

**Date: September 06, 2024**

To,  
**BSE Limited,**  
Listing Department,  
P. J. Towers, Dalal Street,  
Mumbai- 400 001.

**Scrip Code: BSE: 539730****Sub: Annual Report 2023-24 along with Notice of 37<sup>th</sup> Annual General Meeting of the Company to be held on Monday, September 30, 2024 through VC/OAVM.**

Dear Madam/ Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Fredun Pharmaceuticals Limited for the Financial Year 2023-2024 including the Notice of the 37<sup>th</sup> Annual General Meeting of the Company scheduled to be held on **Monday, September 30, 2024 at 09:00 A.M.** through Video Conference ('VC') / Other Audio Visual Means ('OAVM') and other applicable documents as stipulated in the said Regulation. The Annual Report for the Financial Year 2023-2024 has also been uploaded on the website of the Company viz. [www.fredungroup.com](http://www.fredungroup.com)

Request you to take the same on record.

**Thanking You,**  
**Yours Sincerely,**

**For Fredun Pharmaceuticals Limited**

**Jinkal Soni**  
**(Jinkal Shah)**  
**Company Secretary & Compliance Officer**

*Encl.: As above*



**FREDUN PHARMACEUTICALS LIMITED**

COMPASSIONATE HEALTHCARE

**37th**  
ANNUAL REPORT  
2023 - 24

Twenty<sup>24</sup>

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01

**Corporate  
Information**

## BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director
Mr. Fredun Medhora	Managing Director & Chief Financial Officer
Mr. Nariman Medhora	Non - Executive Director
Dr. Aspi Raimalwala	Non - Executive Independent Director
Mrs. Daisy D'souza	Non - Executive Independent Director
Dr. Rohinton Kanga	Non - Executive Independent Director
Mrs. Jinkal Shah	Company Secretary & Compliance Officer

## REGISTERED OFFICE

"URMI ESTATE", 11th Floor, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013

Tel. No.: +91 22 4031 8111

Fax No.: +91 22 4031 8133

Email Id.: [business@fredungroup.com](mailto:business@fredungroup.com)

Website: [www.fredungroup.com](http://www.fredungroup.com)

## PLANT SITE

14, 15, 16 Zorabian Industrial Complex, Vevoor, Palghar (E), Palghar - 401 404

Tel. No.: +91 70459 57829 / 30

## STATUTORY AUDITORS

M/s. R.H. Nisar & Co.

Chartered Accountants

## SECRETARIAL AUDITORS

Ms. Kala Agarwal

Practising Company Secretaries

## REGISTRAR & SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.

Unit No. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai - 400 011

## BANKERS

State Bank of India

HDFC Bank Ltd.

Saraswat Co-operative Bank Ltd.

DBS Bank

ICICI Bank Ltd.

02

**Message from  
Managing  
Director**



## Letter to Shareholders

Dear Shareowners, Customers, and Employees,

At Fredun Pharmaceuticals, our vision is to be a global leader in delivering compassionate healthcare. We are driven by the belief that healthcare should be accessible, effective, and affordable for all. Our journey is one of relentless innovation, customer-centricity, and a deep commitment to long-term value creation.

We envision a world where our products reach every corner of the globe, improving lives and creating healthier communities. This year, we have taken significant steps toward that vision. We've expanded our reach, enhanced our capabilities, and laid the foundation for future growth. Our mission is not just to grow, but to grow with purpose—ensuring that our success translates into real, tangible benefits for our customers.

### Customer-Centric Innovation

Our customers are at the heart of everything we do. Their needs guide our innovations, from expanding into new markets such as Pet Care, Nutrition, and Cosmeceuticals, to enhancing our existing product lines. We strive to anticipate what our customers will need tomorrow, not just meet their needs today. This forward-thinking approach keeps us ahead of the curve and ensures that we continue to deliver products that truly make a difference.

### Long-Term Vision

Our strategy is built on the foundation of long-term thinking. We've made deliberate investments in our infrastructure to convert variable costs into fixed ones. This approach allows us to scale efficiently, reducing costs while maintaining the highest standards of quality. But we don't stop there. We believe that the savings we achieve through efficiency should benefit our customers directly.

### Delivering Value to Our Customers

One of our core principles is to pass on the benefits of our growth to our customers. As we scale, we achieve efficiencies that enable us to reduce costs. These savings are not kept within the company—they are shared with our customers in the form of more affordable prices. By doing this, we strengthen our customer relationships, drive loyalty, and make our products more accessible to those who need them most. This is how we create value, not just for our shareowners, but for everyone we serve. I believe long-term value creation for customers should result in long-term value creation for shareowners.

### The Path Forward

As we look to the future, our course is clear: continue to expand globally, innovate with purpose, and deliver unparalleled value to our customers. We are on the brink of an exciting new chapter, one that promises sustainable growth, enduring impact, and a legacy of compassionate healthcare.

I want to express my deepest gratitude to our employees for their dedication and to our shareowners for their continued trust. Together, we are not just building a company; we are building a brighter future for all.

Thank you for being part of this journey.





COSTARICA

HAITI

VENEZUELA

PERU

MALI

IVORY COAST

TOGO



GEORGIA  
ARMENIA  
AZERBAIJIAN  
IRAQ  
TURKMENISTAN  
UZBEKISTAN  
KYRGYZSTAN  
TAJIKISTAN  
UAE  
OMAN  
YEMEN  
SRI LANKA  
MYANMAR  
VIETNAM  
CAMBODIA  
MALAYSIA  
PHILIPPINES  
PAPUA NEW GUINEA  
MOZAMBIQUE  
MAURITIUS

NIGER  
NIGERIA  
GHANA  
CONGO  
SOUTH SUDAN  
UGANDA  
RWANDA  
KENYA  
TANZANIA  
ZAMBIA

05

**Notice of the  
37th Annual  
General  
Meeting**

## NOTICE OF 37th ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **37th ANNUAL GENERAL MEETING** (the "37th AGM") of the Members of **FREDUN PHARMACEUTICALS LIMITED** will be held on **Monday, September 30, 2024 at 09:00 A.M.** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of the Board of Directors and the Auditors thereon;
2. To declare a Dividend at 7% on the Equity Shares of the Company for the Financial Year ended March 31, 2024.
3. To appoint a Director in place of Dr. (Mrs.) Daulat Medhora, Whole Time Director (DIN No: 01745277) who being the longest in the office retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. To ratify the remuneration of the Cost Auditor for the Financial Year ended March 31, 2025:

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

**"RESOLVED THAT**, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes, travel and actual out-of-pocket expenses incurred in connection with the audit, payable to M/s Joshi Apte & Associates (Firm Registration No.00240), who have been appointed by the Board of Directors on the recommendation of the Audit Committee of Directors as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2024-25."

#### 5. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT**, in supersession of the resolution passed by shareholders of the Company, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Member be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ 'A' Ordinary Shares and/ or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on

redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 300 crore/- (Rupees Three Hundred Crore Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

**"RESOLVED FURTHER THAT,** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

## **6. To increase borrowing limit under Section 180 (1) (c) of Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**"RESOLVED THAT,** in supersession of the resolution passed by shareholders of the Company and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and the provisions of the Memorandum of Association and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall be deemed to include any committee constituted by the Board) for borrowing any sum or sums of money from time-to-time, from banks, financial institutions, bodies corporate, firms or such other persons whether in India or abroad and by issue of convertible/non-convertible securities (including fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants or any other debt instruments) and/or otherwise as it may deem fit, at its discretion, and by the issue of any instrument, commercial paper or otherwise as the Board may deem fit, any sum or sums of monies which, together with the monies already borrowed by the Company, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets, licenses and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company, apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, so that the aggregate amount borrowed by the Board of Directors and outstanding at any point in time shall not exceed the sum of Rs. 300 Crores/- (Rupees Three Hundred Crores Only).;

**"RESOLVED FURTHER THAT,** the Board be and is hereby authorized to do all such acts, deed and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of the powers herein conferred to any Director or any other Officer(s) of the Company or any other person(s) to give effect to this Resolution."

## **7. To grant loan/ provide security or guarantee to Directors and other person in whom Director of the company is interested:**

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

**"RESOLVED THAT,** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, the consent of the members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection

with any loan taken by any entity which is a subsidiary or associate or joint venture of the company, (in which any director is deemed to be interested) or to Managing Director or Whole time director of the company upto an aggregate sum of Rs. 300 Crores (Rupees Three Hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

**“RESOLVED FURTHER THAT,** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

**8. To approve for increase the limits for making investments/ extending loans and giving guarantees or providing securities in connection with loans to person's/ body corporate:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT,** pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) the consent of the members be and is hereby accorded to the Board (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject, however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 300 Crores (Rupees Three Hundred Crores Only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

**9. Approval for transaction with Related Parties**

To consider, and if thought fit to pass with or without modification, the following Resolution as an **Special Resolution:**

**“RESOLVED THAT,** pursuant to the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with rules made thereunder ('the Rules'), including any statutory modification(s) or amendment(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force and pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the omnibus approval granted by Audit Committee, the consent of the members be and is hereby accorded that the maximum amount for the Related Party Transactions to be entered into by the Company for the Financial Year 2024-25 be upto Rs. 1,00,00,000/- (Rupees One Crore Only) per transaction”.

## NOTES:

• Pursuant to 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, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 5, 2022, General Circular No.10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 (which has clarified that, the Companies whose AGMs are due in the year 2023 or 2024, can conduct their AGMs on or before September 30, 2024 by means of Video Conference (VC) or other audio-visual means (OAVM) issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/ HO/ CFD/ CMD1CIR/ P/ 2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/ CMD2 /CIR /P/2022/62 dated May 13, 2022 and SEBI/HO/CRD/PoD2/P/CIR/2023/4 dated 5th January, 2023 issued by the Securities and Exchange Board of India ("SEBI Circulars"). The 37th AGM of the Company is being conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a venue. The deemed venue for the 37th AGM shall be the Registered Office of the Company.

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the 37th AGM of the Company is being held through VC/OAVM on September 30, 2024 at 09:00 A.M. The deemed venue for the 37th AGM shall be the Registered Office of the Company at 11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Delisle Road Mumbai -400013.

• The relative Explanatory Statement pursuant to Section 102 of the Act, in regard to the business as set out in Item Nos. 4 to 9 above and relevant details of the Directors seeking re-appointment under Item No. 3 above and as required by Regulation 36(3) of the Listing Regulations and as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are annexed hereto.

• 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 instead of himself and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.

• Corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent by e-mail to [cs@fredungroup.com](mailto:cs@fredungroup.com)

• In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.

• The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

• The Members can join the AGM through VC/OAVM 30 minutes before and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's (NSDL) e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.



• In terms of the MCA Circulars and the relevant SEBI Circulars, the Company is sending this AGM Notice along with the Annual Report for F.Y. ending March 31, 2024 in electronic form only to those Members whose email IDs are registered with the Company/Depositories. The Company shall send the physical copy of the Integrated Annual Report for F.Y. ending March 31, 2024 only to those Members who specifically request for the same at [cs@fredungroup.com](mailto:cs@fredungroup.com) in mentioning their Folio No/DP ID and Client ID. The Notice convening the AGM and the Annual Report for F.Y. ending March 31, 2024

• Members who have not registered their e-mail address, so far, are requested to register their email address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email addresses by sending their details to the Registrar and Share Transfer Agents, "Purva Shareregistry (India) Pvt Ltd" for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

• **Book Closure and Dividend:** The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2024 to September 30, 2024 (both days inclusive) for the purpose of payment of dividend and AGM for F.Y. 2023-24. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made, subject to deduction of tax at source (TDS).

• As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agents, "Purva Shareregistry (India) Pvt Ltd" for assistance in this regard.

• Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income-tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN), Category as per the IT Act with their Depository Participants (DPs) or in case shares are held in physical form, with the Company, by sending documents through e-mail by September 23, 2024.

• **Updation of mandate for receiving dividend directly in bank account through Electronic Mode or any other means in a timely manner:**

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc.:

**a. Shares held in physical form:** Members holding shares in physical form are requested to send the details/documents to the Company's Registrars and Transfer Agent (RTA) viz. Purva Shareregistry (India) Pvt. Ltd at C Unit No 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011, latest by September 23, 2024:

i. Form ISR-1 along with the supporting documents are required to be submitted to the Registrar.

ii. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly.

In case name of the holder is not available on the cheque, kindly submit the following documents:-

- a. Cancelled cheque in original.
- b. Bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.
- iii. self-attested photocopy of the PAN Card of all the holders; and
- iv. self-attested photocopy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

**b. Shares held in electronic form:** Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their DPs update their Electronic Bank Mandate details by Monday, September 23, 2024.

**• Voting through electronic means (Remote E-Voting):**

a) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the e-voting facility (the "Remote e-voting") to its Members holding Shares in physical or dematerialized form, as on the cut-off date, being September 23, 2024 to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. For this purpose, the Company has engaged the services of National Securities Depositories Ltd ("NSDL") as the Agency to provide e-voting facility.

b) In terms of the Companies (Management and Administration) Rules, 2014 with respect to the voting through electronic means, the Company is also offering the facility for e-voting services provided by NSDL at the AGM. The Members attending the Meeting through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through e-voting system for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM through VC / OAVM but shall not be entitled to vote at the AGM. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being September 23, 2024

c) The Company has appointed Ms. Kala Agarwal (FCS No. 5976), Practicing Company Secretary, as the Scrutinizer for conducting the Remote e-voting and the e-voting process at the AGM in a fair and transparent manner and she has communicated her willingness to be appointed as such and will be available for same.

d) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2024. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to vote.

f) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or any other person as authorized by the Chairperson. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company [www.fredungroup.com](http://www.fredungroup.com) and on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall simultaneously be communicated to the Stock Exchanges.

g) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Monday September 30, 2024.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Friday September 27, 2024 at 09:00 A.M. and ends on Sunday, September 29, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 23, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 23, 2024.**

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

##### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ul style="list-style-type: none"> <li>• Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ul> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ul style="list-style-type: none"> <li>•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 Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li>   <li>•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 &amp; 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.</li>   <li>•If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li>   <li>•Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ul>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

## Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

## Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

## How to Log-in to NSDL e-Voting website?

- 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, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
  - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcskalaagarwal@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@fredungroup.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@fredungroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



## **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@fredungroup.com](mailto:cs@fredungroup.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request to [cs@fredungroup.com](mailto:cs@fredungroup.com). any time before 5:00 p.m. IST on Monday, September 23, 2024 mentioning their name, Demat account number/folio number, email id, mobile number. The shareholders who do not wish to speak during the AGM but have queries may send their queries to [cs@fredungroup.com](mailto:cs@fredungroup.com) any time before 5:00 p.m. IST on Monday, September 23, 2024, mentioning their name, Demat account number/folio number, email id, mobile number. These queries will be replied by the Company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**By Order of the Board  
For Fredun Pharmaceuticals Limited**

**Place: Mumbai**

**Date: 7th May, 2024**

**Sd/-  
Jinkal Soni  
(Jinkal Shah)  
Company Secretary and Compliance Officer**

## **REGISTERED OFFICE:**

**11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg,  
Lower Parel (W), Delisle Road Mumbai-400013.**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 9 of the accompanying Notice dated May 07, 2024:

### ITEM NO.4:

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors approved the re-appointment of M/s. Joshi Apte & Associates (Firm Registration No. 000212) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for financial year ending March 31, 2025, at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Lakh only) plus applicable taxes, travel and actual out-of-pocket expenses. In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee of Directors considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company. M/s. Joshi Apte & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act. Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor.

None of the Directors and KMP of the Company and their respective relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice. The Board commends the Resolution at Item No. 4 of the accompanying Notice for ratification by the Members of the Company.

### ITEM NO 5 AND 6:

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. In order to enable the Board of Directors of the Company to borrow monies apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of paid up capital and free reserves of the Company provided that the total amount so borrowed by the Board shall not at anytime exceed the limit of Rs. 300 Crores/- (Rupees Three Hundred Only) or aggregate of the paid up capital and free reserves of the Company, whichever is higher.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180 (1) (a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise of the whole or substantially the whole of the undertaking of the Company subject to the approval of the Members in this General Meeting.

No Director, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution of this Notice except to the extent of their shareholding in the Company. The Board recommends the resolution for approval of the Members.

### ITEM NO.7:

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire

Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on May 07, 2018. In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest surplus funds, if available in any body corporate(s) in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to any body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. such body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount of approved by the shareholder of the Company under Section 186 of the Company Act, 2013 over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

The Board of Directors recommends resolution as set out in item No. 7 for approval of the members of the Company by way of passing a Special Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

#### **ITEM NO. 8:**

Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the 'Act', prior approval by means of a Special Resolution passed at a General Meeting is necessary. In terms of Rule 11(1) of the Companies (Meeting of Board and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly-owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly-owned subsidiary, the requirement of Section 186(3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit. In the normal course of business, the Company may be required to give loans or guarantees or make investments in excess of the limits specified in Section 186(2) of the 'Act'.

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly: -

- (a) give any loan to any person or other body corporate;
  - (b) give any guarantee or provide security in connection with a loan to any other body corporate or person;
- and
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher.

Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide loans, guarantees and make investments up to a sum of Rs. 300 crores (Rupees Three Hundred Crores Only) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution. The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

**ITEM NO. 9:**

The Company has entered into contracts / arrangements /agreements/ transactions with the related parties as per the terms and conditions mutually agreed from time to time, which are in the ordinary course of business of the Company and that the terms and conditions including pricing are at arm's length basis and the same are reviewed by the Audit Committee on quarterly basis.

Further, the Audit Committee at its Meeting held on May 07, 2024 granted omnibus approval for the value of Related Party Transactions to be entered into by the Company during the Financial year 2024-25 which shall not exceed Rs. 1,00,00,000/- (Rupees One Crore Only) per transaction. Such omnibus approval shall be valid upto the end of Financial Year 2024-25

None of the Directors or their relatives, except Mr. Fredun Medhora, Dr. (Mrs) Daulat Medhora and Mr. Nariman Medhora, are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 9 of the accompanying Notice.

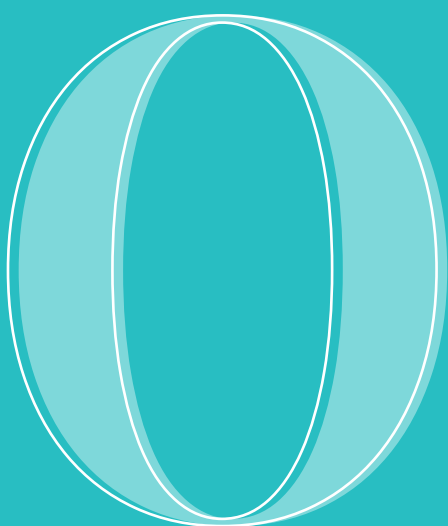
## ANNEXURE 'A'

### Details of Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements Regulations, 2015

Name of Director	Dr. (Mrs.) Daulat Medhora
Date of Birth	16/03/1945
Age	79 years
Date of appointment/ re-appointment on the Board	08/06/1987
Relationship with Directors and Key Managerial Personnel	Dr. (Mrs.) Daulat Medhora is wife of Mr. Nariman Medhora and Mother of Mr. Fredun Medhora
Nature of expertise in specific functional area	Masters in Chemistry, Ph. D in Chemistry
Qualification	<p>Dr. (Mrs.) Daulat Medhora is a Promoter Director of the Company and holds a Ph. D in Chemistry from UDCT. She was awarded Lady Tata Scholarship for her R&amp; D work. She started her career as an R&amp;D Manager in a leading Company and was approved as an expert staff in Fine Chemicals by FDA where she developed manufacturing processes of a number of drugs and drug intermediaries.</p> <p>In 1994, she along with her husband Mr. N.B. Medhora set up an Export Oriented Pharmaceutical Unit employing about 150 persons in the backward areas of Palghar in the name of Fredun Pharmaceuticals Ltd.</p> <p>She is a Lifetime Member of Indian Pharmaceuticals Association from the year 2001 was awarded with Rashtriya Ratan Award by Global Economic Council, New Delhi. In November 2008 she was also awarded Bharat Nav Nirman Ratan Award by All India Business Development Association, New Delhi</p>
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013 Dr. (Mrs.) Daulat Medhora who was re-appointed as Whole Time Director at the Annual General Meeting held on September 27, 2021, is liable to retire by rotation.

# NOTICE OF 37th AGM

Remuneration last drawn (FY 2023-24)	Rs. 12,00,000/-
Board Membership of other listed Companies as on March 31 , 2024	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2024	CSR COMMITTEE & STAKEHOLDERS RELATIONSHIP COMMITTEE
Number of equity shares held as on March 31, 2024	14,10,898 Equity Shares



**Instructions for  
Tax Deductible  
at Source on  
Dividend**

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

## INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

In accordance with the provisions of the Income Tax, Act, 1961, (Act) as amended by the Finance Act, 2020 effective from April 1, 2020, dividend declared and paid by a Company shall be taxable in the hands of the shareholders. The Company is required to deduct tax at source (TDS) at the rates applicable to each category of shareholders. The rates of TDS for various categories of shareholders and the required documents are provided below:-

### Resident Shareholders:-

1. No tax shall be deducted for resident individual shareholders, if the aggregate amount of dividend to be paid for FY 2023-24 does not exceed. 5,000/-
2. Where Permanent Account Number (PAN) available with the Company and valid,
  - a. Tax shall be deducted at source in accordance with Section 194 of the Act @ 10%, if the amount of dividend payable exceeds 5,000/-
  - b. No tax at source shall be deducted on the dividend payable in cases where the shareholder provides duly completed and signed Form 15G (applicable to a person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), provided that all the eligibility conditions are met. Form 15G and 15H are appended herein below (Annexure I and II).
3. Where PAN is either not available or is invalid, tax shall be deducted at source @ 20%.

### Non - Resident Shareholders:-

1. Tax is required to be deducted in accordance with the provisions of Section 195 of the Act at applicable rates in force. Accordingly, tax @20% (plus applicable surcharge and health and education cess) shall be deducted on the amount of dividend payable.
2. However, pursuant to Section 90 (2) of the Act, non-resident shareholders may have an option to be governed by the provisions of Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to them. To avail of DTAA benefits, the non-resident shareholder shall furnish the following:
  - a) Self-attested copy of PAN allotted by the Indian income tax authorities;
  - b) Self-attested Tax Residency Certificate (TRC) issued by the tax/competent authority of the country of residency, evidencing and certifying tax residency, evidencing and certifying tax residency status in that country FY2021-22. In case, the TRC is in a language other than English, a duly notarized and apostilled copy thereof, translated in English language would have to be provided;
  - c) Duly completed and signed Form 1 of (Annexure III); and
  - d) Self-declaration (Annexure IV) by the Non-resident shareholder as to;

Eligibility to claim the beneficial DTAA rate, including having regard to the Principal purpose Test (if any), included in the applicable tax treaty with India for the purposes of tax withholding on dividend declared by the Company;

1. Shareholder being the beneficial owner of the dividend income to be received on the equity shares
  2. No Permanent Establishment/fixed base in India in accordance with the applicable DTAA; and
  3. Continue to remain a tax resident of the country of your residency during FY 2021-22.
- The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and in accordance with the provisions of the Act. Notwithstanding Paragraph 2 above, as per the provisions of Section 196D of the Act, tax shall be deducted



# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

at source @20% (plus applicable surcharge and health and education cess) on dividend payable to Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs). Such TDS rate shall not be reduced. Dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by shareholders as applicable to them and being found to be satisfactory. Dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by shareholders provided as applicable to them and being found to be satisfactory.

## **For all Shareholders:-**

Shareholders holding shares under multiple accounts under different status /category and single PAN are requested to note that higher of the tax rate as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In view of the prevailing COVID 19 situation, only scanned copies of the aforementioned documents will be accepted by the Company as per the procedure laid down. Duly completed and signed documents are required to be submitted to Purva Sharegistry (I) Pvt Ltd by uploading the documents on <https://www.purvashare.com/submission> of /Form15G /15H/ 1 0Fin order to enable the Company to determine and deduct appropriate TDS/ withholding tax.

On clicking the above link, the user will be prompted to select/share the following information to register their request:-

1. Select the Company (Dropdown)
2. Folio No/DP
3. PAN
4. Financial Year (Dropdown)
5. Form Selection
6. Document attachment- 1 (PAN)
7. Document attachment- 2 Forms
8. Document attachment - 3 (Any supporting document)

Shareholders are requested to note that in case tax on dividend is deducted at a higher rate on account of non-receipt or insufficiency of requisite documents, they can claim refund at the time of filing income tax return. The Company will mail a soft copy of the TDS certificate to shareholders on their registered e-mail IDs post completion of activities. Shareholders may view the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at [https:// Income tax India e-filing.gov.in](https://Income tax India e-filing.gov.in). Shareholders are requested to update their PAN and email address with their DPs (for shares held in demat mode) and with FPL (for shares held in physical mode), if not already done.

Pursuant to General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, dividend will be paid electronically in the bank accounts of Shareholders. The Company will keep on hold demand drafts of shareholders who have not registered their bank details and will dispatch the same once the lock down is lifted and postal services are normalized. Shareholders holding shares in demat form are advised to keep the bank details updated with their Dps.

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## ANNEXURE I

Name of the Company	Fredun Pharmaceuticals Limited
DP ID-Client ID/Folio No.	

### FORM NO. 15G

[See section 197A(1C), 197A(1A) and rule 29C]

**Declaration under section 197A(1) and section 197A (1A) of the Income-tax Act, 1961 to be made by an individual or Person (not being a company or firm) claiming certain receipts without deduction of tax.**

### PART – I

1. Name of Assessee (Declarant):		2. PAN of the Assessee:		
3. Status:	4. Previous Year (P.Y.) : (for which declaration is being made)		5. Residential Status:	
6.Flat/Door/ Block No:	7. Name of premises :	8. Road/Street/Lane:	9. Area/Locality:	
10. Town/City/District:	11. State:	12. PIN:	13. Email:	
14. Telephone No. (with STD Code) and Mobile No.:		15. (a) Whether assessed to tax under the Yes <input type="checkbox"/> No <input type="checkbox"/> Income-tax act, 1961: (b) If yes, latest assessment year for which assessed		
16. Estimated income for which this declaration is made.		17. Estimated total income of the. P.Y. in which Income mentioned in column 16 to be included.		
18. Details of Form No. 15G other than this form filed during the previous year, if any :				
Total No. of Form 15G filed		Aggregate amount of income for which Form No. 15G filed		
19. Details of the income for which this declaration is filed.				
Sr.No.:	Identification number for relevant Investment/account, etc	Nature of income	Section under which tax is deductible.	Amount of income
1.				

Signature of the declarant

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## Declaration / Verification

\*I/We \_\_\_\_\_ do here by declare that to the best of \*my/our knowledge and believe what is stated above is correct, complete and is truly stated.

\*I/We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax act, 1961.

\*I/We further declare that the tax \*on aggregate amount of \*income/incomes referred to in column 18 computed in accordance with the provisions of Income-tax, Act 1961.

For the previous year ending on \_\_\_\_\_, relevant to the assessment year \_\_\_\_\_, will be nil.

\*I/We also declare that \*my/our \*income/incomes referred to in column 16 \*and the aggregate amount of \*income/incomes referred to in column 18 for the previous year ending on \_\_\_\_\_ relevant to the assessment year \_\_\_\_\_ will not exceed the maximum amount which is not chargeable to income tax.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the declarant

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

## PART II

[To be filled by the person responsible for paying the income referred to in column 16 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.	
3. PAN of the person responsible for paying	4. Complete Address		5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No		8. Amount of income paid
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/ credited. (DD/MM/YYYY)	

Place: -----

Date: -----

Signature of the person responsible for paying the income referred

\*Delete whichever is not applicable.

