

FINANCIAL YEAR - 2022-23



2023

28th
ANNUAL
REPORT



BAFNA PHARMACEUTICALS LIMITED

**28th ANNUAL REPORT
FINANCIAL YEAR 2022-23**

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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.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF BAFNA PHARMACEUTICALS LIMITED WILL BE HELD ON FRIDAY, THE 22 OF SEPTEMBER 2023, AT 10:25 AM (IST) THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1:

Adoption of Financial Statements:

To receive, consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2023, the Reports of the board of Directors' and Auditor's thereon.

ITEM NO. 2:

To appoint Mrs. Akila Chintalapati Raju (DIN: 07590312) as director liable to retire by rotation and being eligible offers herself for re-appointment.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT Mrs. Akila Chintalapati Raju, (DIN: 07590312), Director liable to retire by rotation at this meeting, being eligible and willing, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions, as an Ordinary Resolution:

ITEM NO. 3:

To appoint M/s N Sivashankaran & Co., Cost Accountant as cost auditor of the Company and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, payment of Rupees 75,000/- (Seventy-five thousand Rupees only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actual, to M/s SIVASHANKARAN & Co., Cost Accountants (FRN 100662) who have been appointed by the Board pursuant to the recommendation of Audit Committee as Cost Auditor of the Company for conducting the cost audit of the accounts for the financial year 2023-24 be and is hereby ratified.

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

ITEM NO. 4:

Appointment of Shri Vinayak Dinesh Dendukuri (DIN: 07601309) as a Director and Whole-time Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions, as an Ordinary Resolution:

"RESOLVED THAT Shri Vinayak Dinesh Dendukuri (DIN: 07601309) be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other Rules thereunder read with Schedule V of the said Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof,

and related clauses of Articles of Association of the Company, as amended from time to time, approval of the Members of the Company be and is hereby accorded for the appointment of Shri Vinayak Dinesh Dendukuri (DIN: 07601309) as the Whole-time Director of the Company for a period of 5 years i.e., up to June 25, 2028, not exceeding the period as prescribed under Section 196 of the Act, if any, by the Company at a remuneration of Rs. 36, 00,000/- (Thirty-six Lakhs only) as cost-to-company basis, provided however that the remuneration payable to Shri Vinayak Dinesh Dendukuri, shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013, including any amendment(s) modification(s), variation(s) or re-enactment(s) thereof from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such as acts, deeds, matters and things and execute all such agreements, documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Directors(s) or Committee of Directors to give effect to the aforesaid resolution."

ITEM NO. 5:

Appointment of Mr. Upendar Mekala Redday (DIN: 08898174) as a Non-executive Director of the Company.

To consider and if though fit, to pass, with or without modification(s), the following Resolutions, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) or amendment(s) thereof for the time being in force) and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Upendar Mekala Redday (DIN: 08898174), who was appointed by the Board of Directors as an Additional Director (Non-executive and Non-independent) of the Company with effect from June 26, 2023, pursuant to the provisions of Section 161 of the Companies Act and Articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director (Non-executive and Non-independent) of the Company, liable to retire by rotation."

As Special Resolution

ITEM NO. 5:

Appointment of Mr. Krishna Yeachuri (DIN: 00066898) as a Non-executive Independent Director of the Company.

To consider and if though fit, to pass, with or without modification(s), the following Resolutions, as an Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the "Act"), Rules made thereunder read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16(1)(b) and 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments(s), modification(s), variation(s) or re-enactment(s) thereof, the appointment of Mr. Krishna Yeachuri (DIN: 00066898) who meets the criteria of independence and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, for a tenure of five years and whose office shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as applicable till the end of his tenure in terms of the offer of his appointment.

By Order of the Board of Directors
For Bafna Pharmaceuticals Limited
Sd/-

Place: Chennai.

Date: August 11, 2023.

