company in respect of borrowings			
11	To ratify Cost Auditors Remuneration			

Signed this..... day of..... 2014

Affix 1
Rupee
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: (i) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

(ii) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



Raricap* *The Legacy Continues...*



Awards & Achievements

- 2010** Our CMD **Mr. Bafna Mahaveer Chand** was awarded the National Level Entrepreneurship Excellence Award (Manufacturing Sector) from the SME Chamber of India
- 2011** Bafna received the prestigious Quality Excellence Award 2010 from IDMA (Indian Drug Manufacturers Association)
- Our CMD **Mr. Bafna Mahaveer Chand** received the highly acclaimed "Udyog Rattan Award" & the company received "Excellence Award" from IES
- 2012** Our CMD **Mr. Bafna Mahaveer Chand** received "PIONEER 2012" Award from "THE TIMES GROUP" for his contribution towards the success of Healthcare in TamilNadu
- 2013** Bafna received the prestigious Certificate Excellence from 16th State Pharmaceuticals Corporation (SPC) Suppliers Convention 2013, Sri Lanka.



If undelivered, please return to:



BAFNA PHARMACEUTICALS LTD.,

Regd. Off: New No 68, Old No. 299, Thambu Chetty Street, Chennai - 600 001.

Ph: 044 42677555 Fax: 044 42677599 Email: info@bafnapharma.com Web: www.bafnapharma.com