1. As per provisions of section 206AA (2), the declaration under section 197 A(1) or 197 A(1 A) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).

2. Declaration can be furnished by an individual under section 197 A(1) and a person (other than a company or a firm) under section 197 A(1 A).

3. The financial year to which the income pertains.

4. Please mention the residential status as per the provisions of section 6 of the Income-tax Act, 1961

5. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

6. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

7. In case any declaration(s) in Form No. 15G is filed before filing this declaration during the previous year, mention the total number of such Form No. 15G filed along with the aggregate amount of income for which said declaration(s) have been filed.

8. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

9. Indicate the capacity in which the declaration is furnished on behalf of a HUF, AOP, etc.

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

10. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable-

(i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;

(ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.

11. The person responsible for paying the income referred to in column 16 of Part I shall allot a unique identification number to all the Form No. 15G received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15H during the same quarter, please allot separate series of serial number for Form No.15G and Form No.15H.

12. The person responsible for paying the income referred to in column 16 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section (1) or subsection (1 A) of section 197 A or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 16 and 18.;

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## ANNEXURE II

Name of the Company	Fredun Pharmaceuticals Limited
DP ID-Client ID/Folio No.	

### FORM NO. 15H

[See section 197A(1C) and rule 29C]

**Declaration under section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.**

### PART – I

1. Name of Assessee (Declarant):	2. Permanent Account Number or Aadhaar Number of the Assessee:	3. Date of Birth (DD/MM/YYYY) :	
4. Previous year (P.Y.) (for which declaration is being made)	5. Flat/Door/Block No.		6. Name of Premises
7. Road/Street/Lane	8. Area/Locality	9. Town/City/District	10. State
11. PIN	12. Email		13. Telephone No. (with STD Code) and Mobile No.
14 (a) Whether assessed to tax:		Yes	No
(b) If yes, latest assessment year for which assessed			
15. Estimated income for which this declaration is made		16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included	
17. Details of Form No.15H other than this form filed for the previous year, if any			
Total No. of Form No.15H Filed		Aggregate amount of income for which Form No.15H Filed	
18. Details of income for which the declaration is filed			
Sr.No.:	Identification number of relevant investment/ account, etc.	Nature of income	Section under which tax is deductible.
			Amount of income

Signature of the declarant

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
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## Declaration/Verification

I \_\_\_\_\_ do hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including \*income/incomes referred to in column 15 \*and aggregate amount of \*income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on \_\_\_\_\_ relevant to the assessment year \_\_\_\_\_ will be nil.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Declarant

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of the person responsible for  
paying the income referred to in  
column 15 of Part I

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## PART II

[be filled by the person responsible for paying the income referred to in column 15 of Part I]

1. Name of the person responsible for paying		2. Unique Identification No.	
3. Permanent Account Number or responsible for paying	4. Complete Address		5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No		8. Amount of income paid
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/credited. (DD/MM/YYYY)	

**\*Delete whichever is not applicable.**

1. As per provisions of section 206AA(2), the declaration under section 197A(1C) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).

2. Declaration can be furnished by a resident individual who is of the age of 60 years or more at any time during the previous year.

3. The financial year to which the income pertains.

4. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

5. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

6. In case any declaration(s) in Form No. 15H is filed before filing this declaration during the previous year, mention the total number of such Form No. 15H filed along with the aggregate amount of income for which said declaration(s) have been filed.

7. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

8. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable-

- (i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
- (ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.



# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

9. The person responsible for paying the income referred to in column 15 of Part I shall allot a unique identification number to all the Form No. 15H received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15G during the same quarter, please allot separate series of serial number for Form No.15H and Form No.15G.

10. The person responsible for paying the income referred to in column 15 of Part I shall not accept the declaration where the amount of income of the nature referred to in section 197A(1C) or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax after allowing for deduction(s) under Chapter VI-A, if any, or set off of loss, if any, under the head "income from house property" for which the declarant is eligible. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 15 and 17.

Provided that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
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## ANNEXURE III

Name of the Company	Fredun Pharmaceuticals Limited
DP ID-Client ID/Folio No.	

### FORM NO. 10F [See sub-rule (1) of rule 21AB]

#### Information to be provided under sub-section (5) of section 90 or sub-section (5) of section 90A of the Income-tax Act, 1961

I \_\_\_\_\_\*son/daughter of Shri\_\_\_\_\_ in the capacity of \_\_\_\_\_  
(designation) do provide the following information, relevant to the previous year \_\_\_\_\_  
\*in my case/in the case of for the purposes of sub-section (5) of \*section 90/section 90A:-

Sr. No.	Nature of information	Details
(i)	Status(individual, company, firm etc.) of the assessee	:
(ii)	Permanent Account Number or Aadhaar Number of the assessee if allotted	:
(iii)	Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others)	:
(iv)	Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident	:
(v)	Period for which the residential status as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A is applicable	:
(vi)	Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable	:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Permanent Account Number or Aadhaar Number: \_\_\_\_\_

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
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## Verification

I \_\_\_\_\_ do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Signature of the person providing the information

Place: \_\_\_\_\_

### Notes :

- \*Delete whichever is not applicable.
- #Write N.A. if the relevant information forms part of the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A.

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
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## ANNEXURE IV

### <ON THE LETTERHEAD OF THE NON-RESIDENT PERSON>

Date:

Fredun Pharmaceuticals Limited  
11th Floor, Tower A, Urmi Estate 95,  
Ganpatrao Kadam Marg, Lower Parel (W),  
Delisle Road Mumbai-400013.

Dear Sir/Madam,

Re.: Self declaration for Indian Financial Year (FY) 2023-2024 with respect to availment of Tax treaty benefits in relation to receipt of dividend income from Fredun Pharmaceuticals Limited.

This is to certify that: -

1. I/We, <<Full name of the shareholder>>, having permanent account number (PAN) under the Indian Income Tax Act, 1961 (Act) - <<mention PAN>>, am/are tax resident of <<country name>> and eligible to claim benefits of the India - <<country name>> Double Tax Avoidance Agreement (DTAA), read with the provisions laid down in the Multilateral Instrument (MLI), wherever applicable;

2. The claim of benefits of DTAA by <<Full name of the shareholder>> is not impaired in any way;

3. As per the requirement of the relevant provisions of the above referred DTAA, I/we am/are the beneficial owner(s) of the aforesaid shares as well as the dividend arising from such shareholding;

4. I/We further declare that I/We have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person;

5. I/We do not have any Permanent Establishment (PE) or fixed base in India in FY 2023-2024 as construed under relevant Articles of the applicable tax treaty nor do we have any PE or business connection in India as construed under the relevant provisions of the Act. I/We further confirm that I/We do not have any business connection in India as per provisions of the Act. In the event of I/We having a PE in India or Dividend income is attributable/effectively connected to such PE, I/We acknowledge our obligation to inform you forthwith with necessary details;

6. I/We hereby declare that the investments made by me/us in the shares of Fredun Pharmaceuticals Limited are not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes.

The tax benefit, if any, derived from such investments would be in accordance with the object and purpose of the relevant provisions of the DTAA between India and <<country name>>; and

# INSTRUCTIONS ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND:

Fredun Pharmaceuticals Ltd.  
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7. Further, our claim for relief under the DTAA is not restricted by application of Limitation of Benefit clause, if any, thereunder.

This declaration is valid for the period April 1, 2023 to March 31, 2024.

I/We confirm that the above is true to the best of our knowledge and I/We shall be solely responsible for any adverse income-tax consideration that may arise in India on the dividend income to be received from the Company.

Thanking you,

Yours Sincerely,

For <Name of the Shareholder>

---

Name: <insert authorised person name>

<Insert designation>

05

**Directors  
Report**

To,  
The Members,  
Fredun Pharmaceuticals Ltd.

We are honoured to present the Director's Report for the financial year ending March 31, 2024. This report provides a comprehensive overview of your Company's performance, major business developments, and future outlook.

## 1. Financial Performance

The financial year 2023-24 was marked by significant growth and strategic expansion. Fredun Pharmaceuticals Ltd. continued to demonstrate strong financial resilience and operational efficiency, delivering impressive results across all key metrics:

- **Total Income:** The Company reported a total income of 349.07 crore, an increase of 26.25% compared to 276.5 crore in FY23. This growth was driven by increased sales across our Generics, Nutraceuticals, and Pet Healthcare Divisions.
- **EBITDA:** Our EBITDA surged to 38.90 crore in FY24, up by 31.42% from 29.60 crore in the previous year. This improvement reflects our focus on cost management, operational efficiency, and scaling our business operations.
- **Net Profit:** The net profit after tax for FY24 was 15.62 crore, representing a significant 44.63% increase from 10.80 crore in FY23. The improvement in profitability was supported by our strategic initiatives aimed at expanding our product portfolio and entering new markets.
- **PAT Margin:** The PAT margin improved to 4.47% in FY24, up from 3.90% in FY23, underscoring our ability to deliver sustainable growth while maintaining financial discipline.

## 2. Key Business Lines and Operational Highlights

Fredun Pharmaceuticals Ltd operates across several key business segments, each contributing to our overall growth and success. Below is a detailed overview of our performance across these segments:

### a. Fredun Generics

Our Generics Division, marketed under the Fredun Gx brand, continued to be a significant contributor to our revenue:

- **Product Expansion:** In FY24, we launched over 110 products under the Fredun Gx brand in India. These products span various therapeutic categories, including Anti-Diabetics, Anti-Hypertensives, Anti-biotics & Anti-fungal and more. The segment has shown consistent monthly growth of 3-5%, and we plan to add another 50 products by Q4FY25.
- **Market Penetration:** Our focus on increasing market penetration led to successful tie-ups with multiple distribution channels, enabling us to expand our reach across 17 States in India. Our products are now being supplied to institutions like the Indian Railways and the Defence sector.
- **Infrastructure and Compliance:** We have initiated the upgradation of our manufacturing facilities to meet next-level GMP standards, with PIC/s Accreditation expected by Q4FY25. This will enhance our ability to compete in International Markets, particularly in Southeast Asia and Africa.

## b. Nutraceuticals and Dietary Supplements

The Nutraceutical Division under Fredun Nutrition experienced strong growth, driven by increasing demand for health and wellness products:

- **Product Portfolio:** We launched 34 new products in Maharashtra in Q4FY24, focusing on Immunity Boosters, Liver Support, and Fertility Enhancement, Whey Proteins. Key products include Mamalait, a Galactagogue that promotes lactation and builds immunity, and Fredmax, designed for energy, stamina, and performance in men.
- **Market Expansion:** Sales in Maharashtra have shown a consistent growth of 3-4% month-on-month, with plans to expand into additional districts in FY25. The division added 48 new products in FY24, with a target to launch 16 more by Q3FY25.
- **Awards and Recognition:** Mamalait was honoured with the ET Edge Best Healthcare Brand of 2024, recognizing our Commitment To Quality and Innovation in the nutraceuticals market.

## c. Pet Healthcare

Fredun Pharmaceuticals Ltd has been making significant strides in the Pet Healthcare segment, operating under the Freossi brand:

- **Product Development:** In FY24, we launched 12 new products in the Pet Treat and Feed Supplement range, with an additional six drug products set to be launched by Q2FY25. Our affordable Pet Grooming range, introduced in Q4FY24, includes 43 products, and we expect revenue from this range to begin contributing significantly from Q2FY25.
- **Veterinary Diagnostics:** We are in the process of establishing one of the first dedicated Vet Diagnostic Centres for pets, which is expected to be operational by Q2FY25. This centre will enhance our ability to offer comprehensive pet healthcare solutions.
- **Market Expansion:** We have expanded our presence in Maharashtra and are targeting a Pan-India expansion by Q4FY25. Our exports to the GCC and MENA regions are also expected to grow by 10% quarter-on-quarter starting Q3FY25.

## d. Cosmeceuticals

Our Cosmeceuticals Division, operating under the Bird N Beauty (BNB) and Beautyfred brands, is focused on innovative skincare and personal care products:

- **Product Launches:** BNB launched an entire premium segment of Emu oil-based products in FY24, leveraging the unique moisturizing and healing properties of Emu oil. The division is set to scale up with additional product launches throughout FY25.
- **Manufacturing Capabilities:** Our State-Of-The-Art lotion manufacturing unit at Palghar is now fully operational, with our balm manufacturing reaching full capacity and supplying nearly 1 million units in Q1FY25. These products are set to penetrate the domestic market across India by Q4FY25.
- **Retail Strategy:** Beautyfred, our commercial Cosmetics Division, has launched retail outlets at key Railway and Metro platforms across Mumbai, bringing our products closer to the consumer.



### 3. Global Expansion

Fredun Pharmaceuticals Ltd has continued to expand its global footprint, focusing on markets with high growth potential:

- **Registrations and Approvals:** As of FY24, we have successfully secured 697 product registrations cumulatively across various regions. Additionally, we have 394 more products currently under registration. These efforts are concentrated in key regions such as Southeast Asia, Africa, and the GCC, positioning us to further penetrate these markets with our generic and nutraceutical products.

- **Export Growth:** Our exports are projected to grow at 15% year-on-year, bolstered by these new registrations and our strategic partnerships in these regions.

### 4. Dividend

In recognition of the company's strong financial performance, the Board of Directors is pleased to recommend a final dividend of 7% on the paid-up equity shares for the year ended March 31, 2024. This dividend reflects our commitment to sharing the company's success with our shareholders while ensuring sufficient reinvestment for future growth.

### 5. Directors and Key Managerial Personnel

The year saw the reappointment of Mr. Fredun Medhora as Managing Director, a decision that reflects the Board's confidence in his leadership and vision for the Company. The Board also confirms that all independent directors meet the independence criteria as required by the Companies Act, 2013.

### 6. Internal Financial Controls

Your Company has robust internal financial controls in place to ensure the accuracy and reliability of financial reporting. These controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations. During the year, the Board reviewed the adequacy and effectiveness of these controls and is satisfied that they are functioning effectively.

### 7. Human Resources and Employee Development

Fredun Pharmaceuticals Ltd recognizes that our employees are our greatest asset. Throughout FY24, we continued to invest in our workforce through strategic recruitment, comprehensive training programs, and employee engagement initiatives. These efforts are aimed at fostering a motivated, skilled, and adaptable workforce capable of driving our growth objectives. We are committed to creating a work environment that promotes diversity, innovation, and professional development.

### 8. Environmental, Health, and Safety (EHS) Initiatives

We remain committed to maintaining high standards of Environmental, Health, and Safety Practices across all our operations:

- **Energy Conservation:** We conducted regular energy audits and implemented energy-saving measures across our manufacturing units. Our ongoing efforts to improve energy efficiency include the installation of energy-efficient equipment and the adoption of best practices in energy management.

- **Waste Management:** The Company has made significant investments in wastewater treatment facilities to ensure that no wastewater is discharged outside the manufacturing units. Regular monitoring of waste sludge is conducted in collaboration with the Maharashtra Pollution Control Board (MPCB).

- Health and Safety: We prioritize the health and safety of our employees, with continuous improvements in safety protocols, regular training sessions, and health monitoring programs.

## 09. Future Outlook

As we look to the future, Fredun Pharmaceuticals Ltd is well-positioned to capitalize on emerging opportunities in the global pharmaceutical and healthcare markets. Our focus remains on expanding our product portfolio, enhancing our manufacturing capabilities, and entering new markets. With our strong financial position, committed workforce, and strategic vision, we are confident in our ability to deliver sustainable growth and create long-term value for our shareholders.

## 10. Acknowledgments

The Board of Directors wishes to express its gratitude to all Stakeholders, including our Shareholders.

**Warm Regards**  
**Fredun Medhora**  
**Managing Director & CFO**  
**Fredun Pharmaceuticals Limited**

Dear Members,

Your Director's have an immense pleasure to present the 37th Annual Report together With the Audited Financial Statements for the year ended March 31, 2024. ('F.Y.2023-24')

## FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	For the financial year ended 31.03.2024	For the financial year ended 31.03.2023
Income from Business Operations	34,657.69	27,434.17
<b>Total Income</b>	<b>34,907.18</b>	<b>27,649.75</b>
<b>Total Expenditure other than Financial Costs and Depreciation</b>	<b>31,017.39</b>	<b>24,689.82</b>
Profit/ Loss before Interest, Depreciation and Taxes	3,889.79	2,959.93
Finance Cost	1,365.01	928.15
Depreciation / Amortization	379.59	280.93
<b>Profit / Loss Before exceptional items and tax</b>	<b>2 ,145.19</b>	<b>1,750.85</b>
Exceptional Income/ Expenses	0.00	0.00
Prior period adjustments	0.00	0.00
Profit / Loss before Tax	2 ,145.19	1,750.85
Total Tax expenses	582.85	670. 19
<b>Profit/(Loss) after Tax</b>	<b>1,562.34</b>	<b>1,080.66</b>

## STATE OF AFFAIRS OF THE COMPANY:

Your Company earned a Total Income of Rs. 34,907.18 Lakhs in the Financial Year ended March 31, 2024 as compared to the Total Income of Rs. 27,649.75 Lakhs for the corresponding Financial Year ended March 31, 2023. There is 26.24 % hike in the Total Income of the Company.

Your Company's Net Profit for the Financial Year 2023-24 is Rs. 1,562.34 Lakhs as compared to the Net Profit of Rs. 1080.66 Lakhs for the Previous Year i.e., 2022-23.

Your Company is well diversified in the business ranging from Formulations to Diagnostics to Consultancy. The Company has a unique range of products, from niche formulations, anti-diabetics to the latest anti-retroviral and anti-Hypertensive products.

Your Company is associated with many Governments of different countries which have also realised the need for robust and consistent healthcare systems. Hence there is a great potential for growth in near future.

The financial and operational performance overview and outlook is provided in detail in the Management Discussion and Analysis Statement forming part of this Annual Report.

## DIVIDEND:

The Board of Directors have recommended a final dividend of 7% on the paid-up ordinary Equity Shares of the Company payable to those shareholders of the Company whose names appear in the Register of Members as on the Record date.

## TRANSFER TO RESERVES:

During the financial year under review, your Company have not transferred any amount to reserves.

## SHARE CAPITAL:

The Details of Equity Share Capital of the Company are as follows:

(Rs. in Lakhs)

Particulars of Share Capital	Details as on March 31, 2024		Details as on March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity Shares	1,00,00,000	10,000	1,00,00,000	10,000
Issued, Subscribed and Paid – up Capital				
Equity Shares	46,99,162	469.92	45,32,272	453.23

The Company had in financial year 2022-23 issued 2,51,890 warrants ("Warrants") of the Company, whereby each Warrant is convertible into 1 (One) equity share of face value Rs. 10/- (Rupees Ten Only) at any time within 18 (eighteen) months from the date of allotment of the Warrants as per the ICDR Regulations, on a Preferential basis, at an issue price of Rs. 996.20/- (Rupees Nine Hundred Ninety-Six and Twenty Paise Only) per Warrant (including premium of Rs. 986.20/- (Rupees Nine Hundred Eighty-Six and Twenty Paise Only), aggregating to Rs. 25,09,32,818/- (Rupees Twenty-Five Crore Nine Lakhs Thirty-Two Thousand Eight Hundred and Eighteen Only).

During the financial year under review, your Company has allotted 1,66,890 Equity Shares, of Rs. 10/- (Rupees Ten Only) each fully paid, at a price of Rs. 996.20/- (Rupees Nine Hundred Ninety-Six and Twenty Paise Only) per Warrant (including premium of Rs. 986.20/- (Rupees Nine Hundred Eighty-Six and Twenty Paise Only), aggregating to Rs. 16,62,55,818/- (Rupees Sixteen Crore Sixty-Two Lakhs Fifty-Five Thousand Eight Hundred and Eighteen Only) to Non-Promoter Shareholders on conversion of Warrants pursuant to SEBI (ICDR) Regulation 2018 and Companies Act, 2013.

## **DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any equity shares with differential rights during the financial year under review and information pursuant to provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is not applicable.

## **DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES:**

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

## **DISCLOSURE RELATING TO SWEAT EQUITY SHARES:**

The Company has not issued any sweat equity shares during financial year under review and hence information pursuant to provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is not applicable.

## **SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY:**

The Company does not have any Subsidiary, Joint Venture or Associate Company and hence it does not require any reporting for the same.

Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, **Form AOC-1** is annexed to this report as "**Annexure I**".

## **CHANGE IN THE NATURE OF THE BUSINESS:**

The Company is primarily engaged in the activities of Pharma. During the financial year under review, there has been no change in the nature of the business of your Company.

## **COMMODITY PRICE RISKS/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

During the financial year under review, the Company does not possess any commodity price risks and commodity hedging activities.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **•DIRECTOR RETIRING BY ROTATION**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company; Dr. (Mrs.) Daulat Medhora (DIN No: 01745277) is liable to retire by rotation at the ensuing 37th Annual General Meeting and being eligible, has offered herself for re-appointment. Her re-appointment will be placed for shareholder's approval at the 37th Annual General Meeting.

A brief resume, nature of expertise, details of directorships held in other Companies, of the Directors proposed to be appointed/re-appointed, along with her shareholding in the Company, as stipulated under the Secretarial Standards and Listing Regulations, is annexed as an Annexure to the Notice of this Annual General Meeting.

### **•CHANGE IN DIRECTORS**

Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his Membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023. Mrs. Daisy D'Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

### **•KEY MANAGERIAL PERSONNEL**

During the year there was no change in the Key Managerial Personnel of the Company.

## •DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors under Section 149(7) of The Companies Act, 2013 in the first Board Meeting of the Financial Year 2023-24 held on May 02, 2023; stating that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013. During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees.

## BOARD AND COMMITTEES OF BOARD:

### •BOARD

The Board of your Company comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 3 (Three) Independent Directors. The Board of Directors met 16 (Sixteen) times during the financial year as per the provisions of Secretarial Standards, Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

### •COMMITTEES OF THE BOARD

The Committees of the Board viz; Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee are duly constituted as per the provisions of the Companies Act, 2013 and applicable SEBI Listing Regulations. Details of composition, terms of reference and meetings are mentioned in Corporate Governance section forming part of this Annual Report.

The Company has also constituted functional committees delegating certain powers of the Board for administrative efficiency.

All the recommendations made by all Board Committees were accepted by the Board.

The details of attendance of Directors at the Board Meeting and Members at the Committee Meetings are disclosed under Corporate Governance section of Annual Report.

## •SEPARATE MEETING OF INDEPENDENT DIRECTORS

Separate meeting of Independent Directors was convened on May 24, 2023 complying with the requirements of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013 ("the Act"), Directors of your Company confirm that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and its profit for the year ended on that date;
- Your Directors have 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;
- Your Directors have prepared the Annual Accounts for the financial year ended March 31, 2024 on a going concern basis;
- Your Directors have laid down internal financial controls which are followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- Your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS:

Pursuant to Section 134 (3) (p), Schedule IV of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a formal evaluation needs to be done by the Board of its own performance and that of its Committees and Individual Directors and that Independent Directors shall evaluate Non-Independent Directors and the Chairperson of the Board.

The Board at its meeting held on May 24, 2023 carried out the evaluation of every Director's performance, its own performance and that of its Committees and Individual Directors. The evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. Further, the Independent Directors at their Meeting held on May 24, 2023, evaluated performance of the Chairperson, non-independent Directors of the Company and the performance of the Board as a whole.

The Directors were satisfied with the evaluation results, which reflect the overall engagement of the Board and its Committees.

The Nomination & Remuneration Committee at its meeting held on May 24, 2023 reviewed the implementation and compliance of the process of evaluation of performance as specified by the said Committee.



## VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in conformity with Section 177 of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism.

The functioning process of this mechanism has been more elaborately mentioned in the Corporate Governance Report annexed to this Annual Report. The said policy is also hosted on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com).

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at [www.fredungroup.com](http://www.fredungroup.com). During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. During the year under review there were no material related party contracts entered into by the Company requiring shareholders' approval.

There were no materially significant Related Party Transactions made by the Company during the year that would fall under the scope of Section 188 of the Company Act, 2013. Disclosure in **Form AOC-2** in terms of Section 134(3) (h) of The Companies Act, 2013 is annexed as "**Annexure II**".

The policy on materiality of information / documents and dealing with it has been approved by the Board and the same is also available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com).

## CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The composition, roles, and responsibilities of the CSR Committee are outlined in the Corporate Governance Report, which forms part of this Annual Report.

During the financial year under review, the Company has spent the requisite 2% of its average net profits of the previous three financial years, calculated in accordance with Section 198 of the Companies Act, 2013, on CSR activities. These activities are in line with the Company's CSR Policy and focus on promoting education, healthcare, environmental sustainability, and other areas as prescribed under Schedule VII of the Act.

The Company's CSR Policy, as approved by the Board, is available on the Company's website at [www.fredungroup.com](http://www.fredungroup.com).

A detailed report on CSR activities undertaken by the Company, including the composition of the CSR Committee, projects approved, amount spent, and the manner of implementation, as required under Section 135(5) and (6) of the Act, is annexed to this report as "**Annexure III**".

## STATUTORY AUDITORS:

M/s. R.H. Nisar & Co. (Chartered Accountant) (Firm Registration Number: 103659), were appointed as the Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 for a period of 5 (five) years commencing from conclusion of 36th Annual General Meeting upto the conclusion of the 41st

Annual General Meeting of the Company to be held in the year 2028.

The remarks and observations made in the Auditor's Report of M/s. R.H. Nisar & Co. , Chartered Accountants read together with relevant notes thereon, are self-explanatory and hence do not call for any comments as same have since been addressed appropriately.

## **AUDITORS' REPORT:**

The Auditors' Report on Standalone Financial Statements for the year ended March 31, 2024 forms integral part of this Annual Report

There are no qualifications, reservations or adverse remarks or disclaimers made M/s. R.H. Nisar & Co. (Chartered Accountant) in their Report dated May 07, 2024 on the Financial Statements of the Company for Financial Year 2023-24.

The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

## **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the Board of Directors had appointed Ms. Kala Agarwal, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2024. The Secretarial Audit Report is annexed as "**Annexure IV**".

## **COST AUDIT REPORT:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014; your Company with reference to its Pharma business is required to maintain the cost records as specified under Section 148 of the Companies Act, 2013 and the said cost records are also required to be audited by the Practising Cost Accountants. Your Company is maintaining all the cost records referred above.

The Board, on the recommendation of the Audit Committee, had appointed M/s. Joshi Apte & Associates, Practising Cost Accountants (Firm Registration No. 00240), as the Cost Auditors of the Company for conducting the audit of cost records made and maintained by the Company for the Financial Year 2023-24.

## **SEGMENT**

The Company operates only in a single segment i.e. Pharmaceutical Segment.

## **CORPORATE GOVERNANCE REPORT:**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of Corporate Governance. A Corporate Governance Report along with Certificate from Practising Company Secretary confirming compliance of Corporate Governance for the year ended March 31, 2024 is provided separately and forms integral part of this Annual Report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing and Disclosure Requirements) Regulations, 2015 is annexed as "**Annexure V**" to this Report.

## **ANNUAL RETURN:**

Pursuant to the provisions of Sections 134(3) (a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2024, is placed on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

## **SECRETARIAL STANDARDS:**

The Company has complied with all the mandatorily applicable Secretarial Standards issued by the Institute of Company Secretaries of India under Section 118(10) of the Companies Act, 2013.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Pursuant to Section 186 of the Companies Act, 2013 disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of the financial statements.

## **BUSINESS RISK MANAGEMENT:**

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining the Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. Many types of risks exist in the Company's operating environment and emerge on a regular basis due to many factors such as changes in regulatory framework, economic fundamentals etc. In order to evaluate, identify and mitigate these business risks, the Company has a robust Risk Management framework. This framework seeks to create transparency, ensure effective risk mitigation process and thereby minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The Business risks as identified are reviewed and a detailed action plan to mitigate the identified risks is drawn up and its implementation is monitored. The key risks and mitigation actions are placed before the Audit Committee of the Company.

## **COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF THE WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), 2013:**

The Company is committed to uphold and maintain the dignity of the Women Employees. An Internal Complaints Committee has been formed for each location of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a broad and comprehensive policy in place to deal with any such situation. The Policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com).

No case of Sexual harassment was reported to the Internal Complaints Committee during the year under review.

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

Your Company has heavily invested into the latest machineries for both the manufacturing and packing departments; hence it is imperative to take care of the internal systems and work culture. The Company is continuously complying as per the Pollution Regulation Control Board of Maharashtra.

The Company also conducts in-house energy audits at regular intervals with proper monitoring and maintenance of all the machines. Conservation of energy in all the departments is an on-going process which requires a proactive compliance. It is a must to have a high performing and competent Quality Control and Quality Assurance team which monitors the compliance of all the regulatory aspects of manufacturing.

Special emphasis is given on improving the manufacturing processes which will help in reducing manufacturing time, manpower and electricity consumption. Additional conveyor belts are installed to

transfer the finished goods from manufacturing departments to BSR and also from BSR to the container loading bay.

This has helped in reducing time, money and energy to a great extent. The newly installed automatic equipment and instruments will give higher output with less manpower and increase the productivity of the Company.

The other Integrated Systems with proper data storage gives consistent performance and lowers the cost of production. The continuous monitoring is done of existing compressors, boilers electrical heaters, and pumps etc. for enhancing energy efficiency.

For the treatment of waste water, your Company has installed a bigger ETP plant which controls water pollution. The treated water is used for gardening and a green environment is well maintained and no waste water is allowed to run outside the manufacturing unit. The waste sludge is regularly monitored by MPCB Department.

With a full-fledged R&D Department, your Company has developed and launched many new molecules like antihypertensive, antidiabetic, ARVs and even narcotics. These molecules are either under patent or still not universally manufactured on a large scale. Continuous efforts are made to improve the quality of the products in respect of better bioavailability and stability.

Two new walk-in stability chambers are also installed for monitoring the stability of the products. Continuous R&D is going on for established products also to reduce the cost of manufacturing and improve the quality and stability of the products. Your Company has also installed fully automatic purified water generation and distribution system to cater to newly started ointments, creams and gels manufacturing Department along with the Department for manufacturing pellets of various APIs complying as per cGMP norms.

## Foreign Exchange earnings and outgo:

Foreign Exchange Earnings:	Export of Goods- 77,71,37,142.35/-
Foreign Exchange Outgo:	Import of Goods- 89,94,749/-

As per RBI Guidelines, the Company manages Foreign Exchange Risk to protect value of exposures. From time to time the Board reviews the Foreign Exchange Exposure.

## PARTICULARS OF EMPLOYEES:

None of the employees of the Company fall under the limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details in terms of sub - section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report as **"Annexure VI"**

## INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

## DETAILS OF SIGNIFICANT MATERIAL ORDERS:

No significant and material orders were passed by the Regulatory Authorities or the Courts or Tribunals that may have an impact on the "Going Concern Status" and Company's Operations in the future.

## DETAILS OF FRAUD:

There was no fraud reported by the Auditors of the Company under Section 143 (12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

## PREVENTION OF INSIDER TRADING:

Your Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure of Unpublished Price Sensitive Information to ensure Prevention of Insider Trading in the Organization.

## MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There were no other reportable material changes or commitment, occurred between the end of the Financial Year and the date of this report, which may have any effect on the financial position of the Company.

## TRAINING AND HUMAN RESOURCE MANAGEMENT:

Your Company is working strategically to recruit, develop and utilize people - Our most valuable business resource. Your Company is actively pursuing policies for the strategic and well-planned recruitment, development and utilization of human resources who can understand and practice the Company's Management Principles and Activity Guidelines in order to contribute broadly to society and continue creating new values.

Effective recruitment, development and the utilization of globally competitive human resources are the most important issues for your Company to survive the current ever-changing business environment and achieve sustainable growth. Our concern is to ensure that each of our employees exercise their full potential in line with the business strategy of their respective departments.

## PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

## DISCLOSURES WITH RESPECT TO SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

Sr. No.	Nature of information	Status
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 01, 2023.	4,000
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2023-24	1,200
3	Number of shareholders to whom shares were transferred from suspense account during the year 2023-24	1,200
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2024	2,800

The voting rights of the shareholders of the above shares shall remain frozen till the rightful owner claims the shares.

## **ACKNOWLEDGEMENT:**

The Directors express their deep gratitude and thank the Central and State Governments as well as their respective Departments and Development Authorities connected with the business of the Company, Contractors and Consultants and also Banks, Financial Institutions, Shareholders, and Employees of the Company for their continued support and encouragement and look forward for the same in future.

## **For FREDUN PHARMACEUTICALS LIMITED**

**Sd/-**  
**DR. DAULAT MEDHORA**  
**CHAIRPERSON & JT. MANAGING DIRECTOR.**  
**DIN: 01745277**

**Sd/-**  
**FREDUN MEDHORA**  
**MANAGING DIRECTOR & CFO**  
**DIN: 01745348**

**Place: Mumbai**  
**Date: May 07, 2024**

## ANNEXURE-I

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1	Name of the subsidiary	NIL
2	The date since when subsidiary was acquired	NIL
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NIL
4	Reporting currency and Exchange rate as on the last date of the relevant	NIL
5	Financial year in the case of foreign subsidiarie	NIL
6	Share capital	NIL
7	Reserves & surplus	NIL
8	Total assets	NIL
9	Total Liabilities	NIL
10	Investments	NIL
11	Turnover	NIL
12	Profit before taxation	NIL
13	Provision for taxation	NIL
14	Profit after taxation	NIL
15	Proposed Dividend	NIL
16	Extent of shareholding (in percentage)	NIL

**Notes:**

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- N.A.
- Names of subsidiaries which have been liquidated or sold during the year- N.A.

## Part "B": Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of associates/Joint Ventures	Details
1	Latest audited Balance Sheet Date	NIL
2	Date on which the Associate or Joint Venture was associated or acquired	NIL
3	Shares of Associate/Joint Ventures held by the company on the year end No.	NIL
	Amount of Investment in Associates/Joint Venture	NIL
	Extend of Holding (in percentage)	NIL
4	Description of how there is significant influence	NIL
5	Reason why the associate/joint venture is not consolidated	NIL
6	Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
7	Profit/Loss for the year	NIL
	(i) Considered in Consolidation	NIL
	(ii) Not Considered in Consolidation	NIL

- Names of associates or joint ventures which are yet to commence operations. N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year. N.A.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

#### For FREDUN PHARMACEUTICALS LIMITED

Sd/-  
**DR. DAULAT MEDHORA**  
CHAIRPERSON & JT. MANAGING DIRECTOR.  
DIN: 01745277

Sd/-  
**FREDUN MEDHORA**  
MANAGING DIRECTOR & CFO  
DIN: 01745348

Place: Mumbai  
Date: May 07, 2024



## ANNEXURE-II

### Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

#### •Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship: NIL

(b) Nature of contracts/arrangements/transactions: NIL

(c) Duration of the contracts/arrangements/transactions: NIL

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

(e) Justification for entering into such contracts or arrangements or transaction: NIL

(f) Date(s) of approval by the Board: NIL

(g) Amount paid as advances, if any: NIL

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

#### •\*Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/Transactions:

(c) Duration of Contracts/ arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

**\*Related party transactions under Accounting Standard (AS) 18 are disclosed in Note -39 to the financial statements for the year ended March 31, 2024.**

For FREDUN PHARMACEUTICALS LIMITED

Sd/-

DR. DAULAT MEDHORA  
CHAIRPERSON & JT. MANAGING DIRECTOR.  
DIN: 01745277

Sd/-

FREDUN MEDHORA  
MANAGING DIRECTOR & CFO  
DIN: 01745348

Place: Mumbai

Date: May 07, 2024

## ANNXURE-III

## CSR ACTIVITIES

• **Brief outline on CSR Policy of the Company:**

The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and includes initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long term CSR programs and initiatives.

• **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. (Mr.) Rohinton Kanga	Non-Executive Independent Director- Chairman CSR Committee	1	1
2.	Dr.(Mrs.)Daulat Medhora	Chairperson & Jt. Managing Director Member CSR Committee	1	1
3.	Mr. Fredun Medhora	Managing Director & CFO Member CSR Committee	1	1

• **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<http://www.fredungroup.com/investor-statutory-documents.html#investor>

• **Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.**• **Take note of following points:**

(a) Average Net Profit (last 3 immediate financial years) of the Company as per Section 135(5): Rs. 9,77,16,603.17/-

(b) Two percent of average net profit of the Company as per Section 135(5): Rs.19,54,332.06/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N.A.

(d) Amount required to be set off or the financial year, if any: N.A.

(e) Total CSR obligation for the financial year (b+c-d): Rs. 19,54,332.06/-

•Take note of following points:

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 19,54,332.06/-

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: N.A.

•Total amount spent for the Financial Year (a+b+c): Rs. 19,54,332.06/-

•CSR amount spent or unspent off for the financial year: Rs. 19,54,332.06/-

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 19,54,332.06/-	-----NIL-----				

•Excess amount for set off, if any- NIL

Sr. No.	Particulars	Amount (Rs. in Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	0.19
(ii)	Total amount spent for the Financial Year	0.19
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

•Details of Unspent CSR amount for the preceding three financial years: N.A.

•Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

# ANNEXTURE TO DIRECTOR'S REPORT

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

1	2	3	4	5	6		
Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
-----NOT APPLICABLE-----							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

•Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: N.A.

**Note:** The Company has spent requisite amount on CSR Projects as per Section 135(5) during the year.

For FREDUN PHARMACEUTICALS LIMITED

Sd/-  
FREDUN MEDHORA  
MANAGING DIRECTOR & CFO

Place: Mumbai

Date: May 07, 2024

## ANNEXURE-IV

### FORM NO - MR- 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

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

To,  
The Members,  
**FREDUN PHARMACEUTICALS LIMITED**  
11th Floor, Tower A, Urmi Estate,  
95, Ganpatrao Kadam Marg, Lower Parel (W)  
Delisle Road, Mumbai -400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FREDUN PHARMACEUTICALS LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **FREDUN PHARMACEUTICALS LIMITED** for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(vi)**Other laws specifically applicable to the Company, namely:

- The Companies Act 2013 and Rules Made there under.
- Maintenance of records relating to shares.
- Securities Contracts (Regulations) Act, 1956
- Industries (Development & Regulations) Act, 1951.
- Indian Customs Act, 1962.
- Shops and Establishment Act, 1948.
- Income Tax Act, 1961.
- Payment of Gratuity Act, 1972.
- Payment of Wages Act, 1936.
- Employees State Insurance Act, 1948.
- Provident Fund Act, 1952 & Family Pension Act, 1971
- Payment of Bonus Act, 1965.
- Workmen's Compensation Act, 1923.
- Minimum Wages Act, 1948.
- The Factories Act, 1948
- Industrial Disputes Act, 1947.
- The Contract Labour (Regulation & Abolition) Act, 1970.
- Personnel Injuries (Compensation) Act, 1963.
- Public Liability Insurance Act, 1991.
- The Apprentices Act, 1961.
- Equal Remuneration Act, 1976.
- Employment Exchanges (compulsory vacation of notices) Act, 1959.
- Maternity Benefit Act, 1961.
- Industrial Employment (Standing orders) Act, 1946.
- Environment (Protection) Act, 1986.
- The Information Technology Act, 2000.
- The Depositories Act, 1996.
- The Competition Act, 2002.
- Consumer Protection Act, 1986.
- Right to Information Act, 2005.
- Emblems and Names (Prevention of Improper Use) Act, 1950.
- The Trade Marks Act, 1999.
- The Patents Act, 1970.
- The Indian Copyright Act, 1957.

- Pharmacy Act, 1948.
- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
- Essential Commodities Act, 1955.
- Food Safety and Standards Act, 2006.
- The Central Goods and Services Tax Act, 2017
- Maharashtra Goods and Services Tax Act, 2017
- The Boiler Act, 1923
- The Maharashtra Fire Prevention & Life Safety Measures Act, 2006
- The Air (Prevention and Control of Pollution) Act, 1981
- The Narcotic Drugs and Psychotropic Substances Act, 1985
- The Andhra Pradesh Fire Services Act, 1999
- The Water (Prevention and Control of Pollution) Cess Act, 1977
- Drugs & Cosmetics Act, 1940
- Drugs (Prices Control) Order, 1995
- Homoeopathy Central Council Act, 1973
- Petroleum Act, 1934
- Poisons Act, 1919
- Food Safety and Standards Act, 2006
- Insecticides Act, 1968
- Bombay Provincial Municipal Corporations Act, 1949
- Trade Union Act, 1926
- Foreign Trade (Development and Regulation) Act, 1951
- Industrial Relations Act, 1967
- Prevention of Money Laundering Act, 2002

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

•Dr. (Mr.) Chandrakant Shah, Non-executive Independent Director tendered his resignation w.e.f. July 19, 2023 from the Directorship of the Company. Consequently, his position as a Chairperson of the Audit Committee, Stakeholder Relationship Committee and Non-Executive Member of Nomination and Remuneration Committee of the Company was affected.

Further, The Company had appointed Ms. Niharika Agarwal as Non-Executive Independent Director with effect from July 19, 2023. Further, it came to the notice of the Company that the appointment was not in accordance with Regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and hence the above appointment was declared infructuous and called off

Subsequently, the Company appointed Mrs. Daisy D`Souza as a Non-Executive Independent Director with effect from November 24, 2023.

During the year under review, due to above mentioned events Company had to pay fines as following:

- A fine of Rs. 2,12,400/- was imposed by the Stock Exchange for delay in complying with the provisions of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter Ended December, 2023.
- A fine of Rs. 84,960/- was imposed by the Stock Exchange for delay in complying with the provisions of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter Ended December, 2023.
- A fine of Rs. 84,960/- was imposed by the Stock Exchange for delay in complying with the provisions of Regulation 19(1) and 19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter Ended December, 2023.
- A fine of Rs. 84,960/- was imposed by the Stock Exchange for delay in complying with the provisions of Regulation 20(2) and 20(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter Ended December, 2023.
- The Company is in process of transferring Unpaid/Unclaimed Dividend and Shares pertaining to such dividend to the IEPF Authority Account for the Financial Year 2015-16 in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013.
- A fine of Rs. 2,60,000/- was imposed by the Stock Exchange for delay in complying with the provisions of point 4 sub point 4 of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19/08/2019. As there was a delay of 13 days in making application for trading of 10,000 shares.
- A fine of Rs. 2,40,000/- was imposed by the Stock Exchange for delay in complying with the provisions of point 4 sub point 4 of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19/08/2019. As there was a delay of 12 days in making application for trading of 5,000 shares.



## **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Except for the period mentioned above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board/Committee decisions are taken unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Sd/-**  
**Kala Agarwal**  
**Practising Company Secretary**  
**C P No.: 5356**

**UDIN: F005976F000328661**

**Place: Mumbai**

**Date: May 07, 2024**

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## 'ANNEXURE - A'

To,  
The Members,  
**FREDUN PHARMACEUTICALS LIMITED**  
11th Floor, Tower A, Urmi Estate  
95, Ganpatrao Kadam Marg, Lower Parel (W)  
Delisle Road, Mumbai -400013

Our report of even date is to be read along with this letter.

1.Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2.We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3.We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4.Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5.The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6.The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-  
**Kala Agarwal**  
**Practising Company Secretary**  
**C P No.: 5356**

**UDIN: F005976E000372309**

**Place: Mumbai**

**Date: May 07, 2023**

## ANNEXURE V

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### Global Economy

##### Global Economy: Signs of Progress but Challenges Remain

The global economic recovery has shown surprising strength, with the ongoing geopolitical tensions and a cost-of-living crisis notwithstanding. Inflation has eased faster than expected, with minimal disruption to jobs and economic activity. This resilience is due to improvements in supply chains and central banks effectively managing inflation through interest rate adjustments. However, continued supply disruptions, high borrowing costs, and reduced government stimulus due to high debt levels are likely to dampen progress in 2024.

While central banks' actions have curbed inflation, they have also pushed up interest rates, leading to higher mortgage costs and tighter credit, leading to some corporate bankruptcies and reduced investment, particularly in commercial real estate. Despite these challenges, a severe recession was avoided owing to timely adjustments by central banks, pandemic savings that acted as a buffer, and changes that softened the impact of rate hikes on mortgages.

#### Outlook

Global economic growth is projected to hold steady at 3.2% in both 2024 and 2025, falling short of historical averages. This is attributed to tighter monetary policies, reduced government stimulus, and sluggish productivity. While advanced economies, particularly the euro area may experience slight growth improvements, emerging markets are likely to see stable but uneven growth across regions through 2025.

Source: IMF WEO\_ Apr 2024

#### Indian Economy

##### India's Strong Economic Growth Expected to Continue

India's robust economic growth, driven by manufacturing and services, is expected to extend into the next fiscal year. Strong government investments in infrastructure, rising private investment, and a confident consumer base will be key growth drivers. Inflation is expected to follow global trends and decline over time.

The Indian government's focus on infrastructure development, fiscal discipline, and a business-friendly environment is expected to boost manufacturing competitiveness, exports, and future growth. Initiatives like a significant increase in government spending and investments in housing are expected to further stimulate economic activity. Stable interest rates and a supportive monetary policy are expected to encourage private investment and credit expansion.

#### Outlook

Even with a slight slowdown in 2024 and 2025, India's economy is projected to stay robust. Public and private investments, along with a gradually improving rural economy, will improve growth. Exports may face headwinds in 2024 but are expected to pick up in 2025. Government policy will prioritize growth by managing inflation and maintaining investment spending, leading to a projected decrease to 7.0% growth in 2024, followed by a rebound to 7.2% in 2025.

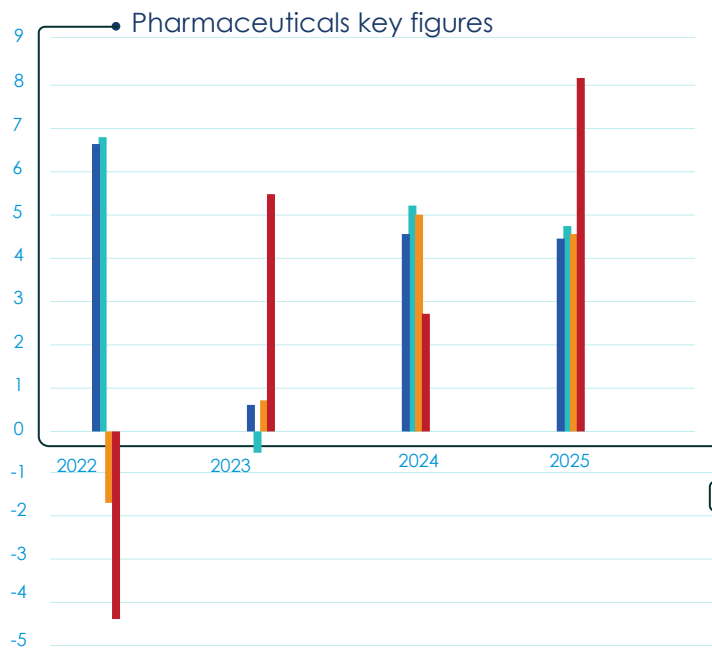
Source: Asian Development Bank\_ Outlook Apr 2024

#### Global Pharmaceutical Industry

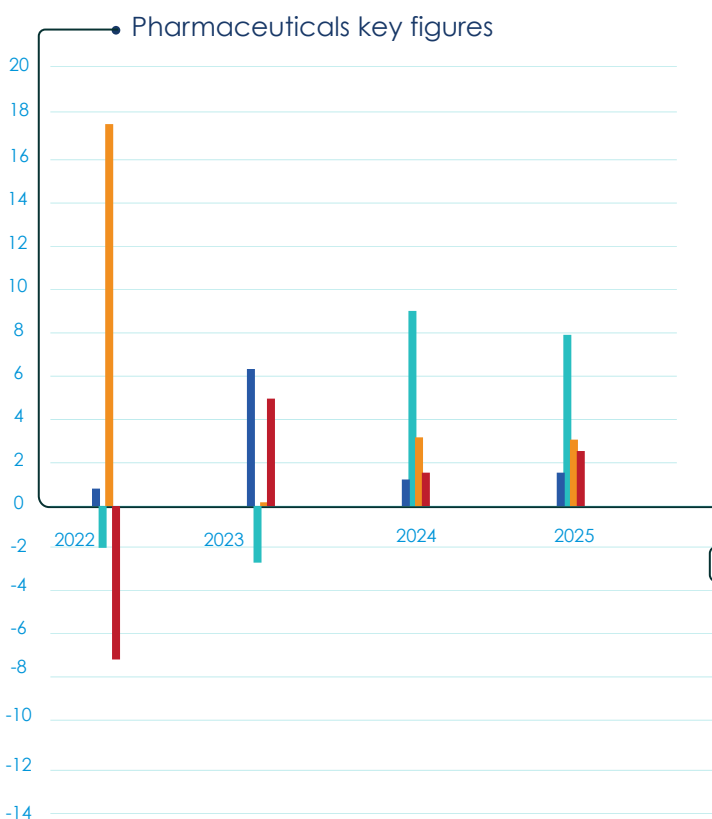
The global pharmaceutical industry experienced a significant slowdown in output growth in 2023 to just 0.5% increase - after a whopping 17.3% increase in 2021 and 6.8% in 2022, following a surge in production driven by COVID-19 vaccines in the previous two years. However, a rebound is expected in 2024, with growth projected at 4.6% and 5.1% for output and sales respectively. This growth will be led by the Asia Pacific region

and continued, though reduced, vaccine production.

While the outlook is positive, there are both opportunities and challenges ahead for the pharmaceutical industry. An aging population creates a growing demand for specialty drugs, medications for chronic conditions, and generic drugs. Additionally, increasing healthcare access in emerging markets presents a significant growth opportunity. However, high inflation and interest rates may limit consumer spending on non-essential medications. Furthermore, government efforts to control healthcare costs through drug pricing regulations could impact industry profits and R&D investment. Despite these challenges, the industry's strong financial health augurs well for continued innovation and development.



	2022	2023	2024	2025
Production	6.8	0.5	4.6	4.5
Gross Output (sales) (real, USD)	6.9	-0.2	5.1	4.8
Investment (real, USD)	-1.8	0.6	5	4.6
Gross Operating Surplus (Profits)	-4.4	5.5	2.7	8.1



	2022	2023	2024	2025
Americas	0.8	6.4	1.3	1.8
Asia Pacific	-2.0	-2.7	9.1	8
Europe	17.5	0.1	3.3	3.3
Middle East & Africa	-7.4	5.0	1.6	2.9

Year-on-Year, %change / \*forecast  
source: Oxford Economics

## Strengths and growth drivers

The pharmaceutical industry boasts several key strengths that position it for continued growth.

- The industry's inherent resilience stems from the essential nature of its products. Unlike cyclical sectors, pharmaceuticals are less susceptible to economic fluctuations, as people prioritize their health even during downturns.
- Demographic trends are a powerful tailwind. Aging populations in developed countries and China are generating demand for various medications, including over-the-counter options, generics, and treatments for chronic conditions.

Beyond established markets, the rise of emerging economies presents a wealth of new opportunities.

- As healthcare systems improve and disposable incomes rise, these markets will see a surge in demand for pharmaceuticals, particularly generics and OTC drugs.
- The industry is embracing digital technologies like AI and big data analytics to streamline drug development, clinical trials, and patient care. This technological revolution enhances efficiency and holds immense potential for future growth.
- Strong financial backing from banks and investors ensures continued access to external financing, crucial for the industry's high research and development costs.

## Constraints and risks

While the industry remains buoyant owing to several opportunities, there are a few challenges looming which include:

- expiring patents on top-selling drugs that will pressure companies to ramp up R&D spending,
- government cost-cutting measures and public pressure on drug pricing could squeeze profits environmental concerns regarding pharmaceutical waste will pose a potential reputational risk

Source: Atradius - Industry Trends Pharmaceuticals\_2024

## Indian Pharmaceutical Industry

India's pharmaceutical industry, a giant in the global market, is expected to scale new heights by 2047. This "pharmacy of the world" is a major provider of affordable medications, supplying over 20% of the global market and 60% of global vaccines. Government initiatives and a vast, adaptable network position India as a key player driving healthcare advancements worldwide. The industry, currently valued at \$50 billion, has a significant opportunity for expansion. With a focus on innovation, the industry could potentially grow to \$120-130 billion over the next decade.

The Indian pharmaceutical industry is embracing change. Some key emerging trends in the industry are as follows:

**Domestic Market:** Government policies and a shift in focus from brand-doctor relationships to specialty drugs and local market development will drive domestic growth. Additionally, stricter quality standards will benefit reputable manufacturers.

**Exports Market:** While exports may face challenges, Indian companies are adapting by offering a wider range of drugs and focusing on innovative drug delivery methods.

**Digital Technology:** As the industry embraces digitalization, robust cybersecurity is becoming crucial.

Furthermore, a growing emphasis on sustainability through green manufacturing practices reflects India's commitment to environmental responsibility and long-term success.

Source: Economics Times and Pharma Industrial

## Generic Drug Industry

The Global generic drugs market size is estimated at USD 413.60 billion in 2024, and is expected to reach USD 508.79 billion by 2029, growing at a CAGR of 4.23%. This would be driven by the rising prevalence of chronic diseases like diabetes and heart disease. These conditions require ongoing medication, and generic drugs offer a more affordable alternative to brand-name medications. This is particularly important in developing economies, where healthcare costs can be a significant burden.

The market is also being fueled by the expiration of patents on blockbuster drugs, paving the way for a surge in generic versions. Oral medications are expected to dominate the market due to their ease of use and safety. North America is expected to remain the leading market for generic drugs. This is due to a combination of factors, including the high prevalence of chronic diseases, a growing focus on cost-effective treatments, and an increasing demand for medications in general. The rising incidence of conditions like diabetes and lung cancer is creating a significant demand for generic drugs in this region.

However, stringent government regulations and potential supply chain issues could pose challenges to the market's growth.

India's generic drug industry is a flourishing contributor to the global pharmaceutical market. Driven by factors like cost-effectiveness, a growing demand for affordable healthcare, and a robust infrastructure for producing pharmaceuticals, the industry is anticipated to experience impressive growth at a CAGR of 6.02% through 2030. This growth is likely to be further bolstered by the government's initiatives to promote generic drug use and incentivize domestic manufacturing.

Source: Mordor Intelligence and TechSci Research



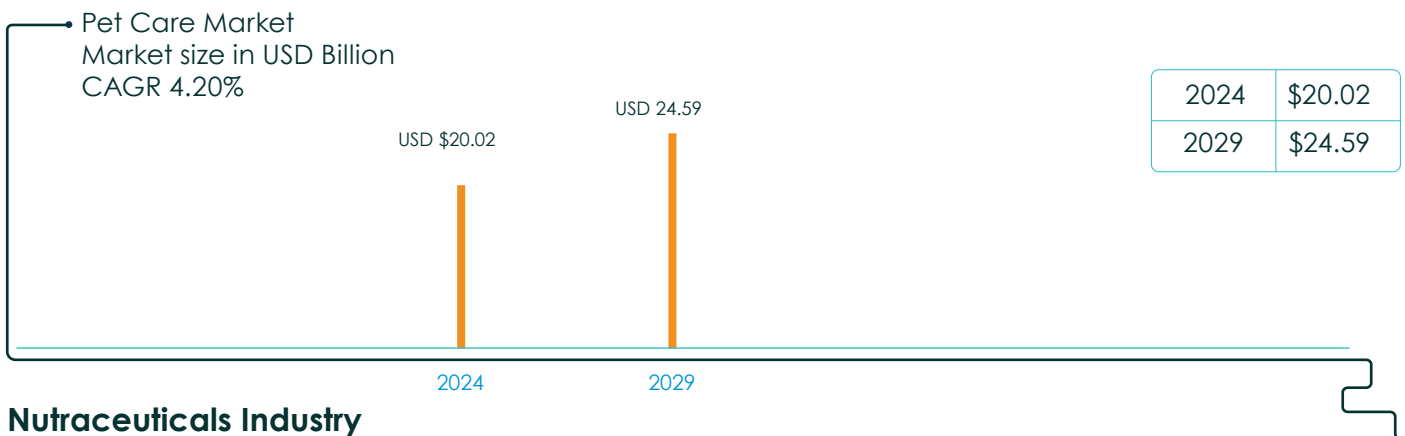
## Pet Care Industry

The global pet care market is booming, driven by a surge in pet ownership and a growing trend of pet humanization. People are increasingly viewing their pets as family members, leading to a rise in spending on pet products and services. This includes everything from food and healthcare to grooming, insurance, and even activity trackers. The pet care market is poised for growth, with a projected increase from USD 20.02 billion in 2024 to USD 24.59 billion by 2029. This translates to a CAGR of 4.20%. Rising disposable incomes, and the willingness of people to invest in their pets' wellbeing are the primary factors influencing the growth of the pet care industry. Additionally, the pandemic led to a surge in pet adoption, with many finding companionship, and emotional support from furry friends. This has also accelerated the pet humanization trend, with owners treating their pets to premium products and services.

The market is further powered by technological advancements, with innovative products like location trackers and smart toys hitting the shelves. However, the high cost of quality pet care products may limit accessibility for some pet owners. Despite this challenge, the future of the pet care market looks bright, with online shopping and subscription-based services offering convenient and potentially cost-effective ways for pet owners to show their love. The North American market dominates with the largest share due to high spending on pet care products and services.

The Indian pet care market is projected to grow at a CAGR of 17.08%, reaching USD 1.87 billion (INR 149.6 billion) by 2029. India's pet market is also growing with rising pet ownership. Businesses are expanding product lines and accessibility to meet this demand. Newcomers can win by offering innovative services, premium products, and specialized healthcare, while focusing on underserved segments, sustainability, and technology. Understanding modern pet owner preferences is key to success.

Source: Mordor Intelligence and VOSD



## Nutraceuticals Industry

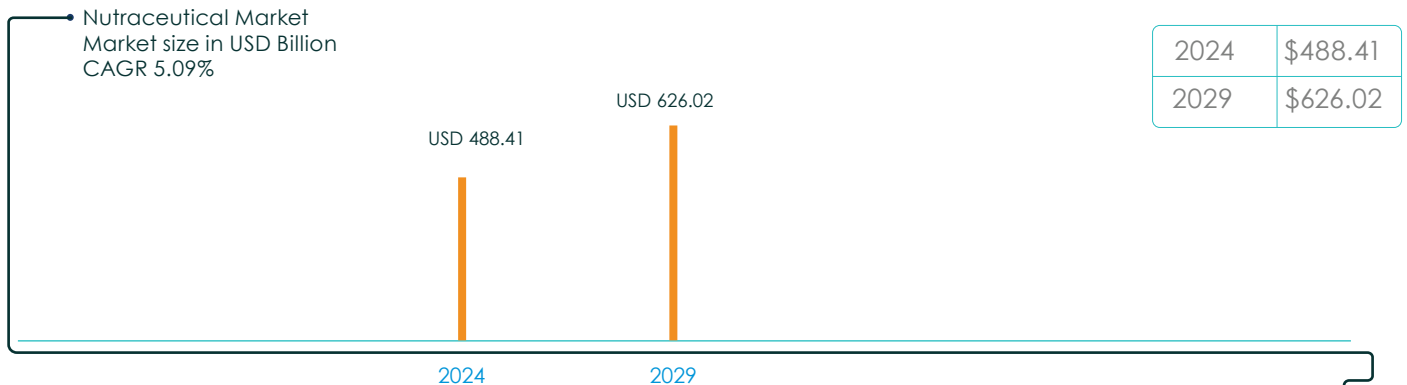
The global nutraceuticals market size is estimated at USD 488.41 billion in 2024, and is expected to reach USD 626.02 billion by 2029, growing at a CAGR of 5.09%. The nutraceutical market is thriving, propelled by an increasing focus on preventive healthcare and a greater awareness of the significance of good nutrition. This trend gained momentum during the COVID-19 pandemic, which highlighted the vital link between diet and immune health. Consumers are increasingly seeking out nutraceutical products that offer medical benefits, with antioxidants, probiotics, and healthy fats gaining popularity for their potential to manage chronic conditions like diabetes and heart disease.

The market is also witnessing a shift towards more convenient and appealing delivery formats. Gone are the days of just pills and capsules. Consumers now have a variety of options, including gummy bears, snack bars, and even single-serving fortified products. This innovation, coupled with the rising popularity of functional foods and beverages that are infused with nutraceutical ingredients, is attracting a wider range of health-conscious consumers. The online retail sector is also playing a key role in market growth, offering convenient access to a vast array of nutraceuticals. However, regulatory hurdles and seasonal fluctuations in demand remain challenges that the industry needs to navigate. Overall, the future of the nutraceutical market looks bright, with a focus on natural and organic ingredients and a growing demand for products that promote overall well-being.

Europe is a particularly strong market for nutraceuticals, with countries like France, Italy, and Germany leading the way. This is due in part to a growing elderly population seeking anti-aging solutions. Stricter regulations in Europe are also pushing the industry towards products with well-established health benefits. India nutraceuticals market is projected to grow at a CAGR of 13.5% from 2024 to 2030. Consumers are embracing healthier diets and disease prevention, driving demand for these products. Rising health

access are empowering this trend. Manufacturers are responding with innovative options and AI-powered personalization. Mergers and acquisitions are on the rise, and stricter regulations ensure product safety. With a growing elderly population, the future looks bright for nutraceuticals in India.

Source: Mordor Intelligence and Grand View Research



## Cosmeceuticals Industry

The cosmeceutical market is thriving, driven by a growing consumer desire for effective beauty solutions. This market is estimated at USD 180.67 billion in 2024, and is expected to reach USD 248.70 billion by 2029, a CAGR of 6.60%. Unlike traditional makeup, cosmeceuticals address the root causes of skin and hair concerns, offering a more permanent approach to achieving a youthful appearance. This has significantly boosted demand for these products within the cosmetics industry.

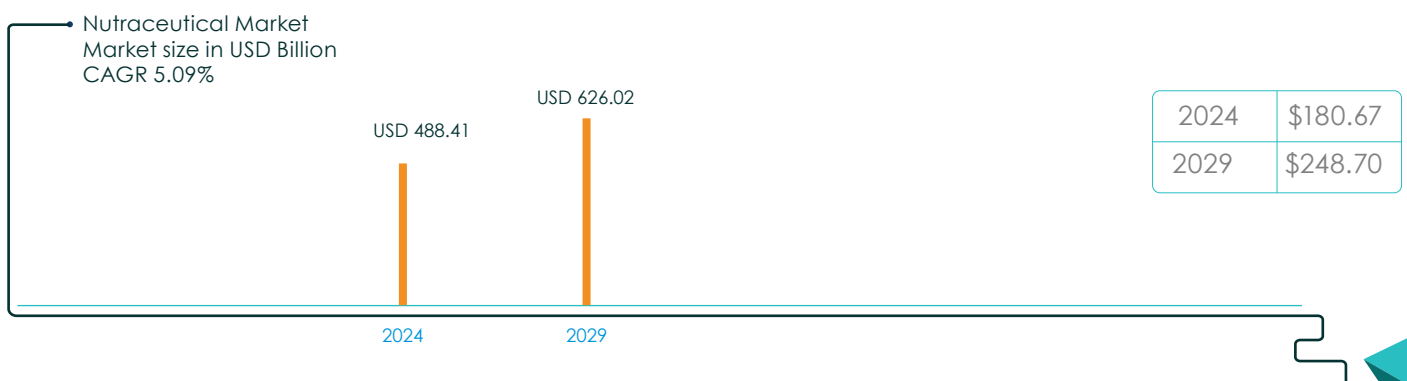
Several factors are contributing to its market growth:

- The aging population is increasingly seeking anti-aging products to maintain a youthful look.
- Rising disposable incomes in developing economies like China and India are fuelling consumer spending on cosmeceuticals.
- These products are also gaining popularity due to a growing preference for natural ingredients and a heightened awareness of dermatological treatments.

The Asia-Pacific region is expected to witness the fastest growth in the cosmeceutical market going forward on the back of increasing urbanization, rising disposable incomes, and a growing emphasis on personal care among millennials. Social media trends are also playing a role, with consumers increasingly influenced by the pressure to look their best. The market is further bolstered by the presence of established cosmeceutical consumers in countries like Japan, making it a gateway to other Asian markets.

India's cosmeceutical industry is on a roll. Consumers are replacing regular makeup for cosmeceuticals that tackle skin and hair concerns for real. Rising disposable incomes, a growing focus on natural ingredients, and a larger demographic of people seeking anti-aging solutions are fostering this growth. Although regulations and fake products pose challenges, advancements in technology and online sales are propelling the market forward. Expect to see continued growth in the Indian cosmeceutical industry.

Source: Mordor Intelligenc





## Company Overview

Established in the year 1987, Fredun Pharmaceuticals Ltd ("Fredun" or "the Company") is a leading formulation manufacturing Company in India, operating as a wholly owned subsidiary of Fredun Group. With over 35 years of experience in various pharmaceutical formulations, the Company is trusted by customers across Africa, Southeast Asia, Commonwealth of Independent States (CIS) Countries, Latin America & Mena Region. Fredun has recently diversified into manufacturing of dietary/herbal supplements, nutraceuticals, and other healthcare products along with animal healthcare products. With such a diverse range of products, the Company's objective is to be a holistic healthcare provider.

Over the years, it has transformed into a Company that is supported by a formidable manufacturing base and a strong reputation amongst global customers backed by strong execution. Their product basket comprises of 1200+ global registrations spread across 47 Countries and their key categories include Anti-Diabetics, Anti-Infectives and Cardiac range. The Company has presence across most therapies with key focus on Anti-Diabetics, Anti-Retroviral and Anti-Hypertensives products.

## Business Segments

- **Total Income:** The Company reported a total income of Rs. 349.07 crore, an increase of 26.25% compared to Rs. 276.50 crore in FY23. This growth was driven by increased sales across our Generics, Nutraceuticals, and Pet Healthcare Divisions.

- **EBITDA:** Our EBITDA surged to Rs. 38.90 crore in FY24, up by 31.42% from Rs. 29.60 crore in the previous year. This improvement reflects our focus on cost management, operational efficiency, and scaling our business operations.

- **Net Profit:** The net profit after tax for FY24 was Rs. 15.62 crore, representing a significant 44.63% increase from Rs. 10.80 crore in FY23. The improvement in profitability was supported by our strategic initiatives aimed at expanding our product portfolio and entering new markets.

- **PAT Margin:** The PAT margin improved to 4.47% in FY24, up from 3.90% in FY23, underscoring our ability to deliver sustainable growth while maintaining financial discipline.

The Company operates in five segments through different brands: Generics (Exports & Fredun Gx), Pet Healthcare (Freossi), Nutraceuticals (Fredun Nutrition), Cosmeceuticals (Bird and Beauty or BnB / BeautyFred) and Fredun Mobility (BraceOn, NebOn, DigiOn).

### • Generics

In the past fiscal year, Fredun Pharmaceuticals Ltd experienced substantial growth in the export business. 65% of our exports are attributed to our own branded products -- Fredun Generics, while the remaining 35% come from OEM exports. Notably, we either jointly or fully own the registrations for products that are part of our OEM exports, which gives us a level of indirect control and effectively makes these clients captive to our business. This control has contributed to our international expansion, demonstrated by our securing over 697 product registrations globally, with an aim to reach 750 by the next fiscal year. Our government and institutional sales have also seen a significant uptick, growing approximately 75% quarter-over-quarter in the last quarter of FY24. We have secured multiple contracts worth over 50 crores from our key Export & Domestic Markets. Production of these contracts is under progress and will be formalised by the end Q2FY25. Alongside this robust growth, we are planning to roll out 50 new OEM products in categories such as Food Supplements, Nutraceuticals, Cosmetics, and Personal Hygiene.

Our Vintage Product Division witnessed a phenomenal growth, as sales in FY24 stood at Rs. 240 Crores. Additionally, our Balm and Lotion manufacturing unit has picked up and we have already manufactured 1 Million Units each .

One of our standout products is Chuu Balm, which is currently the most potent and the most affordable balm in the market, specifically priced to ease the suffering of economically disadvantaged communities.

We have started penetrating into retail segments and across PAN Maharashtra and target to enter other 3 States Q3 & Q4 FY25.

## **Business Update**

### **Vintage Product**

- Secured 169 registrations across countries during the year and expects 220 registrations in FY25
- We have secured multiple contracts worth over 50 Crores from our key Export & Domestic Markets. Production of these contracts is under progress and will be formalised by the end Q2FY25.
- The Company is under upgradation to meet standards and requirement of PIC/s, Audit scheduled Q3FY25.
- We have planned to sign contracts with three countries in the MENA Region

### **Fredun Gx Brand**

- Launched 110+ products in India under the brand in FY24

## **Outlook:**

### **•Pet Healthcare**

Fredun launched Freossi in 2021 with an aim to provide best quality, efficient and affordable pet healthcare products in India. The product portfolio comprises of MCHC bases supplements, animal feed additives and other animal healthcare formulations for pets, poultry, and cattle. Fredun specializes in manufacturing various formulations made from MCHC ('Microcrystalline Hydroxyapatite Complex') a natural source of Calcium & Phosphorus for animals, with a time-tested and clinically proven efficacy for more than 60 years. The Company is also credited as the largest manufacturer of MCHC in India. Fredun ensures superior quality control of raw materials and finished products and gets the quality approval of all their products from a professional laboratory run by highly qualified personnel.

In FY24, we introduced 14 new products in the pet pharmaceuticals line. We also plan to add another 10 products by Q3FY25. We also launched 16 products in our Pet Treat and Nutritional Supplement category and plan to add 39 more soon. We believe these new additions will significantly boost our sales. In Q4 FY23, we rolled out a new, budget-friendly Pet Grooming product line that consists of 43 products. We'll be adding 19 more products to this line soon, and we are beginning to see the revenue from this range from the beginning of FY25. We are the only Company in India with access to patented tech pertaining to Pet Surgeries which we are in the process of launching in the coming months. We are also proud to be the first company in India to offer targeted functional foods for pets. In fact, we are the only company in India that offers a complete range of pet care products, from medication, and food, to diagnostics/surgery support and more. Our goal is to become a one-stop shop for all pet care need. Our specialised cosmetic line has been developed and soft launch has been conducted we are planning to name a Grand Launch Q4FY25.

## **Business Update**

### **Freossi Brand**

- Launched 24 products under our Pet Pharma range.
- Launched 36 products under our Pet Treat and Feed Supplement range.
- Launched the affordable Pet Grooming range at a large scale with 73 products.
- Ultra-Niche Pet Care Cosmetic Products are set for launch in FY25.
- Export registration completed in Sri Lanka and products shall be commercialised by early Q3FY25.

### **• Nutraceuticals**

In 2022, Fredun, under its brand Fredun Nutrition, launched a range of personal health care products with natural active ingredients devoid of any poisonous heavy metals or synthetic additives which are objectionable. Every product, manufactured in our facility, matches world-class quality standards and are backed by years of research ensuring the best efficacy and quality. The Company has conducted clinical trials on key brands like Mamalait and Damavand.

Nutraceutical Exports have witnessed robust growth. We expect to see a constant growth of 15% QoQ over the next two years.

We have launched 34 new products in Q2FY24. In addition, we plan to introduce 18 more New-Age Nutraceuticals by Q4FY25. Initially, we will focus on ethically promoting these new products to a select demographic in India. After the first year, we intend to expand their availability across the entire country over a period of 18 to 24 months. Our strategy includes a phased approach to increase reach and distribution across India.

## **Business Update**

### **Exports**

- Fully executed the contract signed with GCC region for Nutraceuticals and Human Protein supplements.
- Revenue from Nutraceuticals and Human Protein Supplements expected to cross US\$ 2.5 million in FY25.

### **Fredun Nutrition Brand**

- Launched 34 products during the year in the family healthcare categories
- Plan to launch 10 additional New-Age Nutraceuticals in FY25. Initially, these molecules are sold only in Maharashtra before they are taken PAN India.

### **• Cosmeceuticals**

Fredun has turned out to be a pioneer in launching the Emu Oil enriched products range in India, under its brand Bird and Beauty or BnB. The Company offers a unique line of luxury personal care formulae with pure, fully refined Emu Oil of the highest quality.. Used by Australian Aborigines for centuries, Emu Oil is coveted for its rich moisturizing benefits for hair, skin, and nails. It contains a balance of nourishing Omega 3, 6, and 9 essential fatty acids. The Emu Oil is humanely acquired from free-range, hormone-free birds and is gently refined using an advanced, proprietary, and chemical-free process that produces clear, odourless, and a highly stable oil. The formulations have been made after years of research and clinical trials at our own facility.

Launched in 2022, the products cater to skin care, hair care and body care. The Company is marketing the products primarily through e-commerce platforms. As the research is on-going for multiple products, BnB will scale up the launch of more products in the segments in the coming years.

We have added 48 new products under the Cosmeceuticals OEM division.

**a) BeautyFred®:** In the mass-market segment we launched our beauty and personal care brand, Beautyfred. We are in the process of launching a comprehensive array of 100 + products under 'BeautyFred'. These products are being introduced in a carefully planned, phase-wise manner over an 18-month period.

**b) Bird and Beauty (BnB)®:** We are promoting a specialised group of 24 products to dermatologists throughout India in an ethical manner. We plan to expand this range by launching additional products by Q4FY25. Production has already started in our newly established, state-of-the-art lotion manufacturing unit located in Palghar, initiated with a trial order this past December. This unit was fully operational and commercialised in Q3FY24.

## **Business Update**

### **Exports**

- Added 40 products during the year.

### **Bird and Beauty & Beautyfred Brand**

- Launched 48 products during the year in the Hair & Skin categories and additional 24 products will be launched by Q3

- Commercialised production in the state-of-the-art Lotion manufacturing unit at Palghar from Q3FY24 and produced over 1 Million bottles .

- Automatic manufacturing and filling Balm unit commercialised and continues to have orders of 9 Mn units by Q4FY25.

- CHUU is available in PAN Mumbai expanding into PAN Maharashtra and will be available into another 3 States by end Q4FY25.

- **Fredun Mobility®**

Capitalising on our existing distribution channels and under our brand name 'Brace On,' we are extending our product offerings to developed a new line of over 50 mobility products. This fiscal year we plan to launch 20 rehabilitation products. This range includes back braces, walking aids, and post-surgery support aids. We are working closely with Doctors/Physiotherapists/Trainers and other industry experts to penetrate the market.

## **Manufacturing**

All the company's products are manufactured at Palghar, Maharashtra. Third party manufacturing of products are done at 16 different locations all over India. The Company initiated the construction of its specialized F&D Lab at Palghar in FY2021. This lab was set up to cater to various new product developments and support the launch of 1000+ registrations which are in pipeline over the next 4 years. The Company also commissioned a state-of-the-art Warehousing Facility totalling to 160,000 Sq. ft. capacity.

The Company has leveraged its leadership position in manufacturing MCHC and entered the Bone Graft space. Fredun plans to stand out in the market by using the Xenograft technology, that would have a higher collagen content than the global leader in this space. Products from Xenograft technology are superior to the currently used synthetic products available in the market.

During FY24, Fredun set-up a dedicated area for manufacturing the Super Speciality Bone Graft product - FREOSSI® Granules & FREOSSI® Putty.

By Q3FY25 end we will install a new automatic tube filling machine imported from Italy which will double our daily filling capacities.

We will increase our Ointment manufacturing capacities by 200% by end of the FY 25 by adding 3000 kg capacity per day of ointment / topical from our manufacturing vessel lines.

Automatic cartonators have been installed in Q1&Q2 FY25 reducing dependency of manpower by over 70% in ointment packing .

Our seventh granulation installation which shall be completed by end of Q3FY25 and which will increase our granulating daily capacity output by 2 tons per day.

## Outlook

Fredun anticipates the sales growth of 16% and has an ambitious plan to continue the growth at a continuous average rate of 15- 18%. This projected growth includes sales from a wide range of 162 products. These will be distributed through generic channels across India, as well as sold to high-end government hospitals and other institutions. Apart from trade generics, all the four branded segments are just starting to pick up pace. Revenue from Nutraceuticals and Human Protein Supplements will cross USD 2 million in FY25. On the back of this, Fredun aims to continue to grow at 25-30% CAGR between FY24 to FY26, increase the revenue contribution from non-pharma segments from ~3% in FY23 to 15-20% by FY27 and alongside achieve an EBITDA margin of 15-18%.

The Company is under upgradation to meet standards and requirement of PIC's, Audit scheduled Q2FY25.

## Opportunities and Threats

### Opportunities

#### Generics

The substantial growth in Fredun Generics' export business highlights a robust market demand for their branded products. The control over OEM exports, along with the ownership of product registrations, positions the company advantageously for further international expansion. The successful launch and promising sales of the Chuu Balm, specifically designed for economically disadvantaged communities, indicates a socially responsible and potentially lucrative market segment. The expansion into government and institutional sales provides a stable and scalable revenue stream.

#### Pet Healthcare

The pet healthcare segment is growing rapidly, and Fredun's comprehensive product portfolio, including MCHC-based supplements, positions it as a market leader in India. The introduction of new products, especially in pet grooming, pharmaceuticals, and nutritional supplements, opens multiple revenue streams. The company's unique access to patented technology for pet surgeries and its range of targeted functional foods for pets can significantly differentiate Fredun from competitors. Expansion into the large animal segment further broadens the market potential.

#### Nutraceuticals

The increasing consumer awareness and demand for personal health care products with natural ingredients provide a fertile ground for Fredun's nutraceuticals. The development and phased introduction of new products ensure a steady pipeline of innovative offerings. The focus on ethically promoting these products to select demographics before a nationwide rollout is a strategic approach to building brand trust and loyalty.

#### Cosmeceuticals

Fredun's pioneering introduction of Emu Oil-infused products under the Bird and Beauty brand taps into a niche but growing market. The focus on luxury personal care products with natural ingredients caters to the premium segment, which is less price sensitive. The expansion of the BeautyFred® and BnB® lines, along with the new state-of-the-art manufacturing unit, provides ample growth opportunities. The strategic marketing through e-commerce platforms can significantly increase reach and accessibility.

## **Fredun Mobility®**

The introduction of the 'Brace On' product line leverages Fredun's existing distribution channels, providing a seamless entry into the mobility aids market. Collaboration with doctors, physiotherapists, and trainers can enhance product credibility and adoption. The growing awareness and demand for mobility aids due to an aging population and increased prevalence of chronic conditions present a significant market opportunity.

Threats/Challenges

## **Generics**

The competitive landscape in the generics market could pose significant challenges, especially from well-established global and local players. Regulatory hurdles in different countries might delay or restrict product registrations and market entry. Economic fluctuations and geopolitical factors could impact international sales and the stability of export markets. The dependency on the successful rollout and acceptance of new products could affect revenue projections if market penetration falls short.

## **Pet Healthcare**

The pet healthcare market is highly competitive, with numerous established brands. Ensuring consistent quality and efficacy of products is critical, as any lapse could harm the brand's reputation. Regulatory approvals for new products can be time-consuming and costly. Additionally, fluctuations in raw material prices or supply chain disruptions could impact production and profitability.

## **Nutraceuticals**

The nutraceutical market is crowded, with numerous players offering similar products. Regulatory scrutiny over health claims and ingredient safety can pose significant challenges. The success of new product launches depends heavily on consumer acceptance and market demand. Economic downturns can affect discretionary spending on health supplements, potentially impacting sales.

## **Cosmeceuticals**

The cosmeceutical market is highly competitive, with major global brands dominating the space. Ensuring the ethical sourcing of Emu Oil and maintaining consistent product quality is crucial to brand credibility. The reliance on e-commerce platforms means facing fierce competition and potentially high marketing costs. Regulatory changes concerning cosmetic ingredients can impact product formulations and approvals.

## **Fredun Mobility®**

The mobility aids market is competitive, with numerous established and emerging players. Ensuring product quality and efficacy is paramount, as any failure could lead to significant reputational damage. The market penetration depends heavily on effective partnerships with healthcare professionals. Economic factors and healthcare policies can influence the purchasing power of the target demographic, potentially affecting sales.

We are extending our product offerings through our new brand .We plan to capitalize on our existing distribution channels and have developed a new line of over 50 mobility products. We have launched 15 + products in the Q2FY24.

We have initiated two more brands under

**Digital Thermometer**

**Piston Compressor Nebulizer**

## Risk Management

Fredun is dedicated to conducting business in accordance with all relevant statutory laws, official announcements, and regulations. Given the intricate and tightly regulated structure of the global pharmaceutical industry, in which Fredun participates, the Company may be susceptible to risks typical of the sector, such as concerns about the quality and safety of the company's products, disputes over intellectual property, and regulatory delays, among other things. If not appropriately handled, these risks could result in fines, product recalls, brand/reputation loss, and income loss. In this situation, it is crucial to react to risk using a comprehensive framework for risk mitigation that may support the Company in keeping a consistent level of product quality, patient and staff safety, and long-term sustainability. The risks that are specific to the pharmaceutical industry are addressed, as are any others that might have an influence on our strategic objectives.

## Review of Financial Performance

Particulars (In Rs Crores)	FY24	FY23	YoY (%)
Revenue from Operations	349.07	276.50	26.25%
EBITDA	38.90	29.60	31.42%
EBITDA Margin %	11.14%	10.70%	44 bps
PAT	15.62	10.80	44.63%
PAT Margin %	4.47%	3.9%	57 bps

## Human Resources

The Company considers people to be its most valuable resource and has been working strategically to recruit, develop and utilize people. The Company has been actively pursuing policies for the strategic and well-planned recruitment, development and utilization of human resources who can understand and practice the Company's Management Principles and Activity Guidelines to contribute broadly to society and continue creating new values. Effective recruitment, development and the utilization of globally competitive human resources are the most important issues for your Company to survive the current ever-changing business environment and achieve sustainable growth. Our concern is to ensure that each of our employees exercise their full potential in line with the business strategy of their respective departments. The number of employees as of March 31, 2024, stood at 254 .

## Internal Control Systems and Adequacy

The Company maintains effective and adequate Internal Control Systems as per its size and complexity. Fredun believes that these systems provide a reasonable assurance that transactions are executed with management authorisation, among other things. It also ensures that they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting principles along with the assets of the Company being adequately safeguarded against significant misuse or loss. An independent Internal Audit function is an important element of Company's Internal Control System. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee of Board.

## Cautionary Statement

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information, or events.



## ANNEXURE VI

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

**a) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year 2023-24;**

(Amount in Rs.)

Name of Director / KMP	Designation	Remuneration of Director/KMP for the F.Y. 2022-23	Ratio of remuneration of each Director/ KMP to median remuneration of employees
Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director	12,00,000	3.56
Mr. Fredun Medhora	Managing Director & CFO	54,00,000	16.02

**b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2023-24 compared to 2022-23:**

(Amount in Rs.)

Name	Remuneration for the Year ended 2023-24	Remuneration for the Year ended 2022-23	% Change
Dr. (Mrs.) Daulat Medhora	12,00,000	12,00,000	-
Mr. Fredun Medhora	54,00,000	54,00,000	-
Mrs. Jinkal Soni (Ms. Jinkal Shah)	3,00,000	3,00,000	-

**c)** The median remuneration of the employees has increased to 63.05% in 2023-2024 as compared to 2022-2023.

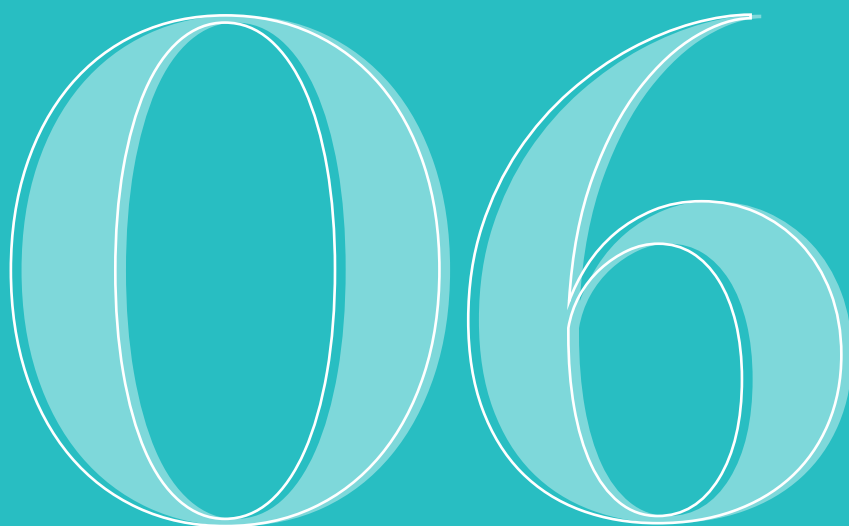
**d)** The Independent – Non-Executive Directors of the Company are only getting sitting fees.

**e)** There are 256 employees on the rolls of the Company as on March 31, 2024;

**f)** Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not Applicable.

**g)** Key parameter for any variable component of remuneration availed by the director – Not Applicable as no variable remuneration is paid.

We hereby affirm that remuneration paid to Executive Directors is as per the Nomination and Remuneration Policy of the Company approved by the Board of Directors. The said policy is available on the Website of the Company at <https://www.fredungroup.com/investor-relation>



**Corporate  
Governance  
Report**

## CORPORATE GOVERNANCE REPORT

### [Pursuant to Regulation 34(3) and Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Corporate Governance Report, as applicable for the year ended March 31, 2024 is set out below for the information of shareholders, investors and other stakeholders of **FREDUN PHARMACEUTICALS LIMITED** ("Company").

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is the cornerstone for fostering a state-of -the-art and future ready organisation guaranteeing extra-ordinary and sustainable growth.

Your Company's corporate governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Your Company considers its stakeholders as partners in success and remains committed to delivering value to stakeholders. Your Company believes that a sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. It is committed to exercise overall responsibilities rigorously and diligently throughout the organization, managing its affairs in a manner consistent with corporate governance requirements and expectations.

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent unit business dealings by disclosure of all relevant information in an easily understood manner and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

### **The Company's Governance framework is based on the following principles:**

- Optimum combination of Executive & Non-Executive Directors and size of the Board;
- Timely disclosure of material information to the stakeholders;
- Availability of information to the Members of Board & Board Committees to enable them to discharge their fiduciary duties;
- Ethical business conduct.

The Company had listed its Equity Shares on March 21, 2016 and executed Listing Agreement with the BSE Limited.

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2024.

## A. BOARD OF DIRECTORS:

The Board of Directors have the responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices.

The Company believes in a well-balanced and diverse Board which enriches discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors comprising Independent Directors and the same also is in line with the applicable provisions of Companies Act, 2013 and Listing Regulations. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enables it to ensure long term value creation for all the stakeholders.

### i) Composition of the Board:

The Board comprises of six Directors of which two are Executive Directors, one is Non-Executive Director and three are Non-Executive Independent Directors. The Board Composition commensurate with the size of the Company, complexity and nature of various underlying businesses activities.

Board of Directors strictly follows the Company's Code of Conduct. The Board periodically reviews compliance reports of all laws applicable to the Company as well as take steps to rectify instances of any non-compliances.

### ii) Attendance at Board Meetings, Last Annual General Meeting, relationship between Directors inter-se, No. of Directorships and Committee Memberships/ Chairpersonships:

Name	Category	Attendance Particulars		
		Number of Board Meetings		Last AGM held on September 30, 2023
		Held	Attended	
Dr.(Mrs.)Daulat Medhora	Executive Director	16	16	Yes
Mr. Nariman Medhora	Non-Executive Non-Independent Director	16	16	Yes
Mr. Fredun Medhora	Executive Director	16	16	Yes
Dr. (Mr.) Aspi Raimalwala	Non-Executive Independent Director	16	16	Yes
Dr. (Mr.) Rohinton Kanga	Non-Executive Independent Director	16	16	Yes
* Dr. (Mr.) Chandrakant Shah	Non-Executive Independent Director	3	3	NA
**Mrs. Daisy D'Souza	Non-Executive Independent Director	5	5	NA

\* Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023.

\*\* Mrs. Daisy D`Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023

### iii) Number of other Boards and/or Board Committees in which he/she is a member or Chairperson as on March 31, 2024:

Name of Members	Category	No. of Directorships and Committee Chairmanship/ Membership (including this Company)			
		Directorship	Directorship in listed Company	Committee Chairmanship	Committee Membership
Dr.(Mrs.) Daulat Medhora	Executive Director	1	1	0	1
Mr. Nariman Medhora	Non-Executive Non-Independent Director	1	1	0	0
Mr. Fredun Medhora	Executive Director	1	1	0	1
Dr. (Mr.) Aspi Raimalwala	Non-Executive Independent Director	1	1	1	0
Dr.(Mr.) Rohinton Kanga	Non-Executive Independent Director	1	1	0	1
*Mrs. Daisy D'Souza	Non-Executive Independent Director	3	2	1	2

\*Mrs. Daisy D'Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

None of the Directors is a Director in more than 20 Companies or more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. None of the Executive Directors act as Independent Director of more than 3 listed entities. None of the Directors is a member in more than 10 Committees or is Chairperson of more than 5 Committees amongst the Companies mentioned above. The Committees considered for the above purpose are those specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (i.e. Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies.)

## iv) Meetings of the Board:

16 (Sixteen) Board Meetings were held during the Financial Year 2023-24.

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

Dates on which Board Meetings were Held	Total Strength of the Board	No. of Directors Present
May 02, 2023	6	6
May 24, 2023	6	6
July 19, 2023	6	6
August 02, 2023	5	5
August 10, 2023	5	5
August 23, 2023	5	5
September 14, 2023	5	5
September 22, 2023	5	5
November 08, 2023	5	5
November 10, 2023	5	5
November 24, 2023	5	5
December 05, 2023	6	6
December 16, 2023	6	6
December 21, 2023	6	6
February 14, 2024	6	6
March 22, 2024	6	6

The maximum time gap between any two consecutive meetings did not exceed 120 days. The necessary quorum was present for all the Meetings. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board.

## v) Disclosure of Relationship between Directors Inter-se:

Name	Relation with Company	Inter-se Relation
Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director	Wife of Mr. Nariman Medhora & Mother of Mr. Fredun Medhora
Mr. Nariman Medhora	Non-Executive, Non-Independent Director	Husband of Dr. (Mrs.) Daulat Medhora & Father of Mr. Fredun Medhora
Mr. Fredun Medhora	Managing Director & CFO	Son of Mr. Nariman Medhora & Dr. (Mrs.) Daulat Medhora

## vi) Disclosure of Shareholding by Non-Executive Directors: as on March 31, 2024

Sr. No.	Name of Director	Number of shares held
1	Dr. (Mr.) Aspi Raimalwala	8,061
2	Dr. (Mr.) Rohinton Kanga	500
3	Mr. Nariman Medhora	7,19,815
4	Mrs. Daisy D`Souza	2,500

## vii) Familiarization Program imparted to Independent Directors:

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc. The details of the abovementioned Familiarization Program is uploaded on the website of the Company [www.fredungroup.com](http://www.fredungroup.com)

## viii) Chart or matrix setting out skill/ expertise / competence of the Directors:

A matrix setting out the core skills/ expertise/ competence as required in the context of the business or sector for the Company to function effectively in comparison with core skills/ expertise/ competence actually available with the Board as on March 31, 2024 are stated hereunder:

Sr. No.	List of core skills/ expertise/ competence	Availability of the core skills expertise/ competence as on March 31, 2024
1	Knowledge of the Pharmaceuticals Industry	✓
2	Sales and Marketing Functions	✓
3	Business Strategy Formation	✓
4	Planning & Sourcing	✓
5	Strategy/M&A/Restructuring	✓
6	Finance, Accounting and Costing	✓
7	Legal and Regulatory Compliance	✓
8	Corporate Governance	✓
9	Human Resource Management	✓
10	Risk Mitigation Planning and Management	✓

### Board Competency Matrix:

Board of Directors	1	2	3	4	5	6	7	8	9	10
Dr. (Mrs.) Daulat Medhora	✓		✓					✓		✓
Mr. Nariman Medhora	✓		✓					✓	✓	
Mr. Fredun Medhora	✓	✓	✓	✓			✓	✓	✓	✓
Dr. (Mr.) Aspi Raimalwala	✓	✓								
Dr. (Mr.) Rohinton Kanga	✓	✓								
Mrs. Daisy D`Souza					✓	✓	✓	✓	✓	

## **ix. Confirmation regarding the Independence of the Directors of the Company**

In the opinion of the Board of Directors of the Company and on the basis of the declarations furnished by the Independent Directors, all the Independent Directors of the Company fulfill the criteria and conditions as specified under Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

## **x. Board Meeting Procedure:**

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with Individual Directors and considering their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors.

Apart from any specific matter, the Board periodically reviews routine business items which includes approval of financial results along with Auditors review report, operational performance of the Company, minutes of committee meetings, quarterly corporate governance report, statement of investor complaints, shareholding pattern, compliance report on all laws applicable to the Company, annual financial statements, annual budget, capital expenditure and other matters placed before the Board pursuant to Part A of Schedule II of Listing Regulations.

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee meetings. All such matters are communicated to the Chairman in advance so that the same could be included in the Agenda for the Board/Committee meetings.

## **xi) Code of Conduct:**

The Board of Directors adopted the Code of Conduct for Board Members and Senior Management Personnel. The said code was communicated to the Directors and members of the Senior Management and they affirmed their compliance with the said Code. The Code adopted is posted on the Company's website [www.fredungroup.com](http://www.fredungroup.com)

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted Code of practices and procedures for fair disclosure of unpublished price sensitive information and Code of Conduct in order to monitor and report Insider Trading.

All Directors and the designated employees have confirmed compliance with the Code.

A Certificate from Mr. Fredun Medhora, Managing Director and CFO of Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with/Stock Exchanges for the Financial Year ended March 31, 2024 was placed before the Board of Directors of the Company in their meeting held on May 07, 2024 and is annexed to this Report.

## **B. INDEPENDENT DIRECTORS:**

Mrs. Daisy D`Souza, Dr. (Mr.) Aspi Raimalwala or not Dr. (Mr.) Rohiton Kanga were the Independent Directors on the Board of Directors of your Company as on March 31, 2024. The Independent Directors continue to serve on the Board and will hold office pursuant to the provisions of Section 149(10) of the Companies Act, 2013.

## **i) Role of Independent Directors:**

The Independent Directors plays an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise in the field of finance, management and public policy.



The Independent Directors satisfy the criteria of independence as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and the Companies Act, 2013. They perform the duties as stipulated in the Companies Act, 2013.

## **ii) Separate Meeting of Independent Directors:**

During the year 2023-24, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, 2015; a separate meeting of Independent Directors was held on May 24, 2023 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was conducted in an informal manner to enable the Independent Directors to discuss and review the performance of the Chairperson of the Company and for assessing the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

## **iii) Certificate on Non-disqualification of Directors**

Ms. Kala Agarwal, Practising Company Secretary have certified that for the Financial Year ended on March 31, 2024, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by Miss. Kala Agarwal, to that effect is attached as a part of this Report.

## **C. COMMITTEES OF BOARD:**

The Company has 4 (Four) Board Level Committees to focus on critical functions of the Company and also for smooth and efficient business operations. viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. Minutes of the proceedings of each committee meeting are circulated to the members of that Committee for their comments and thereafter, confirmed and signed by the Chairperson of the respective Committee. The Board also takes note of minutes of the meetings of the Committees duly approved by their respective Chairman and the material recommendations / decisions of the Committees are placed before the Board for approval / information. The Company Secretary acts as the Secretary to these Committees.

Details on role and composition of these Committees, including number of Meetings held during FY 2023-24 and the related attendance are provided below:

### **i) Audit Committee:**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013; read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee invites such of the Executives, as it considers appropriate, representatives of the Statutory Auditors to attend the meeting.

During FY 2023-24, the Audit Committee met 4 times, on May 24, 2023; July 19, 2023; November 08, 2023 and February 14, 2024. Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee w.e.f. July 19, 2023. Further, Mrs. Daisy D'Souza appointed as an Independent Director of the Company and was also appointed as Chairperson of the Audit Committee w.e.f. November 24, 2023. The requisite quorum was present at all the meetings.

Sr. No.	Name of Director	Position	Category	No. of Audit Committee Meetings attended
1.	*Dr. (Mr.) Chandrakant Shah	Chairman	Non-Executive Independent Director	2 out of 4
2.	Dr. (Mr.) Rohinton Kanga	Member	Non-Executive Independent Director	4 out of 4
3.	Mr. Fredun Medhora	Member	Executive Director	4 out of 4
4	**Mrs. Daisy D'Souza	Chairperson	Non-Executive Independent Director	1 out of 4

\* Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his Membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023.

\*\* Mrs. Daisy D'Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- Overview of the Company's financial reporting process and the disclosure of its Financial Information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed;
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the Financial Statements and Draft Audit Report, including the quarterly/half yearly financial information;
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on;
- Any changes in accounting policies and practices;
- Major accounting entries based on exercise of judgment by management;
- Qualifications in Draft Audit Report;
- Significant adjustments arising out of audit;
- The going concern assumption;

- Compliance with Accounting Standards;
- Compliance with Stock Exchange and Legal requirements concerning Financial Statements;
- Any Related Party Transactions as per Accounting Standard 18;
- Reviewing the Company's Financial and Risk Management Policies;
- Disclosure of Contingent Liabilities;
- Reviewing with the management External and Internal auditors, and the adequacy of Internal Control Systems;
- Looking into the reasons for substantial defaults in payments to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors.

## ii) Nomination and Remuneration Committee (“NRC”):

During Financial Year 2023-24, the NRC met Five times on May 24, 2023; July 17, 2023; November 08, 2023; November 24, 2023; December 21, 2023. The requisite quorum was present at all the meetings except November 08, 2023. The Chairman of the NRC was present at the last Annual General Meeting of the Company held on September 29, 2023.

Sr. No.	Name of Director	Position	Category	No. of NRC Meetings attended
1.	Dr. (Mr.) Rohinton Kanga	Chairman	Non-Executive Independent Director	5 out of 5
2.	Dr. (Mr.) Aspi Raimalwala	Member	Non-Executive Independent Director	5 out of 5
3.	*Dr. (Mr.) Chandrakant Shah	Member	Non-Executive Independent Director	2 out of 5
4.	**Mrs. Daisy D'Souza	Member	Non-Executive Independent Director	1 out of 4

\* Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023.

\*\* Mrs. Daisy D`Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

The NRC of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013; read with Regulation 19 of the SEBI Listing Regulations, 2015. The terms of reference of the NRC includes various matters in conformity with the statutory guidelines including the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- The remuneration / compensation / commission etc. to Directors will be determined by the Committee and shall be recommended to the Board for approval;
- Recommend to the Board a policy for Selection and Appointment of Directors, Key Managerial Personnel and other Senior Management positions;

- Formulate and review criteria for evaluation of performance of Independent Directors;
- Succession planning for replacing Key Executives and overseeing;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve and / or enforced by any statutory notification, amendment or modification, as may be applicable.

## Performance Evaluation of Independent Directors

The Performance Evaluation criteria for Independent Directors are determined by the NRC. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment.

## Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has formulated a Policy on the appointment of person as Director and evaluation of Directors & Senior Management Personnel (SMP).

The extract of the Policy covering remuneration for the Directors, Key Managerial Personnel (KMP) and other employees is reproduced below:

- The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.
- The remuneration policy shall ensure that:
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality to run the Company successfully.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long term performance and goals set by the Company.
- While determining the remuneration and incentives for the MD, WTD and KMPs, the following shall be considered:
  - a. Pay and employment conditions with peers/ elsewhere in the competitive market.
  - b. Benchmarking with industry practices.
  - c. Performance of the individual.
  - d. The Company's performance.
- For the benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- The pay structures shall be appropriately aligned across levels in the Company. The detailed policy on the appointment of person as Director and evaluation of Directors & Senior Management Personnel

## Remuneration of Directors:

Remuneration paid to Non-Executive Directors of the Company were paid sitting fees for attending each Meeting of the Board of Directors, Audit Committee and Nomination & Remuneration Committee thereof and Meeting of Independent Directors during the Financial Year 2023-24. Further, no sitting fees are paid by the Company for attending the meeting of Stakeholders' Relationship Committee.

The Non-Executive Directors do not have any other pecuniary relationship with the Company apart from receiving dividend for the Shares held by them, if any, and sitting fees and reimbursement of expenses incurred for attending Meetings of the Board and Committees thereof. The Company has not granted any stock option to any of its Non-Executive Directors.

The details of the sitting fees paid during the Financial Year 2023-24 are given below:

Sr. No.	Name of the Directors	Designation	Sitting Fees
1	Dr. (Mr.) Rohinton Kanga	Independent Director	Rs.1,12,000/-
2	Dr. (Mr.) Aspi Raimalwala	Independent Director	Rs.1,12,000/-
3	*Dr. (Mr.) Chandrakant Shah	Independent Director	Rs.16,000/-
4	**Mrs. Dr. Daisy D`Souza	Independent Director	Rs.16,000/-

\* Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his Membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023.

\*\* Mrs. Daisy D`Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

### Remuneration paid to the Executive Directors of the Company:

The remuneration of the Executive Directors is determined on the recommendation of the Nomination & Remuneration Committee and approved by the Board of Directors and Shareholders. Any change in remuneration is also effected in the same manner and/or in line with the applicable statutory approvals. The remuneration package of the Executive Directors comprises of Salary and Allowances, contribution to Provident Fund and Superannuation Fund and Commission. No Bonus or Pension is paid and no Stock Options were granted to any of the Executive Directors. The details of Remuneration for Financial Year 2023-24 are summarized below:

Name of the Directors	Designation	Salary & Allowances	Perquisites	Company's contribution to Provident Fund & Superannuation Fund
Mr. Fredun Medhora	Managing Director & CFO	54,00,000	-	-
Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director	12,00,000	-	-

The tenure of office of the Executive Directors of the Company is 5 years from their respective dates of appointment. The notice period is as per the Company's policy. There is no provision for payment of severance fees. The Company does not have a Scheme to grant stock options.

### iii) Stakeholders Relationship Committee ("SRC"):

The SRC of the Company is constituted in line with the provisions of Section 178(2) of the Companies Act, 2013; read with Regulation 20 of the SEBI Listing Regulations, 2015.

The terms of reference of the SRC, inter-alia, includes the following:

- The Shareholders Relationship Committee of the Board is empowered to oversee the redressal of Investors Complaint(s), Share transfers, Non-Receipt of Annual Report, Dividend payment, Issue of Duplicate Certificate, Transmission (with and without legal representation) of Shares and other miscellaneous complaints;
- Reviewing of Investors Complaints and take necessary steps for redressal thereof.
- To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act., 2013 and the rules made thereunder.

During Financial Year 2023-24, the SRC met once on May 24, 2023. The requisite quorum was present at the meeting.

Sr. No.	Name of Director	Position	Category	No. of SRC Meetings attended
1.	*Dr. (Mr.) Chandrkant Shah	Chairman	Non-Executive Independent Director	1 out of 1
2.	***Dr. (Mr.) Aspi Raimalwala	Chairman	Non-Executive Independent Director	1 out of 1
3.	Dr. (Mrs.) Daulat Medhora	Member	Executive Director	1 out of 1
4.	**Mrs. Daisy D'Souza	Member	Non-Executive Independent Director	0 out of 1

\* Dr. (Mr.) Chandrakant Shah resigned from his position as an Independent Director of the Company. As a result, he also stepped down as Chairman of the Audit Committee and relinquished his Membership in the Nomination and Remuneration Committee and the Stakeholder Relationship Committee, w.e.f. July 19, 2023.

\*\* Mrs. Daisy D`Souza appointed as an Independent Director of the Company w.e.f. November 24, 2023.

\*\*\*Dr.(Mr.) Aspi Raimalwala appointed as Chairman of the SRC w.e.f. November 24, 2023.

## (iv) Corporate Social Responsibility Committee(“CSR”)

The CSR of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The terms of reference of the CSR, inter-alia, includes the following:

Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act, 2013.

- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the CSR policy of the Company from time to time.
- Such other matters the Board may delegate from time to time.

During the Financial Year 2023-24, the Company was not under any statutory obligation to make any contribution towards the Corporate Social Responsibility activities and hence has not made any contribution in this regard.

During Financial Year 2023-24, the CSR met once on May 24, 2023. The requisite quorum was present at the meeting.

Sr. No.	Name of Director	Position	Category	No. of SRC Meetings attended
1.	Dr. (Mr.) Rohinton Kanga	Chairman	Non-Executive Independent Director	1 out of 1
2.	Mr. Fredun Medhora	Member	Executive Director	1 out of 1
3.	Dr. (Mrs.) Daulat Medhora	Member	Executive Director	1 out of 1

## Contact details of the Compliance Officer / Company Secretary.

Mrs. Jinkal Soni (Ms. Jinkal Shah)	Address:	E-mail:
Company Secretary and Compliance Officer	11 th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai -400013	cs@fredungroup.com

All grievances received from the shareholders of the Company are being redressed expeditiously and satisfactorily at utmost priority, by the Secretarial Department and the RTA of the Company.

## Details of Shareholders' Complaints received, solved and pending during FY 2023-24

Number of complaints received so far	NIL
Number of complaints solved to the satisfaction of Shareholders	NIL
Number of pending complaints	NIL

## E. GENERAL BODY MEETING:

The details of the Shareholder's Meeting(s) held during the preceding 3 Financial Years:

### • Annual General Meeting ("AGM"):

Sr. No.	Type of Meeting	Date & Time	Location	Details of Special Resolution passed
1.	36th Annual General Meeting	Friday, September 29, 2023 at 09.00 A.M.	11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai -400013  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>•To ratify the remuneration of the Cost Auditor for the Financial Year ended March 31, 2024.</li> <li>•Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings</li> <li>•To increase borrowing limit under Section 180 (1) (c) of Companies Act, 2013.</li> <li>•To grant loan/ provide security or guarantee to Directors and other person in whom Director of the company is interested</li> <li>•To approve for increase the limits for making investments/ extending loans and giving guarantees or providing securities in connection with loans to person's/ body corporate.</li> </ul>

Sr. No.	Type of Meeting	Date & Time	Location	Details of Special Resolution passed
				<ul style="list-style-type: none"> <li>•Approval for transaction with Related Parties.</li> <li>•To consider and approve continuation of Dr. (Mr.) Aspi Raimalwala as Independent Director who will be attaining 75 years of age.</li> </ul>
2.	35th Annual General Meeting	Friday, September 30, 2022 at 09.00 A.M.	26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai -400031  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>•To consider and approve continuation of Mr. Nariman Medhora as Director upon his attainment of 75 years of age</li> <li>•To consider and approve continuation of Dr. (Mr.) Chandrakant Shah as Director upon his attainment of 75 years of age</li> </ul>
3.	34th Annual General Meeting	Monday, September 27, 2021 at 11.30 A.M	26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai -400031  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>•To approve increase in remuneration of Mr. Fredun Medhora (DIN: 01745348) Managing Director &amp; CFO of the Company</li> </ul>



• Extra-Ordinary General Meeting (“EOGM”):

Sr. No.	Type of Meeting	Date & Time	Location	Details of Special Resolution passed
1.	Extra-Ordinary General Meeting	Thursday, January 18, 2024 at 03.00 P.M.	11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai -400013  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>• Issuance of securities for amount up to and not exceeding 120 crores or its equivalent in Indian rupees or in any other currency (ies).</li> <li>• Re-appointment of Managing Director Mr. Fredun Medhora (DIN-01745348) for the period of 5 years.</li> <li>• Appointment of Mrs. Daisy D`Souza (DIN-09348309) in the category of Independent Director for the period of 5 years.</li> <li>• Re-appointment of Whole Time Director designated as Jt. Managing Director Dr. (Mrs.) Daulat Medhora (DIN- 01745277) for the period of 5 years.</li> </ul>
2.	Extra-Ordinary General Meeting	Friday, September 23, 2022 at 9.00 A.M.	11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai -400013  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>• Issue of convertible warrants on preferential basis to promoter &amp; promoter group</li> <li>• Issue of equity shares on preferential basis to non-promoters</li> <li>• Issue of convertible warrants on preferential basis to non-promoters</li> </ul>
3.	Extra-Ordinary General Meeting	Tuesday, October 19, 2021 at 11. 00 A.M.	11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai -400013  <i>(Through Video Conferencing mode- Deemed location)</i>	<ul style="list-style-type: none"> <li>• Issue of equity shares on preferential basis to the non promoters</li> <li>• Issue Of Convertible Warrants On Preferential Basis To The Non Promoters</li> <li>• Issue of convertible warrants on preferential basis on conversion of unsecured loan of the promoters</li> </ul>

## F. POSTAL BALLOT

During the Financial Year 2023-24, the Company did not pass any resolution through Postal Ballot.

<p><b>Website</b></p>	<p>The Company's website <a href="http://www.fredungroup.com">www.fredungroup.com</a> contains a separate dedicated section named 'Investor Relations' where shareholders' information is available. The Annual Report for the year and Annual Report for the past years are also available on the website in a user friendly and downloadable form. Apart from this, official news releases, detailed presentations made to media, analysts etc., and the transcript of the conference calls are also displayed on the Company's website.</p>
<p><b>Financial Results</b></p>	<p>The annual, half-yearly and quarterly results are regularly posted by the Company on its website <a href="http://www.fredungroup.com">www.fredungroup.com</a> and are also sent to the shareholders whose e-mail IDs are registered with the Company. These are also submitted to the Stock Exchanges on which the securities of the Company are listed in accordance with the requirements of the Listing Regulations and published in National English newspaper as well as newspaper published in vernacular language of the region where the Registered Office of the Company is situated, namely the Business Standard and Mumbai Lakshadeep.</p>
<p><b>Annual Report:</b></p>	<p>Annual Report containing inter alia Audited Annual Accounts, Board's Report, the Management Discussion and Analysis Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered. However pursuant to SEBI Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY 2023-24 were sent. Pursuant to SEBI Circular dated May 13, 2022 and MCA Circulars dated May 5, 2022, the Annual Report for FY 2023-24 is being sent electronically. Hard copies shall be sent to those shareholders who request for the same</p>
<p><b>Corporate Filing:</b></p>	<p>Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with the Stock Exchanges and are available on the website of BSE Ltd. - <a href="http://www.bseindia.com">www.bseindia.com</a> and also on the website of the Company - <a href="http://www.fredungroup.com">www.fredungroup.com</a></p>
<p><b>All material information including declaration of Financial Results; Press Releases, Presentations made to Institutional Analyst or Investors etc.</b></p>	<p>The Company has promptly reported to the Stock Exchange where Shares of the Company are listed, viz. BSE Limited ("BSE"). Such information is also simultaneously displayed on the Company's website at <a href="http://www.fredungroup.com">www.fredungroup.com</a></p>

## Certain rights that a shareholder in the Company enjoys:

- To transfer the shares.
- To receive the Share Certificates upon transfer within the stipulated period prescribed in the Act.
- To receive Notice of General Meetings. Annual Report, the Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To appoint proxy to attend and vote at the General Meetings.
- To attend and speak in person, at General Meetings.
- To vote at the General Meeting on show of hands wherein every shareholder has one vote. In case of vote on poll, the number of votes of a shareholder is proportionate to the number of Equity Shares held by him.
- To demand poll along with other Shareholder(s) who collectively holding shares on which an aggregate sum of not less than five lakh rupees or are not less than 1/10th of the total voting power in respect of any resolution.
- To requisite an Extraordinary General Meeting of the Company by shareholders who collectively hold not less than 1/10th of the total paid-up capital of the Company.
- To move amendments to resolutions proposed at Meetings.
- To receive Dividend and other corporate benefits like Rights, Bonus Shares etc. as and when declared / announced.
- To inspect various Registers of the Company.
- To inspect the Minute Books of General Meetings & to receive copies thereof after complying with the procedure prescribed under the Companies Act, 2013.
- To appoint or remove Director(s) and Auditor(s) and thus participate in the management through them.
- To proceed against the Company by way of Civil or Criminal Proceedings.
- To apply for the Winding-up of the Company.
- To receive the residual proceeds upon Winding-up of the Company.

## H. GENERAL SHAREHOLDER INFORMATION

### • Annual General Meeting ("AGM") for the Financial Year 2023-24:

<b>Day and Date</b>	Monday, September 30, 2024
<b>Time</b>	09:00 A.M.
<b>Mode</b>	Video Conference/Other Audio-Visual Means
<b>Deemed Venue</b>	11 th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai-400013
<b>Financial Year</b>	The Financial Year of the Company is April 01, 2023 to March 31, 2024.
<b>Board Meeting for consideration of accounts</b>	May 07, 2024
<b>Dividend Rate</b>	7% on the Face value of shares
<b>Book Closure Dates</b>	Tuesday, September 24, 2024 to Monday, September 30, 2024 (both dates inclusive)

• **Stock Exchanges where the securities of the Company are listed:**

Name of the Stock Exchange	Scrip Code	Listing date
<b>BSE Limited</b> Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.	539730	March 21, 2016

The Company has paid the Annual Listing Fees for the Financial Year 2023-24 to BSE Limited.

• **Dividend details:**

The Board has recommended Dividend at the rate of 7% on the Equity Shares of the Company at the Face Value of Rs.10/- each; for the Financial Year 2023-24 and is put for shareholders' approval.

Further, your Company had declared dividend of 7% for the Financial Year 2022-23, 7% for the Financial Year 2021-22 and 7% for the Financial Year 2020-21 on the Face value of Rs. 10/- each on the shares of the Company in the 36th Annual General Meeting held on September 29, 2023, 35th Annual General Meeting held on September 30, 2022 and 34th Annual General Meeting held on September 27, 2021 respectively.

As per the provisions of the Companies Act, 2013 and rules made there under your Company had paid the dividend as per the records of the shareholders available with the Company by / on or before the specified date. The amount lying in the Dividend account as unclaimed / unpaid dividend was transferred to Unpaid Dividend Account of the Company and the list of the shareholders (whose dividend is pending) with all the information thereon is made available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com).

• **Book Closure:**

The Register of Members and Share transfer books of the Company will remain closed from September 24, 2024 to September 30, 2024 (both days inclusive).

• **Market price data - monthly high - low of the closing price on the BSE during the period from April 2023 to March 2024 is given below:**

Month	High Price	Low Price
April 2023	985.00	750.00
May 2023	1043.95	820.00
June 2023	911.95	800.10
July 2023	1210.20	771.00
August 2023	1249.00	921.40
September 2023	1000.05	846.00
October 2023	951.95	800.00
November 2023	975.70	810.00
December 2023	916.00	825.00
January 2024	911.95	821.00
February 2024	1054.00	770.05
March 2024	879.70	650.00

Sources: BSE websites

## • Registrar to an Issue and Share Transfer Agents:

Purva Sharegistry (India) Private Limited has been appointed as one point agency for dealing with shareholders. Shareholders' correspondence should be addressed to the Company's Share Transfer Agent at the address mentioned below:

## Registered Office:

### Purva Sharegistry (India) Private Limited

9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Near Lodha Excelus, Lower Parel East, Mumbai - 400011

**Telephone:** +022 3199 8810/ 4961 4132

**Email:** support@purvashare.com

**Website:** www.purvashare.com

## • Share Transfer System:

The Company's Shares which are in Demat form are transferable through the depository system. Shares in physical form are processed by the Registrars and Share Transfer Agents, Purva Sharegistry (India) Pvt. Ltd., and approved by the Stakeholders Relationship Committee of the Company or authorized officials of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Purva Sharegistry (India) Pvt. Limited.

Further, as per the SEBI revised circular on the said matter Physical Shares cannot be transferred after March 31, 2021 except in the case of Transmission. Thus, each and every shareholder holding shares in Physical form are requested to Dematerialize there shares in order to trade in the securities.

## • Details of Shareholding as on March 31, 2024:-

Shareholding of Nominal Value	No. of Shareholders	% of Total no. Shareholders	Amount (in Rs.)	Total Capital
1 – 5000	6905	91.98%	4331400	9.22
5001 – 10000	299	3.98%	2275720	4.84
10001 – 20000	131	1.75%	1908730	4.06
20001 – 30000	50	0.67%	1275290	2.72
30001 – 40000	24	0.32%	845120	1.80
40001 – 50000	32	0.43%	1477510	3.15
50001 – 100000	32	0.42%	2378980	5.06
1000001 and above	34	0.45%	32498870	69.15
<b>Total</b>	<b>7507</b>	<b>100%</b>	<b>46991620</b>	<b>100%</b>

## • Shareholding Pattern as on March 31, 2024

Category of Shareholders	Number of Shares	Percentage Holding
Promoters and Promoter Group	23,10,385	49.17%
Bodies Corporate	35,001	0.74%
Limited Liability Partnership (LLP)	23,058	0.49%
Banks and Financial Institutions	75,000	1.60%
NRI	98,948	2.11%
Foreign Institutional Investor	NIL	NIL
Hindu Undivided Family	91,547	1.95%
Others – Resident Individuals	20,62,344	43.88%
Others – Clearing Members	79	0.00%
Unclaimed or Suspense or Escrow Account	2,800	0.06%
Trust	NIL	NIL

## • Directors Share Holding as on March 31, 2024

Sr. No.	Name of the Directors	Number of Shares held
1.	Dr. (Mrs.) Daulat Medhora	14,10,898
2.	Mr. Nariman Medhora	7,19,815
3.	Mr. Fredun Medhora	1,79,672
4.	Dr. (Mr.) Aspi Raimalwala	8,061
5.	Dr. (Mr.) Rohinton Kanga	500
	<b>Total</b>	<b>23,18,946</b>

## • Dematerialization of Shares:

As on March 31, 2024; 46,09,292 Shares (98.08%) of the total Equity Share Capital of the Company are held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

## • Outstanding GDRS / ADRS / Warrants / Convertible Instruments as on March 31, 2024:

On October 15, 2022 the Company issued 2,59,892 Convertible Warrants whereby each Warrant was Convertible into 1 (One) equity share and the conversion can be exercised at any time within a period of 18 (Eighteen) months from the date of Allotment i.e. on or before April 15, 2024. 1,66,890 Warrants were converted into equity shares.

There are no outstanding ADRs/ GDRs or any convertible instruments issued by the Company.

## •Plant Location:

The Company has the following manufacturing and Operating sites: the Palghar 14, 15, 16 Zorabian Industrial Complex, Veoor, Palghar (East) - 401 404, Maharashtra State, India

## •Address for Correspondence:

(Mrs. Jinkal Soni)  
Ms. Jinkal Shah  
Company Secretary and Compliance Officer  
Tower A, Urmi Estate 95, 11th Floor, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai, 400013  
Tel. No.: +91 22 4031 8111  
Email id.: cs@fredungroup.com  
Website: www.fredungroup.com

## •Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239MH1987PLC043662.

## •Commodity Price Risk, foreign exchange risk and hedging activities

The Company does not have any material foreign exchange exposure and therefore no hedging activities were carried out. Further, the Company does not have material exposure to any Commodity and therefore, no hedging activities were carried out and accordingly there is no disclosure to be made in terms of SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

## I. SECRETARIAL AUDIT

Ms. Kala Agarwal, Practicing Company Secretary have conducted the Secretarial Audit of the Company for the Financial Year 2023-24 Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the rules made there under, Listing Agreements with the Stock Exchange, Listing Regulations, applicable SEBI Regulations and other Laws applicable to the Company. The Secretarial Audit Report forms part of this Report.

## J. REQUEST TO SHAREHOLDERS

Shareholders are requested to follow the general procedure / steps as detailed hereunder thus enabling the Company to serve them efficiently and avoid any risks while dealing in the securities of the Company.

### •Demat of Shares:

Shareholders are requested to convert their physical holding to demat / electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2023 can do so only after the shares are dematerialized, except for transmission (i.e., transfer of title of shares by way of inheritance / succession) transposition (i.e., re-arrangement / interchanging of the order of name of shareholders) cases.

### •Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories for payment of Dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of Dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

• **Consolidation of multiple folios:**

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

• **Registration of Nominations:**

Section 72 of the Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

• **Updation of address:**

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.

• **SMS Alerts:**

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their DPs. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com) respectively.

• **Timely encashment of Dividends:**

Shareholders are requested to encash their Dividend Warrants promptly to avoid hassles of revalidation.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants.

Shareholders are requested to note that the Dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

## K. OTHER DISCLOSURE

• **Materially Significant Related Party Transactions**

There are no transactions of material nature other than reported under "Related Party Disclosures" that have been entered into by the Company with the Promoters, Directors, their relatives and the Management and in any Company in which they are interested and that may have potential conflict with the interest of the Company.



All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.

The Company has formulated a policy on dealing with Related Party Transactions. The policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Code of Conduct for prevention of Insider Trading

The Company has duly adopted and have revised and updated Policy on Prevention of Insider Trading as required by every Listed Company under Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

All the Directors and Key Managerial Personnel of the Company as on March 31, 2024; along with their immediate Relatives, have disclosed their Shareholding in the Company and their acts are in compliance with the provisions of the said Code of the Company. The policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Policy on Leak of Unpublished Price Sensitive Information

The Company had formulated and adopted Policies and Procedures for Inquiry in Case of Leak of or Suspected Leak of Unpublished Price Sensitive Information under Regulation 9A (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Company endeavour to follow Good Corporate Governance Practices and thus take every step to ensure that no unfair trade practices are carried on in the Company or by any Personnel of the Company. The policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Vigil Mechanism

The Company has a duly adopted Whistle Blower Policy and established a Vigil Mechanism in line with the provisions of SEBI Listing Regulations, 2015 and Companies Act, 2013; which aims to provide a mechanism to the employees and Directors of the Company to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

It is affirmed that no personnel of the Company have been denied access to the Chairman of the Audit Committee during the Financial Year 2023-24. The policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Code of Conduct of the Company

All the Directors and Senior Management Personnel of the Company have affirmed that they adhere to the Code of Conduct of the Company in true letter and spirit and have given Declaration that they abide by the Code for the year ended March 31, 2024. The Company has framed the policy on Code of Conduct for Director and Senior Management which is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Policy on Preservation of Documents and Records

The Company has adopted and adhere to the Policy on Preservation of Documents and Records; pursuant to Regulation 9 read with Regulation 30(8) of SEBI Listing Regulations, 2015. The policy is available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

#### •Compliance Status

As part of Good Corporate Governance practices all the compliance requirements as per sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations, 2015; have been complied with by the Company.

# CORPORATE GOVERNANCE REPORT

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

• **Compliance Certificate:**

The Practicing Company Secretary has certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulation and the same forms part of this report.

**By Order of the Board  
For Fredun Pharmaceuticals Limited**

**Place: Mumbai  
Date: May 07, 2024**

**Sd/-  
Fredun Medhora  
Managing Director and CFO**

## CERTIFICATE OF CORPORATE GOVERNANCE

**To**  
**The Members**  
**Fredun Pharmaceuticals Limited**  
**Mumbai**

We have examined the compliance with conditions of Corporate Governance by Fredun Pharmaceuticals Limited ('the Company'), for the financial year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the 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 according to the explanations given to us and the representations made by the management and Company Secretary, we herewith certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), related to Corporate Governance.

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.

**Sd/-**  
**Kala Agarwal**  
**Practicing Company Secretary**  
**CP No.: 5356**  
**Membership No.: 5976**

**Place: Mumbai**  
**Date: May 07, 2024**

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,  
The Members of  
**Fredun Pharmaceuticals Limited**

### **Declaration by the Managing Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, **Fredun Medhora**, Managing Director & Chief Financial Officer of Fredun Pharmaceuticals Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Revised Code of Conduct for the Financial Year ended March 31, 2024

**For Fredun Pharmaceuticals Limited**

**Place: Mumbai**  
**Date: May 07, 2024**

**Sd/-**  
**Fredun Medhora**  
**Managing Director and CFO**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members

### FREDUN PHARMACEUTICALS LIMITED

11th Floor, Tower A, Urmi Estate 95,  
Ganpatrao Kadam Marg, Delisle Road,  
Lower Parel (W), Mumbai-400013.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of Fredun Pharmaceuticals Limited having CIN L24239MH1987PLC043662 and having registered office at 11th Floor, Tower A, Urmi Estate 95, Ganpatrao Kadam Marg, Lower Parel (W) Mumbai-400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dr. (Mrs.) Daulat Medhora	01745277	08/06/1987
2.	Mr. Fredun Medhora	01745348	15/10/2014
3.	Mr. Nariman Medhora	02060357	05/06/2021
4.	Dr. (Mr.) Aspi Raimalwala	02454860	30/09/2015
5.	Dr. (Mr.) Chandrakant Shah	02843653	30/09/2015
6.	Dr. (Mr.) Rohinton Kanga	07178190	30/09/2015
7.	Mrs. Daisy D`Souza	09348309	24/11/2023

\* Dr. (Mr.) Chandrakant Shah has resigned from the position of Non-Executive Independent Director w.e.f. July 19, 2023.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-  
**Kala Agarwal**  
Practicing Company Secretary  
CP No.: 5356  
Membership No.: 5976  
UDIN: F005976E000372320

Place: Mumbai  
Date: May 07, 2024

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:

**Under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

To,  
The Board of Directors  
**Fredun Pharmaceuticals Limited**

I, the undersigned, in our respective capacities and the Managing Director and Chief Financial Officer of Fredun Pharmaceuticals Limited ("the Company"), to the best of our knowledge and belief hereby Certify that:

- We have reviewed the Standalone Audited Financial Statements comprising of Balance Sheet as at March 31, 2024, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and related financial information.  
We further state that to the best of their knowledge and belief:
- The said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- The said statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violates the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

### **We have indicated to the auditors and the Audit committee**

- significant changes in internal control over financial reporting during the year March 31, 2024, if any;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For Fredun Pharmaceuticals Limited**

**Place: Mumbai**  
**Date: May 07, 2024**

**Sd/-**  
**Fredun Medhora**  
**Managing Director and CFO**

07

**Independent  
Auditors  
Report**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FREDUN PHARMACEUTICALS LIMITED

#### I. Report on the Audit of the Standalone Financial Statements

##### 1. Opinion

We have audited the accompanying Financial Statements of **FREDUN PHARMACEUTICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including comprehensive income), Cash Flow Statement and the statement of changes in Equity for the year then ended and summary of significant accounting policies and other explanatory information, (herein referred to as "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

##### 2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

##### 3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## 4. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## 5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements are 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 SAs 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 these Standalone Financial Statements.

As part of an audit in accordance with SAs specified under section 143(10), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

**(i)** Identify and assess the risks of material misstatement of the standalone financial statements, 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.

**(ii)** Obtain an understanding of internal financial controls 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

**(iii)** Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**(iv)** 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 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. 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.

**(v)** Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## II. Report on Other Legal and Regulatory Requirements

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

**(a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**(b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

**(c)** The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

**(d)** In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

**(e)** On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

**(f)** With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

**(g)** With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**(h)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

**(i)** The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.

**(ii)** The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

**(iii)** There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. The Company was required under section 124 (1) and 124 (6) of the Act to transfer its dividend and equity shares, where the dividend is not claimed for last seven years to Investor Education and Protection Fund for financial year 2015-16, however there is a delay in transfer of dividend and equity shares to Investor Education and Protection Fund the due date of transfer was 3rd December, 2023 but the same is not transferred as on balance sheet date.

- (iv)**
- (a)**The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b)**The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c)**Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v)**As stated in note no – 41 of the standalone financial statements,
- (a)**The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable
- (b)**The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi)**Based on our examination, which included test checks, the Company has used accounting Softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year except for two days in a year ie – 01.04.2023 and 02.04.2023 and for all relevant transactions recorded in the Softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

# INDEPENDENT AUDITORS REPORT

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R H NISAR & CO  
CHARTERED ACCOUNTANTS  
Firm Registration No – 120895W

RAKESH NISAR  
(PROPRIETOR)

Membership No.: 103659  
UDIN – 24103659BKQCQEI6993

Place: Mumbai  
Date: 7th May, 2024

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Fredun Pharmaceuticals Limited of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of FREDUN PHARMACEUTICALS LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system except for recording audit trail (edit log) facility and the same has operated throughout the year except for two days in a year over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R H NISAR & CO  
CHARTERED ACCOUNTANTS  
Firm Registration No – 120895W

RAKESH NISAR  
(PROPRIETOR)

Place: Mumbai  
Date: 7th May, 2024

Membership No.: 103659  
UDIN – 24103659BKCCQEI6993

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Fredun Pharmaceuticals Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

### **(i) Fixed Assets**

**(a)**The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

**(b)**During the year, the Property, Plant and Equipment of the company have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

**(c)**According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

**(d)**The company has not revalued its Property, Plant and Equipment (including the right of use assets) and intangible assets during the year  
No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rule made thereunder.

### **(ii) Inventories**

**(a)**The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

**(b)**Based on our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory.

**(c)**During the year no discrepancies of 10% or more in the aggregate of each class of inventory were noticed.

**(d)**The company has sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of the time during year, from banks or financial institutions on the basis of security of current assets.

**(e)**The quarterly returns or statements filed by the company with financial institutions or banks are in agreement with the books of accounts of the company.

### **(iii) Details of investments, any guarantee or security or advances or loans given**

**(a)**The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.



**(b)**In our opinion, the investments made and the terms and conditions of the grants of loans, during the year are, prima facie, not prejudicial to the company's interest.

**(c)**In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

**(d)**In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

**(e)**No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

**(f)**The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

**(iv)**In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

**(v)**In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of directives issued by Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of Companies Act and the Rules framed there under. Hence the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**(vi)**We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub – section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not made detailed examination of cost records with a view to determine whether they are accurate or complete.

## **(vii) Statutory Dues**

**(a)**According to the records of the company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, duty of customs, cess and any other material statutory dues applicable to it.

**(b)**According to the records of the company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, Goods and Service tax which has not been deposited on account of any dispute.

**(viii)**There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

## **(ix)**

**(a)**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 loans or borrowing to a financial institution, bank, Government or dues to debenture holders

**(b)**The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority

**(c)**The term loans taken by the Company during the year were applied for the purpose for which loans were obtained.

**(d)**On an overall examination of the financial statements of the Company, funds raised on short terms basis have, prima facie, not been used during the year for long term purposes by the company.

**(e)**On an overall examination of the financial statements of the Company, the Company do not have Subsidiaries Company during the year and hence reporting on clause 3(ix)(e) of the order is not applicable.

**(f)**The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.

**(x)**

**(a)**The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the order is not applicable.

**(b)**The Company has made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

**(xi)**

**(a)**No fraud by the Company and no material fraud on the Company has been noticed or reported during the year

**(b)**No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

**(c)**We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timings and extent of our audit procedures.

**(xii)**The Company is not a Nidhi Company and reporting under clause(xii) of the order is not applicable

**(xiii)**

**(a)**In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

**(xiv)**

**(a)**In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of the business.

**(b)**We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

**(xv)**In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the companies Act, 2013 are not applicable to the Company.

**(xvi)**

**(a)**In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the order is not applicable.

**(b)**In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

**(xvii)**The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**(xviii)**There has been no resignation of the statutory auditors of the Company during the year.

**(xix)**On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examinations of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not assurance as to future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**(xx)**

**(a)**There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the companies Act in compliance with the second to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

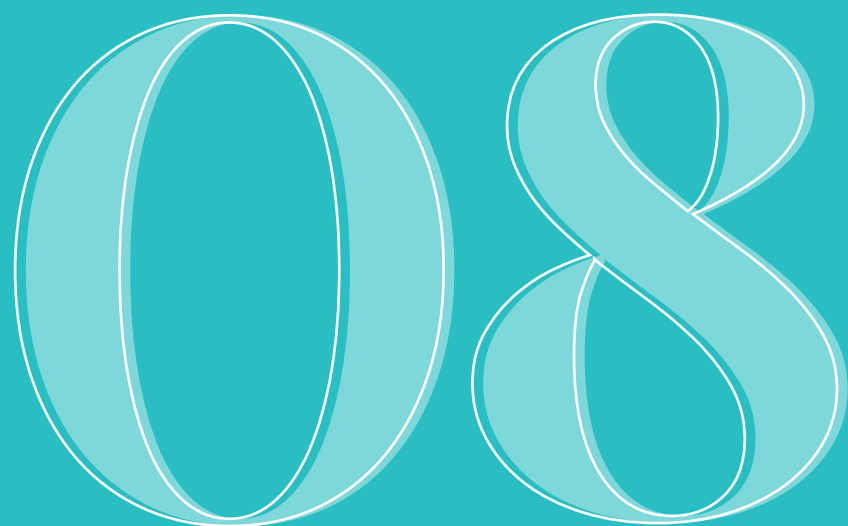
**(b)**In respect of ongoing projects, any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

For R H NISAR & CO  
CHARTERED ACCOUNTANTS  
Firm Registration No – 120895W

RAKESH NISAR  
(PROPRIETOR)

Place: Mumbai  
Date: 7th May, 2024

Membership No.: 103659  
UDIN – 24103659BKCQEI6993



# Balance Sheet

# BALANCE SHEET

Standalone Balance Sheet for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

(Rs. in Lacs)				
		Notes	As at 31 March, 2024	As at 31 March, 2023
<b>I</b>	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
	Property, Plant and Equipment	3	4,615.32	3,862.57
b)	Capital Work-in-Progress		-	-
c)	Other Intangible Assets	4	41.95	30.78
d)	Financial assets			
	i) Investments	5	0.28	0.28
	ii) Loans		-	-
	iii) Other Financial Assets	6	196.20	51.16
e)	Other Non-current Assets	7	186.24	162.05
	<b>Total non - current assets</b>		<b>5,039.97</b>	<b>4,106.84</b>
	<b>CURRENT ASSETS</b>			
	Inventories	8	17,499.80	15,012.36
b)	Financial Assets			
	i) Investments	9	80.80	30.80
	ii) Trade and other receivables	10	6,484.88	3,456.03
	iii) Cash and Cash Equivalents	11	107.17	294.65
	iv) Bank Balance other than (iii) above	12	27.85	48.86
	v) Loans	13	24.58	15.05
	vi) Other Financial Assets	14	339.68	1,250.66
c)	Other Current Assets	15	1,155.19	1,512.69
	<b>Total current assets</b>		<b>25,719.95</b>	<b>21,621.11</b>
	<b>TOTAL ASSETS</b>		<b>30,759.91</b>	<b>25,727.95</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	Equity share capital	16	469.92	453.23
b)	Other equity	17	11,677.20	9,184.35
	<b>Total Equity</b>		<b>12,147.12</b>	<b>9,637.57</b>
	<b>LIABILITIES</b>			
	<b>Non-Current Liabilities</b>			
	Financial liabilities			
	i) Borrowings	18	1,279.81	1,544.00
b)	Provisions	19	236.58	196.41
c)	Other non - current liabilities		-	-
d)	Deferred Tax Liability		413.65	384.30
	<b>Total non current - liabilities</b>		<b>1,930.04</b>	<b>2,124.71</b>

# BALANCE SHEET

Standalone Balance Sheet for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

(Rs. in Lacs)				
		Notes	As at 31 March, 2024	As at 31 March, 2023
<b>Current Liabilities</b>				
	Financial liabilities			
	i) Borrowings	20	9,271.18	7,110.65
	ii) Trade and other payable	21	6,294.69	5,934.27
	iii) Other financial liabilities	22	3.84	33.19
b)	Provisions			
c)	Other current liabilities	23	559.54	458.54
d)	Current tax liabilities (net)	24	553.50	429.01
<b>Total current liabilities</b>			<b>16,682.75</b>	<b>13,965.67</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>30,759.91</b>	<b>25,727.95</b>
	Significant accounting policies	2		
	The accompanying notes form an integral part of these Financial Statements			
	Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements			
	The above Balance Sheet should be read in conjunction with the accompanying notes.	1		

As per our attached report of even date.