Vishnu Vasudeva Kuppia
Company Secretary & Compliance Officer

NOTES:

1. In accordance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No.02/2022 dated May 5, 2022 and the latest being General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as "MCA circulars"), applicable provisions of the Companies Act, 2013 and the rules made thereunder and the latest SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), companies are allowed to hold Annual General Meeting (AGM) through Video Conference (VC)/Other Audio Visual Means (OAVM) ("VC"), without the physical presence of Members at a common venue. The Registered office of the Company shall be deemed to be the venue for the AGM. Hence, in compliance with the above-mentioned Circulars, the AGM of the Company is being held through VC.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act ") and Regulation 17(11) and 36(3) of SEBI (LODR) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, setting out the material facts concerning agenda No. 3 and special business under agenda Nos.3 to 6 in the Notice, are annexed.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy, to attend and vote on his/her behalf, and such proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available and hence the Route map, Proxy Form and Attendance Slip are not annexed to this Notice. In case of joint holders attending/participating in the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-Voting by the first holder.

The attendance of the Members participating in the AGM through VC will be recorded digitally. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. Pursuant to Regulation 42 of SEBI (LODR) September 08, 2023, (Friday) is fixed as the 'Cut-Off Date' for determining entitlement of the Members to cast and attend the 28th Annual General Meeting for the FY 2022-23.
5. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2022-23 are being sent only through electronic mode to those Members whose email address are registered with the Company/ RTA/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.bafnapharma.com website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of CDSL www.evotingindia.com.
6. All documents referred to in this Notice and other statutory registers like Register of Directors and Key Managerial Personnel and their shareholdings (Section 170 of the Act), the Register of Contracts or Arrangements in which the Directors are interested (Section 189 of the Act) etc. maintained, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., September 22, 2023. Members seeking to inspect such documents can send an email to cs@bafnapharma.com. The

said documents would also be available online for inspection during the AGM at the CDSL e-Voting portal www.evotingindia.com.

7. Pursuant to Regulation 36 of the SEBI (LODR), additional information/particulars, in respect of the directors seeking appointment/ re-appointment of directors at the AGM are furnished in the explanatory statement forming part of this Notice. The directors have furnished consent(s)/ declaration(s) for their appointment/ re-appointment as required under the Companies Act, 2013 and related Rules.
8. The Members desirous of obtaining information, if any, with regard to the audited annual accounts of the Company for the financial year 2022-23 or on any other related subject may write to the Company at e-mail IDs; profit@bafnapharma.com or cs@bafnapharma.com at least 15 days before the date fixed for the AGM, so that the information required could be kept ready.
9. The Board has appointed Shri Pankaj Metha, Practicing Company Secretary (CP No.10598), as the Scrutinizer for ensuring e-Voting in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman (who shall countersign the same) after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), within 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL and RTA. The same will also be displayed on the Company's website www.bafnapharma.com and on the website of CDSL www.evotingindia.com. The Company has availed the services of CDSL for arrangement of the AGM on VC to enable the Members to participate in the meeting in terms of the MCA Circulars cited above. Also, the Company has provided a facility to the members to exercise their rights to vote electronically through electronic voting service facility provided by CDSL.
10. Voting through electronic means (e-Voting): Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided a facility to the Members to exercise their right to vote electronically through electronic voting (e-Voting) service facility provided/made available by the Central Depository Services Limited (CDSL). The facility for voting through electronic voting system will also be made available during the Annual General Meeting (AGM) and the Members who have not already cast their votes by remote e-Voting shall be able to exercise their right to vote during said AGM through e-Voting. Members who have cast their votes by remote e-Voting prior to the AGM may attend the AGM on VC but shall not be allowed to vote again. The instructions for e-Voting are annexed to the Notice.

Since the AGM is being conducted through VC the said resolutions will not be voted on show of hands during the AGM in terms of Section 107 of the Companies Act, 2013. The manner of voting remotely, by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses, is provided in the instructions for e-Voting as below: The instructions for remote e-Voting and joining AGM areas under:

- i. The remote e-Voting period commences on Tuesday, September 19, 2023 (9:00 a.m. IST) and ends on Thursday September 21, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 08, 2023 i.e. cut-off date, may cast their vote electronically. The remote e-Voting module shall be disabled by CDSL for voting thereafter. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- ii. Process and manner for remote e-Voting are explained herein below: **Step 1:** Access to CDSL e-Voting system **Step 2:** Cast your

vote electronically and join virtual meeting on CDSL e-Voting system. **Step 3:** Access to CDSL e-Voting system are mentioned below:

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in DEMAT mode are allowed to vote through their DEMAT account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 3: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting