



BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE: 044-25267517/25270992/42677555, FAX: 91-44-25231264, email: info@bafnapharma.com, Website, www.bafnapharma.com
CIN : L24294 TN1995PLC030698

Date: 17th July 2020

Mr. Harshad Naik
Assistant Manager
Listing Compliance
BSE Limited, P J Towers, Dalal Street, Mumbai -400001,
Security code : 532989
Security ID : BAFNAPHARMA

Dear Sir,

Sub.:- Discrepancies in consolidated Financial Results

We acknowledge the receipt of your email dated 17th July 2020 and submit as under:

Discrepancy: Declaration or Statement of Impact of Audit Qualifications not submitted

Our reply: please find attached outcome of board meeting along with Statement of Impact of Audit Qualifications.

Thanking you.

Yours faithfully,
For BAFNA PHARMACEUTICALS LIMITED


Jitendra Kumar Pal
Company Secretary



BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE: 044-25267517/25270992/42677555, FAX: 91-44-25231264, email: info@bafnapharma.com, Website, www.bafnapharma.com
CIN : L24294 TN1995PLC030698

Date: 25th June 2020

Listing Department BSE Limited P J Towers Dalal Street, Mumbai – 400 001	Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
Security code : 532989 Security ID : BAFNAPHARM	Symbol : BAFNAPHARM Series : EQ

Dear Sir,

Sub.:- Outcome of the Board meeting held on 25th June 2020

Ref.:- Regulation 30 read with Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

The Board of Directors of the Company at their meeting held on today inter-alia transacted the following business.:-

1. AUDITED FINANCIAL RESULT

Approval of audited financial results of the Company for the quarter and year ending 31st March 2020. M/s. R. Sathyanarayanan & Co, the Statutory Auditors of the Company have issued Audit Report with modified opinion along with Statement on impact of Modified opinion thereon.

Please find enclosed 'Audited Financial Results, Audit Report, 'Statement of Assets & Liabilities' and Statement on Impact of Modified Opinion thereon for the year ended on March 31, 2020.

2. ANNUAL GENERAL MEETING

The 25th Annual General Meeting of the members of the Company is scheduled to be held on Friday the 31st July 2020.





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3. CLOSURE OF REGISTER OF MEMBERS

The Register of members will be closed from 25th July 2020 to 31st July 2020 (both days inclusive)

4. Appointment of Mr. Palamadi Krishnan Sundaresan (DIN:06954189) as an Independent Director with effect from 25th June 2020. Details as per (Annexure-1)

Annexure-1

Sl no	Details of events that needs to be provided	Name of director - Mr. Palamadi Krishnan Sundaresan (DIN:06954189)
1	Reason for change viz. appointment, resignation removal, death or otherwise;	Appointed as Non-executive, Independent Director of the Company.
2	Date of appointment/cessation (as applicable) & Term of appointment;	Date of appointment: 25 th June 2020 Terms of appointment: Five years
3	Brief profile (in case of appointment)	Mr. Palamadi Krishnan Sundaresan (DIN:06954189) is Cost and Management Accountancy (FCMA) and Company Secretary (FCS) having experience of more than 40 years in Finance, Commercial and Operation & General Management with Intensive experience in Process industries
4	Disclosure of relationship between directors (in case of appointment a director).	Not related to any Director of the Company

5. Resignation of Mr. Rajamani V (DIN: 00052868) as an Independent Director with effect from 25th June 2020.





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6. The Board has approved for reconstitution of Committee of Board of Directors. The composition of new Committees are as follows:
- Audit Committee

SI No	Name of Director	Designation
1	Mr. Babulal Kamlesh Kumar	Chairman
2	Mr. Palamadi Krishnan Sundaresan	Member
3	Mr. Paras Bafna	Member

- Nomination and Remuneration Committee

SI No	Name of Director	Designation
1	Mr. Sunil Bafna	Chairman
2	Mr. Babulal Kamlesh Kumar	Member
3	Mr. Palamadi Krishnan Sundaresan	Member

7. Approved the striking off / winding up of subsidiary company i.e Bafna Life Styles Remedies Limited. The Company will not publish consolidated result from next quarter (June 2020_21) onwards.

The Board Meeting commenced at 12.30 Hours and concluded at 2.45 P.M.

Thanking you.

Yours faithfully,

For BAFNA PHARMACEUTICALS LIMITED

Jitendra Kumar Pal
Company Secretary



BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)

Regd office: Old No: 299, New No: 68, THAMBU CHETTY STREET, CHENNAI- 600 001

(Rs. In Lakhs) except EPS

Audited Standalone Financial Results for the Year and Quarter Ended 31st March 2020

PART I	Sl.No	Particulars	Standalone				
			Quarter Ended			Year Ended	
			3 months ended (31-03-2020)	3 months ended (31-12-2019)	Corresponding 3 months ended (31.03.2019)	For the Year ended (31.03.2020)	For the Year ended (31.03.2019)
	Audited	Unaudited	Audited	Audited	Audited		
	I	Revenue From operations	1,313.28	1,092.52	1,307.49	4,247.24	4,335.89
	II	Other Income	(67.06)	3.29	31.01	25.53	65.36
	III	Total Income (I+II)	1,246.23	1,095.82	1,338.50	4,272.78	4,401.25
	IV	EXPENSES					
	a)	Cost of materials consumed	640.74	804.82	961.26	3,024.25	3,329.44
	b)	Purchases of Stock-in-Trade	-	1.90	(0.00)	1.90	46.36
	c)	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(172.28)	(93.54)	(70.19)	(323.78)	81.14
	d)	Employee benefits expense	308.26	241.94	221.99	1,025.16	901.29
	e)	Finance costs	2.52	(10.10)	46.35	9.55	342.17
	f)	Depreciation and amortization expenses	52.49	100.12	90.22	326.66	212.64
	g)	Other expenses	111.60	115.33	77.21	396.84	1,311.18
		Total expenses (IV)	943.33	1,160.47	1,326.83	4,460.58	6,224.22
	V	Profit/(loss) before exceptional items and tax (I-IV)	302.90	(64.66)	11.67	(187.80)	(1,822.97)
	VI	Exceptional Items	160.79	2,171.78	-	2,332.56	-
	VII	Profit/ (loss) After exceptions items and tax(V-VI)	142.11	(2,236.43)	11.67	(2,520.36)	(1,822.97)
	VIII	Tax expense:					
		(1) Current tax	-	-	-	-	150.07
		(2) Deferred tax	157.78	(3.52)	5.33	-	-
	IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)
	X	Profit/(loss) from discontinued operations	-	-	-	-	-
	XI	Tax expenses of discontinued operations	-	-	-	-	-
	XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
	XIII	Profit/(loss) for the period (IX+XII)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)
	XIV	Other Comprehensive Income					
		A. (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
		B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-
		(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	XV	Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive income for the period)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)
	XVI	Earnings per equity share (for continuing operation):					
		(1) Basic	(0.66)	(9.44)	0.03	(106.54)	(8.34)
		(2) Diluted	(0.66)	(9.44)	0.03	(106.54)	(8.34)
	XVII	Earnings per equity share (for discontinued operation):					
		(1) Basic	-	-	-	-	-
		(2) Diluted	-	-	-	-	-
	XVIII	Earning per equity share (for discontinued & continuing operation)					
		(1)Basic	(0.66)	(9.44)	0.03	(106.54)	(8.34)
		(2) Diluted	(0.66)	(9.44)	0.03	(106.54)	(8.34)

1. The above Year ended 31st March 2020 and quarterly financial results are Audited and recommended by the Audit Committee and subsequently approved by the Board of Directors at their Meeting held on 25.06.2020

2. Status of Investor Complaints.:

I	Opening balance	NIL
II	Pending at the beginning of the quarter	NIL
III	No. of complaints received and disposed off during the quarter	NIL
IV	Complaints pending at the end of the quarter	NIL

3. The Company operates only in one segment, ie. Pharmaceutical formulations, as such reporting is done on a single segment basis

4. The above figures have been regrouped and Re- arranged Wherever considered necessary

5. The figures of the Quarter are the balancing figures in respect of the Financial year and the published year to date figures upto the Fourth quarter of the Financial year.

6. The Unlisted subsidiary Company does have any operations and assets. As a result, There is diminition in the Value of Investment and hence Value Considered as NIL. The Board of Directors in the meeting held on 25.06.2020 decided to Strike off the Subsidiary Company in the ensuing Year.

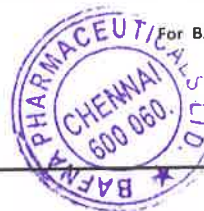
7. Due to migration from a normal accounting package to SAP system, the Company has not valued inventories on the basis of IND AS 2 principles. However, since SAP is fully functional for and from the Financial year 2020-21, the inventory valuation would be streamlined to comply with the standard, and the impact would be quantified appropriately.

8. Pursuant to the approval of the Resolution Plan by the NCLT, the company has implemented the plan. In accordance with the same, the Company has written off and written back certain assets and Liabilities and net effect of the same is shown under the Head "Exceptional Items".

9. The company received substantial Money to implement the Resolution Plan and the balance money was received during the lock down period. Further the delays, there were some in delays obtaining approvals from Stock Exchanges with regard to Reduction of Share Capital and listing approval and also the Lock down resulted in delay in allotment of shares.

10. The extent to which the COVID 19 pandemic will impact the company's future results will depend on developments, which are highly uncertain, including among other thing, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.

Place: Chennai
Date: 25.06.2020



For BAFNA PHARMACEUTICALS LIMITED

SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN No: 01458211

BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)
Regd office: Old No: 299, New No: 68, THAMBU CHETTY STREET, CHENNAI- 600 001
Standalone Balance Sheet as on

Particulars	(Rs. In Lakhs)	
	Stand Alone	
	As at 31st March 2020	As at 31 st March 2019
	Audited	Audited
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	3,496.91	3,701.90
(b) Capital Work-in-Progress	21.21	
(c) Goodwill		
(d) Other Intangible Assets		
(e) Financial Assets		
(i) Investments	-	143.00
(ii) Trade Receivables		
(iii) Loans		
(iv) Other financials assets		3,295.33
(g) Other Non-Current Assets		99.50
Total Non-Current Assets	3,518.11	7,239.73
Current Assets		
(a) Inventories	1,141.15	928.23
(b) Financials Assets		
(i) Investments		
(ii) Trade Receivables	603.48	2,483.37
(iii) Cash and Cash Equivalents	848.02	270.19
(iv) Bank balance other than mentioned above		
(v) Loans		
(vi) Other financials assets	-	
(c) Other Current Assets	995.34	1,142.44
(d) Assets classified as held for sale		
Total Current Assets	3,587.98	4,824.24
Total Assets (1+2)	7,106.10	12,063.97
EQUITY AND LIABILITIES		
(a) Equity Capital	236.56	2,365.63
(b) Other Equity	(677.60)	(286.32)
(c) Equity Share Warrants	5,535.58	-
Equity Attributable to Equity Shareholders	5,094.55	2,079.32
(d) Non controlling Interests	-	-
Total Equity	5,094.55	2,079.32
Liabilities		
(a) Non-Current Liabilities		
(i) Financial Liabilities		
- Borrowings	301.76	2,298.82
- Trade Payable		
- Other Financial Liabilities		
(ii) Provisions		
(iii) Deferred Tax Liabilities (Net)		617.87
(iv) Other non-current liabilities		3.00
Total Non-Current Liabilities	301.76	2,919.69
(b) Current Liabilities		
(i) Financial Liabilities		
- Borrowings		2,323.97
- Trade Payable	1,254.14	3,942.40
- Dues to micro and small enterprises		
- Dues to Others		
- Other Financial Liabilities		
(ii) Other Current Liabilities	455.65	798.58
(iii) Provisions		
(iv) Current Tax Liabilities (net)		
Total Current Liabilities	1,709.79	7,064.95
Total Liabilities		
Total Equity and Liabilities	7,106.10	12,063.97

For BAFNA PHARMACEUTICALS LIMITED



Place : Chennai
Date : 25.06.2020

SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN:01458211

BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)

Regd office: Old No: 299, New No: 68, THAMBU CHETTY STREET, CHENNAI- 600 001

Standalone Cash flow Statement

(Rs. In Lakhs)

Particulars	Stand Alone	
	As at 31st March 2020	As at 31st March 2019
	Audited	Audited
Cash Flow from Operating Activities:		
Net Profit Before Tax and Including Exceptional Items	(187.80)	(1,822.97)
Adjustments for:		
Depreciation	326.66	342.17
Interest Paid	9.55	212.64
Interest Received	(3.94)	(11.72)
Other Income	(20.84)	-
Lease Rent Received	(0.75)	(0.75)
Exceptional items- Impact of impairment of Financial assets	(2,332.56)	0.00
Operating Profit before Working Capital Changes	(2,209.69)	(1,280.63)
Adjustment For:		
(Increase)/decrease in Inventories	(212.92)	139.19
(Increase)/decrease in Trade Receivables	1,879.90	(55.43)
(Increase)/decrease in Short Term Loans and Advances	147.11	(79.27)
Increase/[decrease] in Trade Payables	(2,688.26)	1,159.92
Increase/[decrease] in Other Current Liabilities	(342.93)	6.72
Cash generated from Operation	(3,426.80)	(109.50)
Less: Tax Paid	-	-
Net Cash Used in Operating Activitiy (A)	(3,426.80)	(109.50)
Cash Flow from Investing Activities:		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(142.88)	(33.31)
Other Income	20.84	-
Interest Received	3.94	11.72
Lease Rent received	0.75	0.75
Changes in Long Term Loans and Advances	3,295.33	437.46
Change in Other Non- Current Assets	99.50	(63.43)
Net Cash used in Investing Activities (B)	3,277.48	353.19
Cash Flow from Financing Activities		
Issue of Shares, Warrants & Application Activities	5,535.58	-
Changes in Long Term Borrowings	(2,000.00)	(26.12)
Changes in Short Term Borrowings	(2,323.97)	(5.14)
Interest Paid	(9.55)	(212.64)
Diminution in value of investment in subsidiary	143.00	-
Write back of Deferred tax liability	(617.87)	-
Net Cash from Financing Activities (C)	727.14	(243.90)
Net Increase/ [Decrease] In Cash or Cash Equivalents [A+B+C]	577.83	(0.21)
Opening Balance of Cash & Cash Equivalents	270.19	270.40
Closing Balance of Cash & Cash Equivalents	848.02	270.19

Note :

Pursuant to Insertion of New Clause under Regulation 33, Sub-regulation (3), the company has prepared Standalone Cash Flows statement for the Year Ended 31st March 2020. The Statement of Cash Flows for the Year ended 31st March 2020, as reported in the statement have been approved by the Company's Board of Directors.

For BAFNA PHARMACEUTICALS LIMITED

Place : Chennai
Date : 25.06.2020



SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN:01458211



R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

Ph.: 28112450 / 42132674
E-mail:rsathyas@gmail.com

Partners:

CA R. SATHYANARAYANAN, B.Com., F.C.A., ISA (ICAI).
CA R. SATHYANARAYAN, B.Com., F.C.A., ISA (ICAI).

2 (Old # 21), Ground Floor,
Lakshmipuram 2nd Street,
Royapettah, Chennai - 600 014.

independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Bafna Pharmaceuticals Limited

Opinion

1. We have audited the accompanying Quarterly and Year to Date Audited Standalone annual financial results ('the Statement') of Bafna Pharmaceuticals Limited ('the Company') for the quarter ended 31st March 2020 and the year ended 31 March 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIF/CFD/FAC/62/2016 dated 5 July 2016 (here in after referred to as 'the SEBI Circular); and

(ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued there under, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020, *except in respect of the following:*

- *Quantification and valuation of Work in progress (WIP) is computed on estimated basis by the Management, and not on as per methodologies prescribed as per IND AS 2. Inventory costing system in the production units have to be streamlined.*
- *The Company has not followed or complied with the Impairment principles prescribed as per IND AS 109 in respect of write off and write back of financial assets.*





R. SATHYANARAYANAN & Co.
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Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

We draw attention to Note no 9 of the accompanying Standalone Ind AS financial results, which expresses caution and the need to monitor the impact of the COVID-19 pandemic on the Company's financial estimates as well as future economic conditions. Our opinion is not modified in respect of this matter.

Management's and Those Charged with Governance responsibilities for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations including SEBI Circular. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

5. In preparing the Statement, the Board of Directors is 'responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





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6. The Board of Directors is also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial results, or, if such disclosures are inadequate, to modify our opinion.





R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

Partners:

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- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieve fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published un-audited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us, as required under the Listing regulations.

For R. SATHYANARAYANAN & CO.
Chartered Accountants
ICAI Regn. No. 003656S

Partner
R. Sathyanarayan
M. No. 028377

R. SATHYANARAYANAN & CO.
Chartered Accountants
No. 2, (Old No. 21), Ground Floor,
Lakshmipuram 2nd Street,
Royapettah, Chennai - 600 014.

UDIN: 20028377AAAAA G 9231

Place: Chennai
Date: 25th June 2020



BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE: 044-25267517/25270992/42677555, FAX: 91-44-25231264, email: info@bafnapharma.com, Website, www.bafnapharma.com
CIN : L24294 TN1995PLC030698

BAFNA PHARMACEUTICALS LIMITED

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020 ON ANNUAL AUDITED STANDALONE FINANCIAL RESULTS

Qualifications in the Auditors Report

The Board of Bafna Pharmaceuticals Limited, have dealt with the matter stated in the qualifications in statutory auditors report on the standalone financial results of Bafna Pharmaceuticals Limited for the year ended 31st March 2020 (the Standalone Annual Results) included in the Statement of Standalone Financial Results (the Standalone Statement) to the extent information was available with them.

Rs. In Lakhs

Sl no	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
1	Turnover/ Total Income	4272.78	Not determinable
2	Total Expenditure	4460.58	Not determinable
3	Net Profit/ (Loss)	(2520.36)	Not determinable
4	Earnings per share	(106.54)	Not determinable
5	Total assets	7106.10	Not determinable
6	Total Liabilities	7106.10	Not determinable
7	Net Worth	5094.55	Not determinable
8	Any other financial items (as felt appropriate by the management)	-	-

Qualification of the Auditors Report

1. Details of Audit Qualification:

- Quantification and valuation of Work in progress (WIP) is computed on estimated basis by the Management, and not on as per methodologies prescribed as per IND AS 2. Inventory costing system in the production units have to be streamlined.*





BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
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CIN : L24294 TN1995PLC030698

b. *The Company has not followed or complied with the Impairment principles prescribed as per IND AS 109 in respect of write off and write back of financial assets*

Type of Audit Qualification:

Qualified Opinion

2. Frequency of qualification
First time

3. For Audit Qualification(s) where the impact is quantified by the auditor,
Management's views:
Not applicable

4. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification:
Not quantifiable

ii) if management is unable to estimate the impact, reason for the same:

Reply for 1.a –

Due to migration from normal accounting package to SAP system, the Company has not valued inventories on the basis of IND AS2 principle. However since SAP is fully functional for and from the financial year 2020-21, the inventory valuation would be streamlined to comply with the standard and the impact would be quantified appropriately.





BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE: 044-25267517/25270992/42677555, FAX: 91-44-25231264, email: info@bafnapharma.com, Website, www.bafnapharma.com
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Reply for 1.b -

Pursuant to the approval of the Resolution Plan by the NCLT, Chennai, Wherein the Resolution Applicant – Mr. Bafna Mahaveer Chand had Appealed for Certain Write offs and Write backs of assets and Liabilities (based on business prudence and Judgement). In accordance with the same, the Company has written off and written back certain assets and Liabilities and net effect of the same is shown under the Head ' Exceptional Items".

iii) Auditor's Comments on (i) or (ii) above

NIL

For and on behalf of the Board of Directors of Bafna Pharmaceuticals Limited			
SD/- Mahaveer Chand Bafna Managing Director	SD/- M. Sridhar CFO	SD/- V. Rajamani Chairman of Audit Committee	For M/s.Sathyanarayanan&Co Chartered Accountants Regn No: 0003656S SD/- R.Sathyanarayan Partner.
DIN:01458211		DIN:00052868	M.No: 028377

Date: 25th June 2020

Place: Chennai



BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)

Regd office: Old No: 299, New No: 68, THAMBU CHETTY STREET, CHENNAI - 600 001

(Rs. In Lakhs) except EPS

Audited Standalone and Consolidated Financial Results for the Year and Quarter Ended 31st March 2020

PART I	PARTICULARS	Standalone					Consolidated			
		Quarter Ended			Year Ended		Quarter Ended		Year Ended	
		3 months ended (31-03-2020)	3 months ended (31-12-2019)	Corresponding 3 months ended (31.03.2019)	For the Year ended (31.03.2020)	For the Year ended (31.03.2019)	Consolidated Upto 3 months ended (31.03.2020)	Consolidated Upto 3 months ended (31.12.2019)	For the Year ended (31.03.2020)	For the Year ended (31.03.2019)
Sl.No	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	
		1,313.28	1,092.52	1,307.49	4,247.24	4,335.89	1,313.28	1,092.52	4,247.24	4,335.89
I	Revenue From operations	(67.06)	3.29	31.01	25.53	65.36	(67.06)	3.29	25.53	65.36
II	Other Income	1,246.23	1,095.82	1,338.50	4,272.78	4,401.25	1,246.23	1,095.82	4,272.78	4,401.25
III	Total Income (I+II)									
IV	EXPENSES									
a)	Cost of materials consumed	640.74	804.82	961.26	3,024.25	3,329.44	640.74	804.82	3,024.25	3,329.44
b)	Purchases of Stock-in-Trade	-	1.90	(0.00)	1.90	46.36	-	1.90	1.90	46.36
c)	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(172.28)	(93.54)	(70.19)	(323.78)	81.14	(172.28)	(93.54)	(323.78)	81.14
d)	Employee benefits expense	308.26	241.94	221.99	1,025.16	901.29	308.26	241.94	1,025.16	901.29
e)	Finance costs	2.52	(10.10)	46.35	9.55	342.17	2.52	(10.10)	9.55	212.66
f)	Depreciation and amortization expenses	52.49	100.12	90.22	326.66	212.64	52.49	100.12	326.66	347.62
g)	Other expenses	111.60	115.33	77.21	396.84	1,311.18	112.13	115.33	397.38	1,312.03
	Total expenses (IV)	943.33	1,160.47	1,326.83	4,460.58	6,224.22	943.86	1,160.47	4,461.11	6,230.53
V	Profit/(loss) before exceptional items and tax (I-IV)	302.90	(64.66)	11.67	(187.80)	(1,822.97)	302.36	(64.66)	(188.34)	(1,829.28)
VI	Exceptional Items	160.79	2,171.78	-	2,332.56	-	84.13	2,171.78	2,255.91	100.99
VII	Profit/ (loss) before exceptions items and tax(V-VI)	142.11	(2,236.43)	11.67	(2,520.36)	(1,822.97)	218.23	(2,236.43)	(2,444.24)	(1,728.29)
VIII	Tax expense:									
	(1) Current tax	-	-	-	-	150.07	-	-	-	106.74
	(2) Deferred tax	157.78	(3.52)	5.33	-	-	157.78	(3.52)	-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)	60.45	(2,232.91)	(2,444.24)	(1,835.03)
X	Profit of Non controlling Interest /Minority Interest	-	-	-	-	-	(28.69)	-	(28.69)	(52.01)
XII	Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-
XIII	Tax expenses of discontinued operations	-	-	-	-	-	-	-	-	-
XIV	Profit/(loss) from Discontinued operations (after tax) (X-XI)									
XV	Profit/(loss) for the period (IX+XII)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)	31.76	(2,232.91)	(2,472.93)	(1,887.05)
XVI	Other Comprehensive Income									
	A. (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit	-	-	-	-	-	-	-	-	-
XVII	Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive Income for the period)	(15.67)	(2,232.91)	6.34	(2,520.36)	(1,973.04)	31.76	(2,232.91)	(2,472.93)	(1,887.05)
XVIII	Earnings per equity share (for continuing operation):									
	(1) Basic	(0.66)	(9.44)	0.03	(106.54)	(8.34)	0.20	(14.02)	(15.52)	(11.44)
	(2) Diluted	(0.66)	(9.44)	0.03	(106.54)	(8.34)	0.20	(14.02)	(15.52)	(11.44)
	Earnings per equity share (for discontinued operation):									
	(1) Basic	-	-	-	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-	-	-	-
	Earning per equity share (for discontinued & continuing operation)									
	(1)Basic	(0.66)	(9.44)	0.03	(106.54)	(8.34)	0.20	(14.02)	(15.52)	(11.44)
	(2) Diluted	(0.66)	(9.44)	0.03	(106.54)	(8.34)	0.20	(14.02)	(15.52)	(11.44)



1 The above Consolidated and Standalone Year ended 31st March 2020 and Quaterly financial results are Audited and recommended by the Audit Committee and subsequently approved by the Board of Directors at their Meeting held on 25.06.2020

2 Status of Investor Complaints :

I Opening balance	NIL
II Pending at the beginning of the quarter	NIL
III No. of complaints received and disposed off during the quarter	NIL
IV Complaints pending at the end of the quarter	NIL

3 The Company operates only in one segment, i.e. Pharmaceutical formulations, as such reporting is done on a single segment basis

4 The above figures have been regrouped and Re-arranged Wherever considered necessary.

5 The figures of the Quarter are the balancing figures in respect of the Financial year and the published year to date figures upto the Fourth quarter of the Financial year.

6 Due to migration from a normal accounting package to SAP system, the Company has not valued inventories on the basis of IND AS 2 principles. However, since SAP is fully functional for and from the Financial year 2020-21, the inventory valuation would be streamlined to comply with the standard and the impact would be quantified appropriately.

7 Pursuant to the approval of the Resolution Plan by the NCLT, the company has implemented the plan. In accordance with the same, the Company has written off and written back certain assets and Liabilities and net effect of the same is shown under the Head 'Exceptional Items'.

8 The company received substantial Money to implement the Resolution Plan and the balance money was received during the lock down period. Further the delays, there were some in delays obtaining approvals from Stock Exchanges with regard to Reduction of Share Capital and listing approval and also the Lock down resulted in delay in allotment of shares.

9 The extent to which the COVID 19 pandemic will impact the company's future results will depend on developments, which are highly uncertain, including among other thing, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.

For BAFNA PHARMACEUTICALS LIMITED

Place: Chennai
Date: 25.06.2020



SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN No: 01458211

BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)

Regd office: Old No: 299, New No: 68, THAMBU CHETTY STREET, CHENNAI- 600 001
Standalone and Consolidated Balance Sheet as on

(Rs. In Lakhs)

Particulars	Stand Alone		Consolidated	
	As at 31st March 2020	As at 31 st March 2019	As at 31st March 2020	As at 31 st March 2019
	Audited	Audited	Audited	Audited
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3,496.91	3,701.90	3,496.91	3,701.90
(b) Capital Work-in-Progress	21.21	-	21.21	-
(c) Goodwill			3.58	3.58
(d) Other Intangible Assets				
(e) Financial Assets				
(i) Investments		143.00	-	-
(ii) Trade Receivables				
(iii) Loans				
(iv) Other financials assets		3,295.33	-	3,295.33
(g) Other Non-Current Assets		99.50	-	99.50
Total Non-Current Assets	3,518.11	7,239.73	3,521.69	7,100.31
Current Assets				
(a) Inventories	1,141.15	928.23	1,141.15	928.23
(b) Financials Assets				
(i) Investments				
(ii) Trade Receivables	603.48	2,483.37	603.48	2,483.37
(iii) Cash and Cash Equivalents	848.02	270.19	848.07	271.32
(iv) Bank balance other than mentioned above				
(v) Loans				
(vi) Other financials assets	-			
(c) Other Current Assets	995.34	1,142.44	1,016.87	1,163.98
(d) Assets classified as held for sale				
Total Current Assets	3,587.98	4,824.24	3,609.57	4,846.90
Total Assets (1+2)	7,106.10	12,063.97	7,131.25	11,947.22
EQUITY AND LIABILITIES				
(a) Equity Capital	236.56	2,365.63	236.56	2,365.63
(b) Other Equity	(677.60)	(286.32)	(660.67)	(459.81)
(c) Equity Share Warrants	5,535.58	-	5,535.58	-
Equity Attributable to Equity Shareholders	5,094.55	2,079.32	5,111.47	1,905.82
(d) Non controlling Interests	-	-	8.07	(20.61)
Total Equity	5,094.55	2,079.32	5,119.54	1,885.21
Liabilities				
(a) Non-Current Liabilities				
(i) Financial Liabilities				
- Borrowings	301.76	2,298.82	301.76	2,298.82
- Trade Payable				
- Other Financial Liabilities				
(ii) Provisions				
(iii) Deferred Tax Liabilities (Net)		617.87	-	617.87
(iv) Other non-current liabilities		3.00	-	63.22
Total Non-Current Liabilities	301.76	2,919.69	301.76	2,979.91
(b) Current Liabilities				
(i) Financial Liabilities				
- Borrowings		2,323.97	-	2,323.97
- Trade Payable	1,254.14	3,942.40	1,254.14	3,955.86
- Dues to micro and small enterprises				
- Dues to Others				
- Other Financial Liabilities				
(ii) Other Current Liabilities	455.65	798.58	455.82	802.27
(iii) Provisions				
(iv) Current Tax Liabilities (net)				
Total Current Liabilities	1,709.79	7,064.95	1,709.96	7,082.09
Total Liabilities				
Total Equity and Liabilities	7,106.10	12,063.97	7,131.25	11,947.21

For BAFNA PHARMACEUTICALS LIMITED

Place : Chennai
Date : 25.06.2020



SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN:01458211

BAFNA PHARMACEUTICALS LIMITED (CIN L24294TN1995PLC030698)
Regd office: Old No: 299, New No: 6B, THAMBU CHETTY STREET, CHENNAI- 600 001
Standalone and Consolidated Cash flow Statement

(Rs. in Lakhs)

Particulars	Stand Alone		Consolidated	
	As at 31st March 2020	As at 31 st March 2019	As at 31st March 2020	As at 31 st March 2019
	Audited	Audited	Audited	Audited
Cash Flow from Operating Activities:				
Net Profit Before Tax and Including Exceptional Items	(187.80)	(1,822.97)	(188.34)	(1,829.29)
Adjustments for:				
Depreciation	326.66	342.17	326.66	347.62
Interest Paid	9.55	212.64	9.55	212.66
Interest Received	(3.94)	(11.72)	(3.94)	(11.72)
Other Income	(20.84)	-	(20.84)	-
Sundry Balance Write Back	0.00	-	0.00	(3.01)
Lease Rent Received	(0.75)	(0.75)	(0.75)	(0.75)
Exceptional items- Impact of impairment of Financial assets	(2,332.56)	0.00	(2,255.91)	0.00
Operating Profit before Working Capital Changes	(2,209.69)	(1,280.63)	(2,133.57)	(1,284.49)
Adjustment For:				
(Increase)/decrease in Inventories	(212.92)	139.19	(212.92)	139.19
(Increase)/decrease in Trade Receivables	1,879.90	(55.43)	1,879.90	(55.43)
(Increase)/decrease in Short Term Loans and Advances	147.11	(79.27)	147.11	(80.55)
Increase/(decrease) in Trade Payables	(2,688.26)	1,159.92	(2,701.72)	1,094.84
Increase/(decrease) in Other Current Liabilities	(342.93)	6.72	(409.67)	7.71
Cash generated from Operation	(3,426.80)	(109.50)	(3,430.87)	(178.72)
Less: Tax Paid	-	-	-	-
Net Cash Used in Operating Activity (A)	(3,426.80)	(109.50)	(3,430.87)	(178.72)
Cash Flow from Investing Activities:				
Sale of Fixed Assets	-	-	-	493.24
Purchase of Fixed Assets	(142.88)	(33.31)	(142.88)	(33.31)
Other Income	20.84	0.00	20.84	0.00
Interest Received	3.94	11.72	3.94	11.72
Lease Rent received	0.75	0.75	0.75	0.75
Sundry Balance Write Back	0.00	-	-	3.01
Changes in Long Term Loans and Advances	3,295.33	437.46	3,394.83	1,093.09
Change in Other Non Current Assets	99.50	(63.43)	0.00	(32.29)
Net Cash used in Investing Activities (B)	3,277.48	353.19	3,277.48	1,536.21
Cash Flow from Financing Activities				
Issue of Shares, Warrants & Application Activities	5,535.58	-	5,535.58	138.01
Changes in Long Term Borrowings	(2,000.06)	(26.12)	(1,997.06)	(1,258.15)
Changes in Short Term Borrowings	(2,323.97)	(5.14)	(2,323.97)	(5.14)
Interest Paid	(9.55)	(212.64)	(9.55)	(212.66)
Diminution in value of investment in subsidiary	143.00	-	143.00	-
Write back of Deferred tax liability	(617.87)	-	(617.87)	(43.33)
Net Cash from Financing Activities (C)	727.14	(243.90)	730.14	(1,381.27)
Net Increase/ [Decrease] in Cash or Cash Equivalents [A+B+C]	577.83	(0.21)	576.75	(23.79)
Opening Balance of Cash & Cash Equivalents	270.19	270.40	271.32	295.12
Closing Balance of Cash & Cash Equivalents	848.02	270.19	848.07	271.32

Note :

Pursuant to Insertion of New Clause under Regulation 33, Sub-regulation (3), the company has prepared Standalone Cash Flows statement for the Year Ended 31st March 2020. The Statement of Cash Flows for the Year ended 31st March 2020, as reported in the statement have been approved by the Company's Board of Directors.

For BAFNA PHARMACEUTICALS LIMITED

Place : Chennai
Date : 25.06.2020



SD/-
(BAFNA MAHAVEER CHAND)
Managing Director
DIN:01458211



R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

Ph.: 28112450 / 42132674

E-mail:rsathyas@gmail.com

Partners:

CA R. SATHYANARAYANAN, B.Com., F.C.A., ISA (ICAI),

CA R. SATHYANARAYAN, B.Com., F.C.A., ISA (ICAI).

2 (Old # 21), Ground Floor,
Lakshmipuram 2nd Street,
Royapettah, Chennai - 600 014.

Independent Auditor's Report on Quarterly and Annual Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Bafna Pharmaceuticals Limited

Opinion

1. We have audited the accompanying consolidated Quarterly and Annual financial results ('the Statement') of Bafna Pharmaceuticals Limited ('the Holding Company') and its subsidiary Company i.e Bafna Life Styles Remedies Limited (the Holding Company and its subsidiary together referred to as 'the Group') For the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. In our opinion and to the best of our information and according to the explanations given to us The Consolidated financial statements/ financial information of the Group:

(i) includes the annual financial results

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FACI62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'); and

(iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('IndAS') prescribed Under Section 33 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2020, *except in respect of the following:*

- *Quantification and valuation of Work in progress (WIP) of the parent Company is computed on estimated basis by the Management, and not on as per methodologies prescribed as per IND AS 2. Inventory costing system in the production units have to be streamlined.*
- *The Parent Company has not followed or complied with the Impairment principles prescribed as per IND AS 109 in respect of write off and write back of financial assets.*





R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

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CA R. SATHYANARAYAN, B.Com., F.C.A., ISA (ICAI),

2 (Old # 21), Ground Floor,
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Royapettah, Chennai - 600 014.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group and its associates, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

We draw attention to Note no 9 of the accompanying Consolidated Ind AS financial results, which expresses caution and the need to monitor the impact of the COVID-19 pandemic on the Company's financial estimates as well as future economic conditions. Our opinion is not modified in respect of this matter.

Management's and Those Charged with Governance Responsibilities for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, including SEBI Circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ Management of the companies included in the Group and its associates, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safe guarding of the assets of the Group, and its associates, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.





R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

Ph.: 28112450 / 42132674

E-mail:rsathyas@gmail.com

Partners:

CA R. SATHYANARAYANAN, B.Com., F.C.A., ISA (ICAI),

CA R. SATHYANARAYAN, B.Com., F.C.A., ISA (ICAI).

2 (Old # 21), Ground Floor,
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5. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies, to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In this context, Attention is drawn to clause no 6 of the Standalone financial statements regarding the going concern status of subsidiary company, and that, it is proposed to go in voluntary strike off in the ensuing year.

6. The respective Board of Directors/ management of the companies included in the Group , are responsible for overseeing the financial reporting process of the companies included in the Group

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion.





R. SATHYANARAYANAN & Co.
CHARTERED ACCOUNTANTS

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E-mail:rsathyas@gmail.com

Partners:

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CA R. SATHYANARAYAN, B.Com., F.C.A., ISA (ICAI),

2 (Old # 21), Ground Floor,
Lakshmipuram 2nd Street,
Royapettah, Chennai - 600 014.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern. Attention is drawn to clause no 6 of the Standalone financial statements regarding the going concern status of subsidiary company, and that, it is proposed to go in voluntary strike off in the ensuing year.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, to express an opinion on the Statement.

We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors.

9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit finding including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matter that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD114412019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

12. The Statement also includes the Group's share of net loss after tax/ total comprehensive loss of Rs.2472.93 Lakhs for the year ended 31 March 2020, in respect of the Subsidiary Company, based on their annual financial information which have been audited by us. Those financial information have been furnished to us by the Holding Company's management. Our opinion on the Statement, and our report in terms of Regulation 33 of the Listing Regulations, read with SEBI Circulars, in so far as it relates to the aforesaid subsidiary is based solely on such audited financial information. In our opinion, and according to the information and explanations given to us by the management, those financial information are not material to the Group.

Our opinion is modified in respect of the issues mentioned vide Clause 2 (ii) hereinabove.





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14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the Balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **R. SATHYANARAYANAN & CO.**

Chartered Accountants
ICAI Regn. No. 003656S

Partner
R. Sathyanarayan
M. No. 028377

UDIN: 20028377AAAAA H7983

Place: Chennai

Date: 25th June 2020

R. SATHYANARAYANAN & CO.

Chartered Accountants
No. 2, (Old No. 21), Ground Floor,
Lakshmipuram 2nd Street,
Royapettah, Chennai - 600 014.



BAFNA PHARMACEUTICALS LTD.,

REGD. OFFICE: "BAFNA TOWERS" 299, THAMBU CHETTY STREET, CHENNAI-600 001, INDIA.
PHONE: 044-25267517/25270992/42677555, FAX: 91-44-25231264, email: info@bafnapharma.com, Website, www.bafnapharma.com
CIN : L24294 TN1995PLC030698

BAFNA PHARMACEUTICALS LIMITED

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020 ON ANNUAL AUDITED CONSOLIDATED FINANCIAL RESULTS

Qualifications in the Auditors Report

The Board of Bafna Pharmaceuticals Limited, have dealt with the matter stated in the qualifications in statutory auditors report on the consolidated financial results of Bafna Pharmaceuticals Limited for the year ended 31st March 2020 (the Consolidated Annual Results)

Rs. In Lakhs

Sl no	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
1	Turnover/ Total Income	4272.79	Not determinable
2	Total Expenditure	4461.11	Not determinable
3	Net Profit/ (Loss)	(2472.93)	Not determinable
4	Earnings per share	(15.52)	Not determinable
5	Total assets	7131.25	Not determinable
6	Total Liabilities	7131.25	Not determinable
7	Net Worth	5111.47	Not determinable
8	Any other financial items (as felt appropriate by the management)	-	-

Qualification 1 of the Auditors Report

1. Details of Audit Qualification:

- Quantification and valuation of Work in progress (WIP) is computed on estimated basis by the Management, and not on as per methodologies prescribed as per IND AS 2. Inventory costing system in the production units have to be streamlined.*





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CIN : L24294 TN1995PLC030698

- b. *The Company has not followed or complied with the Impairment principles prescribed as per IND AS 109 in respect of write off and write back of financial assets.*

Type of Audit Qualification:

Qualified Opinion

2. Frequency of qualification
First time
3. For Audit Qualification(s) where the impact is quantified by the auditor,
Management's views:
Not applicable
4. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - (i) Management's estimation on the impact of audit qualification:
Not quantifiable
 - ii) if management is unable to estimate the impact, reason for the same:

Reply for 1.a -

Due to migration from normal accounting package to SAP system, the Company has not valued inventories on the basis of IND AS2 principle. However since SAP is fully functional for and from the financial year 2020-21, the inventory valuation would be streamlined to comply with the standard and the impact would be quantified appropriately.





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Reply for **CIN**L24294 TN1995PLC030698

Pursuant to the approval of the Resolution Plan by the NCLT, Chennai, Wherein the Resolution Applicant – Mr. Bafna Mahaveer Chand had Appealed for Certain Write offs and Write backs of assets and Liabilities (based on business prudence and Judgement). In accordance with the same, the Company has written off and written back certain assets and Liabilities and net effect of the same is shown under the Head ' Exceptional Items".

iii) Auditor's Comments on (i) or (ii) above

NIL

For and on behalf of the Board of Directors of Bafna Pharmaceuticals Limited			
SD/- Mahaveer Chand Bafna Managing Director	SD/- M. Sridhar CFO	SD/- V. Rajamani Chairman of Audit Committee	For M/s. Sathyanarayanan & Co Chartered Accountants Regn No: 0003656S SD/- R. Sathyanarayan Partner.
DIN: 01458211		DIN: 00052868	M.No: 028377

Date: 25th June 2020

Place: Chennai