**For R H Nisar & Co**  
**Chartered Accountants**  
**Firm Registration No.: 120895W**

**Rakesh Nisar**  
**Proprietor**  
**Membership No.: 103659**  
**UDIN No.: 24103659BKQCQEI6993**

**Place: Mumbai**  
**Date: 7th May, 2024**

**For and on behalf of the Board of Directors of Fredun  
Pharmaceuticals Limited**  
**CIN No.: L24239MH1987PLC043662**  
**For Fredun Pharmaceuticals Limited**

**Dr. (Mrs) Daulat N. Medhora**  
**Joint Managing Director**  
**DIN: 01745277**

**Mr. Fredun N. Medhora**  
**Managing Director & CFO**  
**DIN: 01745348**



# Statement of Profit & Loss

# STATEMENT OF PROFIT & LOSS

Standalone Statement of Profit and Loss for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

(Rs. in Lacs)				
		Notes	As at 31 March, 2024	As at 31 March, 2023
<b>I</b>	<b>Revenue</b>			
	Revenue from Operations	25	34,657.69	27,434.17
	Other Operating Revenue	26	157.93	33.39
	Other income	27	91.57	182.19
	<b>Total Income</b>		<b>34,907.18</b>	<b>27,649.75</b>
<b>II</b>	<b>Expenses</b>			
	Cost of materials consumed	28	28,241.83	24,556.66
	Cost of materials consumed for R & D	29	134.19	83.48
	Changes in inventories of raw materials, packing materials, stock in trade and wip	30	-2,243.65	-3,771.58
	Manufacturing & Service Cost	31	1,361.65	958.41
	Employee benefit Exp.	32	1,249.98	1,154.30
	Finance Cost	33	1,365.01	928.15
	Depreciation and amortisation expense	34	379.59	280.93
	Operating and other expenses	35	2,263.39	1,698.54
	Payment to Auditors		10.00	10.00
	Impairment loss / (reversal)			
	<b>Total Expenses</b>		<b>32,761.99</b>	<b>25,898.90</b>
<b>III</b>	<b>Profit before exceptional items and tax</b>		<b>2,145.19</b>	<b>1,750.85</b>
	Exceptional Items		-	-
<b>IV</b>	<b>Profit before tax from continuing operations</b>		<b>2,145.19</b>	<b>1,750.85</b>
<b>V</b>	<b>Tax Expenses</b>			
	Current Tax		553.50	429.01
	Deferred Tax		29.35	241.18
<b>VI</b>	<b>Profit for the year from continuing operations</b>		<b>1,562.34</b>	<b>1,080.66</b>
<b>VII</b>	<b>Profit before tax from discontinued operations</b>		-	-
<b>VIII</b>	<b>Tax expenses of discontinued operations</b>		-	-
<b>IX</b>	<b>Profit for the year from discontinued operations</b>		-	-
<b>X</b>	<b>Net Profit for the year</b>		<b>1,562.34</b>	<b>1,080.66</b>



# STATEMENT OF PROFIT & LOSS

Standalone Statement of Profit and Loss for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

(Rs. in Lacs)				
		Notes	As at 31 March, 2024	As at 31 March, 2023
<b>XI</b>	<b><u>Other Comprehensive Income</u></b>			
A	Items that will not be classified to profit and loss			
	i) Re measurement of post - employment benefit obligations		7.04	-4.92
	ii) Income tax related to items that will not be reclassified to profit and loss		-	-
B	Items that will be reclassified to profit and loss		-	-
<b>XII</b>	<b>Total Comprehensive Income for the year</b>		<b>1,569.39</b>	<b>1,075.74</b>
<b>XIII</b>	<b><u>Earning per equity share (Face value of Rs. 10/- each)</u></b>	<b>36</b>		
	Earning per equity share of continuing operations Basic and diluted (in Rs.)		33.66	24.13
	Earning per equity share of discontinued operations Basic EPS (in Rs.) of continuing and discontinued operations		33.66	24.13
	Diluted Basic EPS (in Rs.) of continuing and discontinued operations		33.32	22.93
	Significant accounting policies	2		
	The accompanying notes form an integral part of these Financial Statements			

As per our attached report of even date.

**For R H Nisar & Co**  
**Chartered Accountants**  
**Firm Registration No.: 120895W**

**Rakesh Nisar**  
**Proprietor**  
**Membership No.: 103659**  
**UDIN No.: 24103659BKCQEI6993**

**For and on behalf of the Board of Directors of Fredun  
Pharmaceuticals Limited**  
**CIN No.: L24239MH1987PLC043662**  
**For Fredun Pharmaceuticals Limited**

**Dr. (Mrs) Daulat N. Medhora**  
**Joint Managing Director**  
**DIN: 01745277**

**Mr. Fredun N. Medhora**  
**Managing Director & CFO**  
**DIN: 01745348**

**Place: Mumbai**  
**Date: 7th May, 2024**

10

**Cash Flow  
Statement**

# CASH FLOW

Standalone Balance Sheet for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

	F.Y. 2023-2024		F.Y. 2022-2023	
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
NET PROFIT AFTER TAXATION		1,562.34		1,075.74
<b>ADJUSTMENTS FOR:</b>				
DEPRECIATION	379.59		280.93	
INTEREST PAID	1,365.01		928.15	
INTEREST RECEIVED	1.37		2.27	
CREDITORS WRITTEN BACK	-69.33		-41.40	
		<b>1,676.64</b>		<b>1,169.95</b>
		<b>3,238.98</b>		<b>2,245.69</b>
<b>ADJUSTMENT TO OPERATING PROFIT</b>				
PRIOR PERIOD ADJUSTMENTS		-		-
DEFERRED TAX LIABILITY		29.35		241.18
ADJUSTMENT FOR PROPOSED DIVIDEND TAX		-		-
ADJUSTMENT FOR TAX PROVISION		553.50		429.01
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>3,821.83</b>		<b>2,915.88</b>
<b>EFFECTS OF CHANGES IN WORKING CAPITAL ITEMS</b>				
<b>INCREASE / DECREASE IN:-</b>				
INVENTORY	-2,487.43		-10,366.35	
INVESTMENTS	-50.00		-25.00	
TRADE RECEIVABLES	-3,028.85		5,571.30	
LOANS & ADVANCES	-9.53		-6.12	
OTHER CURRENT ASSETS	-604.50		-220.40	
OTHER FINANCIAL ASSETS	910.98		-1,173.24	
OTHER FINANCIAL ASSETS	-145.03		23.65	
TRADE PAYABLES	360.42		1,072.61	
OTHER CURRENT LIABILITIES	101.00		-698.56	
OTHER NON CURRENT ASSETS	-24.18		-37.05	
OTHER NON CURRENT INVESTMENTS	-		-	
OTHER FINANCIAL LIABILITIES	-29.35		-	
SHORT TERM PROVISION	-		-	
PROVISION FOR TAX	124.48		-279.06	
RESERVES & SURPLUS	976.12		1,755.77	
SHARE PREMIUM (RESERVES & SURPLUS)		-3,905.87		-4,382.47
<b>INCREASE / DECREASE IN :-</b>		-84.04		-1,466.58
LONG TERM LOANS & ADVANCES			-	
LONG TERM PROVISIONS	40.17		25.70	
		40.17		25.70
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-43.87</b>		<b>-1,440.88</b>
<b>EFFECTS OF CHANGES IN NON CURRENT ITEMS</b>				
<b>OTHER NON CURRENT ASSETS</b>		-		-
		-		-
<b>NET ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-43.87</b>		<b>-1,440.88</b>

# CASH FLOW

Standalone Balance Sheet for the year ended 31 March, 2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

		F.Y. 2023-2024		F.Y. 2022-2023	
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>					
PURCHASE OF FIXED ASSET	-763.91		-949.46		
SALE OF FIXED ASSETS	-		9.01		
CAPITAL WORK IN PROGRESS	-		-		
		-763.91		-940.45	
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>					
		-807.79		-2,381.34	
INCREASE/ DECREASE IN ISSUE OF SHARE CAPITAL	-		-		
INCREASE / DECREASE IN LONG TERM BORROWINGS	-264.19		688.93		
INCREASE / DECREASE IN SHORT TERM BORROWINGS	2,160.53		2,717.75		
INTEREST RECEIVED	-1.37		-2.27		
INTEREST PAID	-1,365.01		-928.15		
CREDITORS WRITTEN BACK	69.33		41.40		
		599.30		2,517.67	
<b>NET INCREASE / DECREASE IN CASH</b>		<b>-208.49</b>		<b>136.33</b>	
OPENING CASH & BANK BALANCE		343.51		207.18	
<b>CLOSING CASH &amp; BANK BALANCE</b>		<b>135.02</b>		<b>343.51</b>	

As per our attached report of even date.

For R H Nisar & Co  
Chartered Accountants  
Firm Registration No.: 120895W

For and on behalf of the Board of Directors of Fredun  
Pharmaceuticals Limited

CIN No.: L24239MH1987PLC043662

For Fredun Pharmaceuticals Limited

Rakesh Nisar  
Proprietor  
Membership No.: 103659  
UDIN No.: 24103659BKCQEI6993

Dr. (Mrs) Daulat N. Medhora  
Joint Managing Director  
DIN: 01745277

Mr. Fredun N. Medhora  
Managing Director & CFO  
DIN: 01745348

Place: Mumbai  
Date: 7th May, 2024

Note:-

- 1) The above Cash Flow Statement has been prepared under the indirect method set out in the Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flow".
- 2) Direct taxes paid are treated as arising from operating activities and not bifurcated between investing and financing activities.
- 3) Figures in Bracket sign indicate cash outflow.
- 4) Previous year figures have been regrouped & recast, wherever necessary, to conform to the current year's classification.



**Notes to  
Financial  
Statement**  
(Balance Sheet &  
Profit & Loss)

### 1. Corporate Information

Fredun Pharmaceuticals Limited ('the company') is a public company domiciled and headquartered in India. It is incorporated under Companies Act, 1956 and its shares are listed on Bombay Stock Exchange (BSE). FREDUN as a group is dedicated to improving lives of people. Company's aim is not only profitability but is effective efficiency. With years of experience in manufacturing various pharmaceutical formulations Fredun Pharmaceuticals Ltd has built a good reputation as a reliable and ethical Company having buyers which not only include leading Pharma Companies of India but also across Africa, South East Asia and CIS countries and Latin America.

The Company in its Endeavour to move ahead has now ventured into manufacturing of dietary /herbal supplements, nutraceuticals, and other healthcare products along with Animal Healthcare products also with products ranging from allopathic formulations to on field diagnostic kits, Company's main aim is to be a holistic healthcare provider. The Company has its own manufacturing facility at Palghar which is WHO GMP approved.

The standalone financial statements of the company for the year ended March, 31, 2024 are approved and Authorised for issue in accordance with resolution of the Board of Directors on May, 7, 2024

### 2. Basis of preparation

#### (a) Statement of compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules issued there under and other provisions of the Act.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

#### (b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at Fair value.

#### (c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

- i) Estimation of useful life of property, plant and equipment**
- ii) Provision for inventories**
- iii) Impairment of trade receivables**

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **(a)Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation/amortization and impairment loss.

Losses arising from retirement and gains or losses arising from disposal of property, plant and equipment's are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on straight line method over the estimated useful life as determined by management which is in line with that prescribed under Schedule II of the Act. Depreciation is provided on a pro-rata basis i.e. from the month on which asset is ready for use. The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

Property, plant and equipment and Furniture and fixtures, costing individually up to < 5,000 or less, are depreciated fully in the year of purchase. If the aggregate of such items constitutes more than 10 percent of the total actual cost, the depreciation rates applicable to such items are applied.

Depreciation/amortization for the year is recognized in the Statement of Profit and Loss.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Depreciation on fixed assets added/ disposed off/ discarded during the year is provided on pro-rata basis with reference to month of addition/ disposal/ discarding.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### **Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### **(b)Impairment**

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine if there is any indication of Impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually or at period end for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised If the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss; however, in the case of revalued assets, the reversal is credited directly revaluation Surplus except to the extent that an on loss on the same revalued asset was previously recognised as an expense in the Statement Profit and Loss.

Impairment loss recognised for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected recur and subsequent external events have occurred that reverse the effect of that event

### **(c)Non-current assets held for sale**

Non – current assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continued use.

Such assets are generally measured at lower of their carrying amount and fair value less costs to seal. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in statement of Profit or Loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

### **(d)Inventories**

Inventories which comprise of raw materials, work-in progress, finished goods, stock-in-trade, stores and Spares, and packing materials are carried at the lower of cost and net realizable value.

Cost of inventories comprises all costs of purchase cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, first in first out method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other Supplies held for use in the production of finish products are not written down below cost except in cases where material prices have declined it is estimated that the cost of the finished products will exceed their net realizable value

The comparison of cost and net realizable value is made on an item-by-item basis.

### **(e)Revenue Recognition**

Revenue from sale of goods in the course of ordinary is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of goods and services tax (GST), and is net off returns, trade discount and quantity discounts.

Revenue from shared services is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the contractual agreement.

Interest income is recognised on time proportion basis after taking into account the amount outstanding and the interest rate applicable.



### Export Incentives

Export benefits availed as per prevalent schemes are accrued each year in which the goods are exported and when no significant uncertainty exist regarding their ultimate collection.

Commission income is recognized as and when services are rendered, in accordance with the terms of the contractual agreement.

### **(f)Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost incurred on qualifying assets are capitalised and added to the cost of qualifying asset under work-in-progress. All other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

### **(g)Product expiry claims**

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

### **(h)Foreign Currency Transactions and Balances**

#### **(1)Functional and Presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment to which the entity operates ('the Functional currency'). The financial statements are presented in Indian Rupee (Rs), which is the Company's functional and presentation currency.

#### **(2)Foreign currency transaction and balances**

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in Foreign Currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date, the resultant exchange differences are recognised in the Statement of Profit and Loss.

### **(i)Taxes on Income**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in Other Comprehensive Income.

#### **(1)Current Tax**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and set off the liability on a net basis or simultaneously.

#### **(2)Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that Future taxable profits will be available against which they can be used.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used, Deferred tax measured at the tax rates that are expected to be applied to deferred tax assets when they are realized or deferred tax liabilities when they are settled, using tax rates enacted substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously

### **(j)Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### **(1)Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through other comprehensive income or fair value through profit and loss on the basis of its part of financial statements business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in statement of Profit and Loss.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received,

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk for trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company subsequently measures its investments in mutual Funds at Fair value through Statement of Profit and Loss.

### **(2)Financial Liabilities**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and definition of a financial liability and an equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit and loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit and loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid; they are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **(k) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### **(l) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of Fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price — ie. the fair value of the consideration given or received.

### **(m) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions.

### **(n) Provisions and Contingent Liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

#### **Provisions for breakage and expiry**

Cost of return on account of breakage and expiries are estimated on the basis of past experience. Provision is made in respect of cost for breakage and expiries in the year of sale of goods.

### **Contingencies**

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **(o) Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as and when incurred.

The development activities undertaken by the company are subject to technical, regulatory and other uncertainties, such that, in the opinion of management, the criteria for capitalization are not met prior to obtaining in marketing approval by the regulatory authorities in markets. Internal development costs that do not meet these criteria are therefore expensed as and when incurred.

### **(p) Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources

For the purpose of calculating diluted earnings per share, diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **(q) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## **4. Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

<b>Note - 3</b>				
<b><u>Property, plant and equipment</u></b>				
<b>(Rs. in Lacs)</b>				
<b>Description</b>	<b>Freehold Land</b>	<b>Buildings</b>	<b>Plant and Machinery/</b>	<b>Computer Hardware</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2022	52.35	2,020.44	1,181.29	62.28
Additions	-	-	525.09	9.89
Disposals	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>52.35</b>	<b>2,020.44</b>	<b>1,706.38</b>	<b>72.17</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2023	52.35	2,020.44	1,706.38	72.17
Additions	-	109.17	755.28	14.66
Disposals	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>52.35</b>	<b>2,129.60</b>	<b>2,461.66</b>	<b>86.83</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2022	-	261.04	289.51	29.58
Depreciation for the year	-	70.97	77.94	17.26
<b>Balance as at 31 March, 2023</b>	<b>-</b>	<b>332.02</b>	<b>367.45</b>	<b>46.84</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2023	-	332.02	367.45	46.84
Depreciation for the year	-	65.30	123.23	19.93
<b>Balance as at 31 March, 2024</b>	<b>-</b>	<b>397.32</b>	<b>490.68</b>	<b>66.77</b>
<b>Net Block value as at 31 March 2023</b>	<b>52.35</b>	<b>1,688.42</b>	<b>1,338.93</b>	<b>25.32</b>
<b>Net Block value as at 31 March 2024</b>	<b>52.35</b>	<b>1,732.28</b>	<b>1,970.98</b>	<b>20.06</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

<b>Note - 3</b>				
<b>Property, plant and equipment</b>				
<b>(Rs. in Lacs)</b>				
<b>Description</b>	<b>Furniture and fixtures</b>	<b>Factory Equipment</b>	<b>Electrical Fittings</b>	<b>Electrical Instalation</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2022	209.42	53.89	55.65	240.82
Additions	64.89	139.23	1.95	-
Disposals	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>274.31</b>	<b>193.12</b>	<b>57.60</b>	<b>240.82</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2023	274.31	193.12	57.60	240.82
Additions	41.28	90.31	0.19	-
Disposals	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>315.58</b>	<b>283.43</b>	<b>57.79</b>	<b>240.82</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2022	76.76	15.97	17.96	153.28
Depreciation for the year	24.47	20.06	5.70	24.55
<b>Balance as at 31 March, 2023</b>	<b>101.23</b>	<b>36.03</b>	<b>23.66</b>	<b>177.83</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2023	101.23	36.03	23.66	177.83
Depreciation for the year	30.19	55.09	4.42	24.04
<b>Balance as at 31 March, 2024</b>	<b>131.42</b>	<b>91.13</b>	<b>28.08</b>	<b>201.87</b>
<b>Net Block value as at 31 March 2023</b>	<b>173.08</b>	<b>157.09</b>	<b>33.94</b>	<b>62.99</b>
<b>Net Block value as at 31 March 2024</b>	<b>184.17</b>	<b>192.31</b>	<b>29.71</b>	<b>38.95</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

<b>Note - 3</b>				
<b>Property, plant and equipment</b>				<b>(Rs. in Lacs)</b>
<b>Description</b>	<b>Lab Glassware</b>	<b>Motor Car</b>	<b>Office Premises</b>	<b>Office Equipment</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2022	53.25	130.36	79.72	15.57
Additions	1.20	154.43	-	6.54
Disposals	-	9.01	-	-
<b>Balance as at 31 March, 2023</b>	<b>54.44</b>	<b>275.78</b>	<b>79.72</b>	<b>22.11</b>
<b><u>Gross Block</u></b>				
Balance as at 01 April, 2023	54.44	275.78	79.72	22.11
Additions	2.99	86.09	-	9.57
Disposals	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>57.43</b>	<b>361.87</b>	<b>79.72</b>	<b>31.68</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2022	26.22	58.85	23.45	4.37
Depreciation for the year	5.30	18.97	4.05	2.92
<b>Balance as at 31 March, 2023</b>	<b>31.52</b>	<b>77.82</b>	<b>27.50</b>	<b>7.30</b>
<b><u>Accumulated Depreciation</u></b>				
Balance as at 01 April, 2023	31.52	77.82	27.50	7.30
Depreciation for the year	5.46	31.24	4.05	5.15
<b>Balance as at 31 March, 2024</b>	<b>36.98</b>	<b>109.06</b>	<b>31.55</b>	<b>12.44</b>
<b>Net Block value as at 31 March 2023</b>	<b>22.92</b>	<b>197.97</b>	<b>52.22</b>	<b>14.81</b>
<b>Net Block value as at 31 March 2024</b>	<b>20.45</b>	<b>252.81</b>	<b>48.17</b>	<b>19.24</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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<b>Note - 3</b>		
<b><u>Property, plant and equipment</u></b>		<b>(Rs. in Lacs)</b>
<b>Description</b>	<b>Electronic Devices</b>	<b>Total</b>
<b><u>Gross Block</u></b>		
Balance as at 01 April, 2022	37.02	4,192.05
Additions	16.62	919.83
Disposals	-	9.01
<b>Balance as at 31 March, 2023</b>	<b>53.64</b>	<b>5,102.87</b>
<b><u>Gross Block</u></b>		
Balance as at 01 April, 2023	53.64	5,102.87
Additions	17.43	1,126.97
Disposals	-	-
<b>Balance as at 31 March, 2024</b>	<b>71.07</b>	<b>6,229.84</b>
<b><u>Accumulated Depreciation</u></b>		
Balance as at 01 April, 2022	6.81	963.81
Depreciation for the year	4.30	276.50
<b>Balance as at 31 March, 2023</b>	<b>11.11</b>	<b>1,240.30</b>
<b><u>Accumulated Depreciation</u></b>		
Balance as at 01 April, 2023	11.11	1,240.30
Depreciation for the year	6.13	374.22
<b>Balance as at 31 March, 2024</b>	<b>17.24</b>	<b>1,614.52</b>
<b>Net Block value as at 31 March 2023</b>	<b>42.53</b>	<b>3,862.57</b>
<b>Net Block value as at 31 March 2024</b>	<b>53.83</b>	<b>4,615.32</b>



# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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<b>Note - 4</b>		
<b><u>Other Intangible Assets</u></b>		<b>(Rs. in Lacs)</b>
<b>Description</b>	<b>Computer Software</b>	<b>Total</b>
Balance as at 01 April, 2022	21.71	21.71
Additions	29.63	29.63
Disposals	-	-
<b>Balance as at 31 March, 2023</b>	<b>51.34</b>	<b>51.34</b>
<b><u>Gross Block</u></b>		
Balance as at 01 April, 2023	51.34	51.34
Additions	16.54	16.54
Disposals	-	-
<b>Balance as at 31 March, 2024</b>	<b>67.88</b>	<b>67.88</b>
<b><u>Accumulated Depreciation</u></b>		
Balance as at 01 April, 2022	16.13	16.13
Depreciation for the year	4.44	4.44
<b>Balance as at 31 March, 2023</b>	<b>20.56</b>	<b>20.56</b>
<b><u>Accumulated Depreciation</u></b>		
Balance as at 01 April, 2023	20.56	20.56
Depreciation for the year	5.37	5.37
<b>Balance as at 31 March, 2024</b>	<b>25.93</b>	<b>25.93</b>
<b>Net Block value as at 31 March 2023</b>	<b>30.78</b>	<b>30.78</b>
<b>Net Block value as at 31 March 2024</b>	<b>41.95</b>	<b>41.95</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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Particulars	(Rs. in Lacs)	
	As at 31 March, 2024	As at 31 March, 2023
<b>Note - 5</b>		
<b>Investments: Non-Current</b>		
<b>Investments at Fair Value Through Other Comprehensive Income</b>		
<b>Unquoted</b>		
SVC Bank Ltd. (260 Equity shares of Face value Rs. 10/- Each)	0.03	0.03
Saraswat Bank Ltd. (2500 Equity shares of Face value Rs. 10/- Each)	0.25	0.25
<b>Total</b>	<b>0.28</b>	<b>0.28</b>
Aggregate amount of quoted investments and market value there of	-	-
Aggregate amount of unquoted investments	0.28	0.28
Aggregate amount of impairment in the value of investments	-	-
<b>Note - 6</b>		
<b>Non - Current financial assets - Others</b>		
Security Deposits	149.91	51.16
Fixed Deposits with Bank - maturity more than 12 months	46.28	-
<b>Total</b>	<b>196.20</b>	<b>51.16</b>
<b>Note - 7</b>		
<b>Other Non Current assets</b>		
<b>Unsecured - Considered Good</b>		
Capital advances	186.24	162.05
<b>Total</b>	<b>186.24</b>	<b>162.05</b>
<b>Note - 8</b>		
<b>Inventories</b>		
(Valued at lower of cost and net realisable value)		
Raw materials	8,063.84	6,401.01
Packing materials	1,821.01	3,240.05
Work in progress	5,653.83	3,849.12
Finished product	1,961.12	1,522.18
<b>Total</b>	<b>17,499.80</b>	<b>15,012.36</b>
<b>Note - 9</b>		
<b>Investments</b>		
(Investments carried at fair value through profit and loss)		
<b>Investment in mutual funds (unquoted)</b>		
2666.359 units (31 March, 2023: 2666.359 Units) of Mutual Funds	1.2	1.20
219.557 units (31 March, 2023: 219.557 Units) of Mutual Funds	1.2	1.20

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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(Rs. in Lacs)		
	As at 31 March, 2024	As at 31 March, 2023
3453.647 units (31 March, 2023: 3453.647 Units) of Mutual Funds	1.3	1.30
2693.168 units (31 March, 2023: 2693.168 Units) of Mutual Funds	1	1.00
1502.004 units (31 March, 2022: 1502.004 Units) of Mutual Funds	1.1	1.10
722133.295 (31 March, 2023: 484133.827 units) of Mutual Funds	75	25.00
<b>Total</b>	<b>80.80</b>	<b>30.80</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	80.80	30.80
Aggregate amount of impairment in the value of investments	-	-
<b>Note - 10</b>		
<b>Trade receivables</b>		
Unsecured, considered good		
Trade Receivable	6,484.88	3,456.03
Less:- Allowance for doubtful debts	-	-
Less:- Impaired Credit	-	-
<b>Total</b>	<b>6,484.88</b>	<b>3,456.03</b>
10.1 The Company has used practical expedient for computing the expected credit loss allowance for trade receivables as per significant accounting policy - Impairment of financial asset		

Trade Receivables ageing schedule (Rs. in Lacs)						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Outstanding for following periods from due date of payment as at March 31, 2024</b>	-	-	-	-	-	-
Undisputed Trade receivables - considered good	5,263.93	589.75	251.31	220.38	159.50	6,484.88
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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Trade Receivables ageing schedule							(Rs. in Lacs)
Particulars	Outstanding for following periods from due date of payment						
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	
<b>Outstanding for following periods from due date of payment as at March 31, 2023</b>	-	-	-	-	-	-	
Undisputed Trade receivables - considered good March	2,088.71	705.86	497.75	147.39	16.31	3,456.03	
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	
Disputed Trade receivables - considered good	-	-	-	-	-	-	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	

**(Note)**  
10.1 Balances of Trade Receivables are subject to confirmation and reconciliation and generally non interest bearing. The Trade Receivables has been pledged against the Term Loan taken from the Bank.

			(Rs. in Lacs)	
	As at 31 March, 2024	As at 31 March, 2023		
<b>Note - 11</b>				
<b>Current Financial Assets-Cash and Cash Equivalents</b>				
Cash on hand	43.95	49.93		
<b>Balance with Banks</b>				
In current accounts	63.23	244.72		
Fixed Deposits with Bank - maturity less than 3 months	-	-		
<b>Total</b>	<b>107.17</b>	<b>294.65</b>		

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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	(Rs. in Lacs)	
	As at 31 March, 2024	As at 31 March, 2023
<p>11.1 Cash at banks earns interest at floating rates based on time deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The deposits maintained by the company with banks comprises time deposits, which can be withdrawn by the company at any point without prior notice or penalty on the principal.</p> <p>11.2 There are no repatriation restrictions with regards to cash and cash equivalents</p> <p><b>Note - 12</b></p> <p><b><u>Current Financial Assets - Other Bank Balances</u></b></p> <p>Earmarked Balances</p> <p>Bank Deposits (With Original Maturity more than three months but less than 12 Months)</p>	<p>3.77</p> <p>24.8</p>	<p>33.77</p> <p>15.69</p>
<b>Total</b>	<b>27.85</b>	<b>48.86</b>
<p><b>Note - 13</b></p> <p><b><u>Current Financial Assets - Loans</u></b></p> <p>Loans to Employees</p>	<p>24.58</p>	<p>15.05</p>
<b>Total</b>	<b>24.58</b>	<b>15.05</b>
<p><b>Note - 14</b></p> <p><b><u>Current Financial Assets - Other</u></b></p> <p>Other receivables</p> <p>Advance to Creditors</p>	<p>339.68</p>	<p>1,250.66</p>
<b>Total</b>	<b>339.68</b>	<b>1,250.66</b>
<p><b>Note - 15</b></p> <p><b><u>Other Current Assets</u></b></p> <p>Others</p> <p>Balance with Government Authorities:</p>	<p>143.88</p> <p>1,011.30</p>	<p>75.18</p> <p>1,437.51</p>
<b>Total</b>	<b>1,155.19</b>	<b>1,512.69</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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## Note (a): Equity Share Capital (Refer note - 16)

(Rs. in Lacs)

Particulars	Amount
As at 01 April, 2022	443.26
Changes in equity share capital during the year	9.96
<b>As at 31 March, 2023</b>	<b>453.23</b>
As at 01 April, 2023	453.23
Changes in equity share capital during the year	16.69
<b>As at 31 March, 2024</b>	<b>469.92</b>

## Note (b): Other Equity (Refer note - 17)

(Rs. in Lacs)

Particulars	Capital Reserve	Securities Premium	Retained Earnings	Total
<b>Balance as at 01 April, 2022</b>	-	<b>4,541.15</b>	<b>1,800.40</b>	<b>6,341.55</b>
Add: Profit for the year	-	-	1,080.66	1,080.66
Add: Premium for the year	-	955.71	-	955.71
Other comprehensive income for the year	-	-	4.92	4.92
<b>Total comprehensive income for the year</b>	-	-	-	-
Less: Dividend on Equity Shares	-	-	-31.17	-31.17
<b>Balance as at 31 March, 2023</b>	-	<b>5,496.86</b>	<b>2,854.81</b>	<b>8,351.67</b>
Profit for the year	-	-	1,562.34	1,562.34
Other comprehensive income for the year	-	-	-7.04	-7.04
Add:- Share Premium	-	1,645.87	-	1,645.87
<b>Total comprehensive income for the year</b>	-	-	-	-
Dividend on Equity Shares	-	-	-32.79	-32.79
<b>Balance as at 31 March, 2024</b>	-	<b>7,142.72</b>	<b>4,377.32</b>	<b>11,520.05</b>
<b>Nature and purpose of reserves:</b>				

### Securities Premium

Securities Premium reserve is used to record the premium on issue of shares which is utilised in accordance with the provisions of The Companies Act, 2013

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For R H Nisar & Co  
Chartered Accountants  
Firm Registration No.: 120895W

Rakesh Nisar  
Proprietor  
Membership No.: 103659  
UDIN No.: 24103659BKCQEI6993

Place: Mumbai  
Date: 7th May, 2024

For and on behalf of the Board of Directors of Fredun  
Pharmaceuticals Limited  
CIN No.: L24239MH1987PLC043662  
For Fredun Pharmaceuticals Limited

Dr. (Mrs) Daulat N. Medhora  
Joint Managing Director  
DIN: 01745277

Mr. Fredun N. Medhora  
Managing Director & CFO  
DIN: 01745348

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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			(Rs. in Lacs)	
Particulars	As at 31 March, 2024		As at 31 March, 2023	
<b>Note - 16</b>				
<b>Equity share capital</b>				
<b>Authorized Capital</b>				
1,00,00,000 (31 March, 2023 1,00,00,000) equity shares of Rs. 10 each	10,000.00			10,000.00
<b>Issued subscribed and fully paid-up share capital</b>				
46,99,162 (31 March, 2023 - 45,32,272) equity shares of Rs. 10 each	469.92			453.23
<b>TOTAL</b>	<b>469.92</b>			<b>453.23</b>

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number	Amount	Number	Amount
Number of equity shares at the beginning of the year	4,532,272.00	453.23	4,432,643.00	443.26
Add - Further Issue (Equity shares)	166,890.00	16.69	99,629.00	9.96
<b>Number of equity shares at the end of the year</b>	<b>4,699,162.00</b>	<b>469.92</b>	<b>4,532,272.00</b>	<b>453.23</b>

(b) Terms / rights attached to equity shares
<p>The company has a single class of equity shares having a par value of Rs. 10/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to received dividend as declared from time to time. The votings rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid - up equity capital of the company. Voting rights cannot be excercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay anyamount called up on shares may lead to forfeiture of the shares. On winding up of the company, the holders of equity shares Will be entitled to received the residual assets of the company, remaning after distribution of all preferential amounts in proportion to the number of equity shares held</p>

(c) Particulars of shareholders holding more than 5% of shares				
Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Numbwer of Shares	% of total Share holding	Numbwer of Shares	Amount Share holding
<b>Dr. Mrs Daulat N. Medhora</b>	<b>1,410,898.00</b>	<b>30.02 %</b>	<b>1,392,830.00</b>	<b>30.73 %</b>
<b>Mr. Nariman B. Medhora</b>	<b>719,815.00</b>	<b>15.32 %</b>	<b>719,815.00</b>	<b>15.88 %</b>
<b>Mr. Nikhil Vora</b>	<b>305,473.00</b>	<b>6.50 %</b>	<b>312,872.00</b>	<b>6.90%</b>



# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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<b>(d) Particulars of shareholders holding of Promoters / Promoters Group of the Company</b>				
Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of Shares	% of total Share holding	% Change during the year	
Dr. Mrs Daulat N. Medhora	1,410,898.00	30.02 %	0.01	
Mr. Nariman B. Medhora	719,815.00	15.32 %	0.01	
Mr. Fredun Medhora	179,672.00	3.82 %	-0.29%	

(Rs. in Lacs)			
Particulars	As at 31 March, 2024		As at 31 March, 2023
<b>Note - 17</b>			
<b>Other Equity</b>			
<b>Securities premium account</b>			
Balance as per last Balance sheet	5,496.86		4,541.15
Additions	1,645.87		955.71
<b>Balance as at year end</b>	<b>7,142.72</b>		<b>5,496.86</b>
<b>Retained earnings</b>			
• Balance as per last Balance sheet	2,854.81		1,800.40
• Add:- Profit for the year	1,562.34		1,080.66
• Less:- Items of other Comprehensive income recognised directly in Retained Earnings:			
• Re-measurement gains/ [losses] on defined benefit plans [net of tax]	-7.04		4.92
• Less:- Dividend	-32.79		-31.17
<b>Balance as at year end</b>	<b>4,377.32</b>		<b>2,854.81</b>
<b>Share Warrant Issued</b>			
• Balance as per last Balance sheet	832.68		21.25
• Add:- Payment received during year of warrants	1,001.98		896.43
• Less:- Warrants converted into equity shares	-1,677.50		-85.00
<b>Balance as at year end</b>	<b>157.16</b>		<b>832.68</b>
<b>Total</b>	<b>11,677.20</b>		<b>9,184.35</b>
<b>Note - 18</b>			
<b>Borrowings: Non-current Secured</b>			
a) from banks	924.63		1,262.48
b) from other parties	355.18		281.52
<b>Total</b>	<b>1,279.81</b>		<b>1,544.00</b>
a) 18.1 Loans are secured against Debtors, plant and machinery, stock, Motor Car and Immoveable Property			

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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b)	18.2 The Company has taken working capital loans at interest ranging from 9% to 11.50 % per annum.
c)	18.3 Term loans were applied for the purpose for which the loans were obtained.
d)	18.4 The loans from bank are also secured by personal guarantee of Mr. Fredun Medhora, Dr.Mrs. Daulat Medhora and Mr. Nariman Medhora
e)	18.5 Quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts
f)	18.6 The Company is not declared as wilful defaulter by any bank or financial institution or any other lender

(Rs. in Lacs)		
Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Note - 19</b>		
<b>Long term provisions</b>		
<b>Long Term Loan</b>		
<b>Provisions for employee benefits:-</b>		
• Provisions for Gratuity	116.21	99.72
• Provisions for Compensated Absences	120.37	96.69
<b>Total</b>	<b>236.58</b>	<b>196.41</b>
<b>Note - 20</b>		
<b>Borrowings: Current</b>		
<b>Secured</b>		
• a) from banks	4,423.02	3,429.89
• b) Current maturities of long-term debt from Banks	388.53	212.19
• c) Current maturities of long-term debt from Others	206.62	127.58
• d) Packing Credit/Export Bill Discounting	3,607.72	3,011.25
<b>Unsecured</b>		
• a) from other parties	145.67	139.20
• b) from related parties	499.63	190.53
<b>Total</b>	<b>9,271.18</b>	<b>7,110.65</b>
<ul style="list-style-type: none"> <li>• 20.1 Loans are secured against Debtors, plant and machinery, stock, Motor Car and Immoveable Property</li> <li>• 20.2 The Company has taken working capital loans at interest ranging from 9% to 11.50 % per annum.</li> <li>• 20.3 Term loans were applied for the purpose for which the loans were obtained.</li> <li>• 20.4 The loans from bank are also secured by personal guarantee of Mr. Fredun Medhora, Dr. Mrs. Daulat Medhora and Mr. Nariman Medhora</li> <li>• 20.5 Quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts</li> <li>• 20.6 The Company is not declared as wilful defaulter by any bank or financial institution or any other lender</li> <li>• 20.7 Loan from related Party has been paid at par to the Market Lending Rate and which shall be repayable on demand</li> <li>• 20.8 It includes packing credit limit which is also secured by inventory and books debts of the Company</li> </ul>		
<b>Note - 21</b>		
• Dues to micro and small enterprise (Refer Note - 43)	3,336.09	1,938.28
• Dues to creditors other than micro and small enterprise	2,958.60	3,995.99
<b>Total</b>	<b>6,294.69</b>	<b>5,934.27</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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Ageing of Trade Payable							(Rs. in Lacs)
Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
<b>AS at march,31,2024</b>							
Undisputed Micro and Small Enterprises (MSME)	2,158.43	1,116.16	34.51	-	-	3,336.09	
Undisputed others	2,732.90	142.54	18.76	57.44	6.96	2,958.60	
Disputed MSME	-	-	-	-	-	-	
Disputed Others	-	-	-	-	-	-	
<b>AS at march,31,2023</b>							
Undisputed Micro and Small Enterprises (MSME)	516.43	1,408.86	12.99	-	-	1,938.28	
Undisputed Others	3,398.79	386.60	97.60	64.43	48.57	3,995.99	
Disputed MSME	-	-	-	-	-	-	
Disputed Others	-	-	-	-	-	-	

21.1 There are no transactions with struck off companies for the year ending March 31, 2024 and in March 31, 2023

21.2 The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company

			(Rs. in Lacs)	
Particulars	As at 31 March, 2024	As at 31 March, 2023		
<b>Note - 22</b>				
<b>Other Financial liabilities: Current</b>				
Unclaimed dividends(*)	3.84	33.19		
<b>Total</b>	<b>3.84</b>	<b>33.19</b>		
22.1 Amount for the period FY 2015 - 2016 was due for credit to Investor Education and Protection Fund which is under process and due date for credit to Investor Education and Protection Fund was 3rd December, 2023				
<b>Note - 23</b>				
<b>Other current liabilities</b>				
Advance from customers	169.24	112.49		
Dues to Government Authorities	100.46	76.34		
Employee benefits Payable	179.31	198.36		
Other provisions	110.52	71.34		
<b>Total</b>	<b>559.54</b>	<b>458.54</b>		
<b>Note - 24</b>				
<b>Current tax liabilities</b>				
Provision for tax	553.50	429.01		
<b>Total</b>	<b>553.50</b>	<b>429.01</b>		

# STATEMENT OF PROFIT & LOSS

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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			(Rs. in Lacs)	
	Particulars	As at 31 March, 2024	As at 31 March, 2023	
	<b>Note - 25</b>			
	<b>Revenue from operations</b>			
	Sale of goods	34,657.69	27,434.17	
	<b>Total</b>	<b>34,657.69</b>	<b>27,434.17</b>	
	<b>Note - 26</b>			
	<b>Other operating revenue</b>			
	Other Income	157.93	33.39	
	<b>Total</b>	<b>157.93</b>	<b>33.39</b>	
	<b>Note - 27</b>			
	<b>Other Income</b>			
	Interest on:-			
	Interest Income	1.37	2.27	
	Discount Received	1.64	0.01	
	Dividend Income	0.00	0.05	
	Misc. Other Income	7.04	12.61	
	Net gain / loss on account of foreign exchange fluctuations	71.91	138.51	
	Rent Income	9.60	19.20	
	Claim Settlement Refund of Motor Car	-	9.04	
	Research & Development Charges	-	0.50	
	<b>Total</b>	<b>91.57</b>	<b>182.19</b>	
	<b>Note - 28</b>			
	<b>Cost of material consumed</b>			
	Material Consumed	28,241.83	24,556.66	
	<b>Total</b>	<b>28,241.83</b>	<b>24,556.66</b>	
	<b>Note - 29</b>			
	<b>Material Consumed for R &amp; D</b>			
	Material Consumed	134.19	83.48	
	<b>Total</b>	<b>134.19</b>	<b>83.48</b>	
	<b>Note - 30</b>			
	<b>Changes in inventories of finished goods, stock-in-trade and work in progress</b>			
	<b>Opening stock</b>			
	Finished goods / stock in trade	1,522.18	327.33	
	Work in progress	3,849.12	1,272.40	

# STATEMENT OF PROFIT & LOSS

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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		(Rs. in Lacs)	
Particulars	As at 31 March, 2024	As at 31 March, 2023	
<b>Closing stock</b>			
Finished goods / stock in trade	1,961.12	1,522.18	
Work in progress	5,653.83	3,849.12	
<b>Total</b>	<b>-2,243.65</b>	<b>-3,771.58</b>	
<b>Note - 31</b>			
<b>Manufacturing &amp; Service Cost</b>			
Clearing & Forwarding Exp Inward	-	0.33	
Electricity Expenses Factory	402.53	316.56	
Factory Expenses	13.19	13.75	
Freight Inward	8.48	13.14	
Lab Chemical Expenses	18.05	14.47	
Labour Charges Expenses	640.48	374.79	
Laboratory Items	3.36	4.29	
Machinery Spares & Toos Exp.	46.90	53.70	
Repairs & Maintenance Expenses	133.56	90.79	
Service Charges	16.29	9.74	
Testing & Analytical Expenses	32.23	26.49	
Loading & Unloading Expenses	9.44	8.39	
Design Development Charges	0.06	0.05	
Plate Making Charges	0.97	1.07	
Transport Charges RCM	36.09	30.81	
Water Charges	0.02	0.04	
<b>Total</b>	<b>1,361.65</b>	<b>958.41</b>	
<b>Note - 32</b>			
<b>Employee benefit expenses</b>			
Gratuity	17.93	12.83	
Labour Welfare Fund Employers Contribution	0.29	0.09	
Bonus Expense	44.91	40.60	
Medical Expenses	10.61	15.38	
P F Administration Charges	1.85	1.83	
ESIC	9.01	9.16	
P F Employers Contribution	46.07	45.56	
Salary Wages	1,042.28	978.33	
Staff Welfare	77.03	50.52	
<b>Total</b>	<b>1,249.98</b>	<b>1,154.30</b>	
<b>Note - 33</b>			
<b>Finance Cost</b>			
Bank Charges	23.93	76.18	
Interest on Term Loans	251.49	497.53	
Interest on Other Loans	1,000.30	258.65	

# STATEMENT OF PROFIT & LOSS

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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			(Rs. in Lacs)	
Particulars	As at 31 March, 2024	As at 31 March, 2023		
Finance Charges	89.29	95.79		
<b>Total</b>	<b>1,365.01</b>	<b>928.15</b>		
<b>Note - 34</b>				
<b>Depreciation and amortisation expense</b>				
Depreciation and amortisation expense	379.59	280.93		
<b>Total</b>	<b>379.59</b>	<b>280.93</b>		
<b>Note - 35</b>				
<b>Operating and other expenses</b>				
Power & Fuel	44.02	20.19		
Rent	412.69	285.87		
Insurance	114.74	68.57		
Legal and Professional charges	335.30	213.42		
Commission expenses	250.03	32.44		
Business Development expenses	178.46	159.88		
Donation	0.11	0.75		
Corporate Social Responsibility expenses	19.54	9.53		
Printing, Postage, Telephone and Communication expenses	69.67	35.30		
Rates, Taxes and Fees	225.58	243.11		
Repairs and Maintenance				
- For Machinery	33.18	35.28		
- For Others	41.27	47.38		
Advertisement expenses	110.02	9.87		
Travelling and Conveyance expenses	105.74	120.35		
Director Sitting Fees	2.56	1.44		
Freight and Forwarding on Sales	218.57	254.49		
Bad Debts	1.57	2.53		
Other expenses	59.15	70.78		
Miscellaneous expenses	41.19	87.36		
<b>Total</b>	<b>2,263.39</b>	<b>1,698.54</b>		
<b>Notes:-</b>				
Payment to Auditors				
Audit fees	6.00	6.00		
Taxation matters	2.00	2.00		
Other matters	1.00	1.00		
Certificatio Cgarges	1.00	1.00		
<b>Total</b>	<b>10.00</b>	<b>10.00</b>		

# STATEMENT OF PROFIT & LOSS

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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	(Rs. in Lacs)	
Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Note - 36</b>		
<b>Earnings per equity share</b>		
<b>Calculation of weighted average number of equity shares</b>		
Number of equity shares outstanding at the beginning of year	45.32	44.33
Number of equity shares outstanding at the end of the year	46.99	45.32
Weighted average number of equity shares outstanding during the year	46.42	44.78
<b>Earnings per equity share of continuing operations (of Rs. 10/- each)</b>		
Profit after tax of continuing operations	1,562.34	1,080.66
Basic Earning Per Share (in Rs.)	33.66	24.13
<b>Diluted Earnings per equity share</b>		
<b>Calculation of weighted average number of equity shares</b>		
Number of equity shares outstanding at the beginning of year	45.32	44.33
Number of equity shares outstanding at the end of the year	46.99	45.32
Share Warrant issued which will be converted into potential equity share in ratio 1 share warrant equals to 1 equity share. Therefore Number warrant issued 47500 which will converted into 47500 equity shares	0.48	2.34
Weighted average number of equity shares outstanding during the year	47	47.13
<b>Diluted Earnings per equity share of continuing operations (of Rs. 10/- each)</b>		
Profit after tax of continuing operations	1,562	1,080.66
Diluted EPS (in Rs.)	33.32	22.93

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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## Note - 37 Fair Value Measurements

### Financial Instruments by Category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value

(Rs. in Lacs)

31 Mar 24	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Security deposits	-	-	149.91	149.91	-	-	-	-
Investments	80.80	-	-	80.80	80.80	-	-	80.80
Trade and other Receivable	-	-	6,484.88	6,484.88	-	-	-	-
Cash and cash equivalents	-	-	107.17	107.17	-	-	-	-
Other bank balance	-	-	27.85	27.85	-	-	-	-
Loans	-	-	24.58	24.58	-	-	-	-
Other financial assets	-	-	339.68	339.68	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>	-	-	-	-	-	-	-	-
Long terms loans	-	-	1,279.81	1,279.81	-	-	-	-
Short terms loans	-	-	9,271.18	9,271.18	-	-	-	-
Trade and other payables	-	-	6,294.69	6,294.69	-	-	-	-

31 Mar 23	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Security deposits	-	-	51.16	51.16	-	-	-	-
Investments	30.80	-	-	30.80	30.80	-	-	30.80
Trade and other Receivable	-	-	3,456.03	3,456.03	-	-	-	-
Cash and cash equivalents	-	-	294.65	294.65	-	-	-	-
Other bank balance	-	-	48.86	48.86	-	-	-	-
Loans	-	-	15.05	15.05	-	-	-	-
Other financial assets	-	-	1,250.66	1,250.66	-	-	-	-
	-	-	-	-	-	-	-	-



# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

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(Rs. in Lacs)

31 Mar 23	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>								
Long terms loans	-	-	1,544.00	1,544.00	-	-	-	-
Short terms loans	-	-	7,110.65	7,110.65	-	-	-	-
Trade and other pyables	-	-	5,934.27	5,934.27	-	-	-	-

## Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** hierarchy includes financial instruments measured using quoted prices. The Company doesn't have investment in equity instruments that have quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include forward exchange contract derivatives

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the Company include unquoted equity shares.

## **Fair Value for Assets Measured at Amortised Cost**

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and cash equivalents, and other bank balances, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities are considered to be approximately equal to the fair value.

## **Note - 38 Financial Risk Management**

The Company's activities expose it to a variety of financial risk, including market risk, credit risk and liquidity risk. The company's primary risk management focus is to minimize potential adverse effect of market risk on its financial performance. The Company's risk management assessment, policies and process are established to identify and analyze the risk faced by the company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and process are reviewed regularly to reflect changes in market conditions and the company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the company's risk assessment and management policies and processes

### Financial risk management

The company has exposure to the following risks arising from financial instruments

Credit risk  
Liquidity risk and  
Market risk

#### Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in normal course of business. The company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments

#### Trade and other receivable:

The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

#### Expected credit loss assessment:

Exposure to customers outstanding at the end of each reporting period are reviewed by the company to determine and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the company have not undergone any substantial change, the company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extension analysis of customer credit risk. The impairment loss at 31 March, 2024 related to several customers that have defaulted on their payments to the company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

#### Cash and cash equivalents:

As on 31 March, 2024 the company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs. 107.17/- (31 March, 2023 Rs. 294.65 /-). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the company's reputation

The Company manages its liquidity risk by regularly monitoring its rolling cash flow forecasts. The Company's operations provide a natural liquidity of receivables against payments due to creditors. Borrowings are managed through credit facilities agreed with the Banks, internal accruals and realisation of liquid assets. In the event of cash shortfalls, the Company approaches the lenders for a suitable term extension

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Assets	25,719.95	21,621.11
Current Liabilities	16,682.75	13,965.67
<b>Net Exposure</b>	<b>9,037.19</b>	<b>7,655.44</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

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## Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchanges rates) or in the prices of market risk - sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk - sensitive financial instruments, all foreign currency receivables and payables and all short term and long - term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies

## Currency risk:

The fluctuations in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity

Considering the countries and economic environment in which the company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD against the respective functional currency of the company.

As of March 31, 2024, the Company's exposure to foreign currency risk, expressed in INR, is given in the table below. The amounts represent only the financial assets and liabilities that are denominated in currencies other than the functional currency of the Company.

Financial instruments	As at 31 March, 2024	As at 31 March, 2023
Trade receivable	2,396.33	1,489.73
Trade Payable	-	-
<b>Net exposure to foreign currency risk</b>	<b>2,396.33</b>	<b>1,489.73</b>

## Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>(A) Borrowings at Floating interest rate</b>		
Borrowings	1,279.81	1,544.00
Current Maturities of Non-Current Borrowings	9,271.18	7,110.65
<b>Total Borrowing at Floating interest rate (A)</b>	<b>10,550.99</b>	<b>8,654.65</b>
<b>(B) Borrowings at Fixed interest rate</b>		
Current Borrowing	-	-
<b>Total Borrowing at Fixed interest rate (B)</b>	<b>-</b>	<b>-</b>
<b>Total Borrowings (A+B)</b>	<b>10,550.99</b>	<b>8,654.65</b>

### Note - 39

#### Related party relationships, transaction and balances

The table provides the information about the Group's structure including Key Management Personnel and Business Organisation controlled by Key Management Personnel or their relatives. The following table provides the total amount of transaction that have been entered into with related parties for the relevant financial year

#### A. Related parties and nature of relationship where control exist (upto 31 March, 2024)

##### Key Management Personnel :

Sr. No	Name	Designation
1	Mr. Fredun Nariman Medhora	Managing Director and Chief Financial Officer)
2	Dr. Mrs. Daulat Nariman Medhora	Chairperson and Jt. Managing Director
3	Mr. Nariman Bamansha Medhora	Non - Executive Director
4	Dr. Mr. Aspi Raimalwala	Non - Executive Independent Director
5	Dr. Mr. Rohinton Kanga	Non - Executive Independent Director
6	Mrs. Daisy Dsouza	Non - Executive Independent Director
7	Mrs. Jinkal Shah	Company Secretary

#### B. Enterprises Significantly influenced by Directors and / or their relatives with whom transaction have taken place:

Sr. No	Name of Entity
1	Fredun Healthcare Private Limited
2	Trois Biotech Private Limited
3	Fredna Enterprise Private Limited
4	Fredna Dental System Private Limited
5	FR Freiya Lifestyle Private Limited
6	SF Partner and Consultants Pvt Ltd
7	Fredpack Industries Private Limited
8	Albroz Wellbeing Private Limited
9	Zane's Hospitality & Pet Spa Private Limited
10	Iteeha Hospitality & Entertainment Private Limited
11	Munro School Private Limited
12	Fredna Enterprises
13	Innovus Healthcare L.L.C
14	Fredun Foundation

#### Details of transactions entered into with the related parties for the relevant financial year

(Rs. in Lacs)

Name	Transaction	For the Year Ended March-31,2024	For the Year Ended March-31,2023
Dr. Mrs. Daulat N. Medora	Director Remuneration	12.00	12.00
	Rent	1.02	1.00
	Interest on Loan	4.09	6.69
	Director Sitting Fees	-	-
Mr. Nariman B. Medhora	Director Remuneration	-	-
	Rent	2.25	2.16
	Interest on Loan	9.10	12.23
	Director Sitting Fees	-	-

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

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(Rs. in Lacs)

Name	Transaction	For the Year Ended March-31,2024	For the Year Ended March-31,2023
Mr. Fredun N. Medhora	Director Remuneration	54.00	54.00
	Rent	3.03	2.93
	Interest on Loan	12.55	18.65
	Director Sitting Fees	-	-
Aspi N Raimalwala	Director Sitting Fees	1.12	-
Chandrakant Kanchanlal Shah	Director Sitting Fees	0.16	-
Rohinton Adi Kanga	Director Sitting Fees	1.12	-
Daisy D'souza	Director Sitting Fees	0.16	-
Fredun Healthcare Private Limited	Purchase	49.79	-
	Sales	27.99	34.95
Fredna Enterprises	Rent	168.00	115.20
	Sales	0.17	-
	Purchase	999.88	336.37
Fredna Dental Systems Private Limited	Sales	2,442.84	-
	Purchase	1.11	-
	Rent	9.60	22.66
Trois Biotech Private Limited	Sales	-	55.77
	Purchase	-	-
Innovous Healthcare L. L.C.	Sales	641.48	-
	purchase	0.87	-

Balances Outstanding as at March-31-2024 with related parties were as follows:

(Rs. in Lacs)

Name	Transaction	For the Year Ended March-31,2024	For the Year Ended March-31,2023
Dr. Mrs. Daulat N. Medhora	Director Remuneration	42.61	32.38
	Rent	1.83	4.86
	Director Loan	37.14	28.17
Mr. Nariman B. Medhora	Director Remuneration	-	-
	Rent	1.34	1.06
	Director Loan	82.61	76.57
Mr. Fredun N. Medhora	Director Remuneration	3.29	36.81
	Rent	0.29	2.36
	Director Loan	379.87	85..80
Fredna Enterprises	Payable	-	-
	Rent Deposit Given	27.75	27.75
Innovus Healthcare L.L.C	Payable	-	-
	Receivable	376.50	317.62

### Note - 40

#### Segment reporting and Disclosure pursuant to Ind AS 115 "Revenue from Customers"

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Pharmaceuticals is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

#### Disaggregation of revenue into operating segments and geographical areas for the year ended March 31, 2024

Particulars	31 Mar 24		31 Mar 23	
	Domestic	Export	Domestic	Export
Revenue from operations	26,886.32	7,771.37	21,231.08	6,203.09
<b>Total</b>	<b>26,886.32</b>	<b>7,771.37</b>	<b>21,231.08</b>	<b>6,203.09</b>

Particulars	31 Mar 24		31 Mar 23	
	Domestic	Imports	Domestic	Imports
Purchase	28,677.73	89.95	31,182.25	52.66
<b>Total</b>	<b>28,677.73</b>	<b>89.95</b>	<b>31,182.25</b>	<b>52.66</b>

\* Revenue information above is based on the locations of the customers

### Note - 41

#### Events after the Reporting Period:

1. There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date except Point No 2 below.
2. The proposed dividend of Rs. 0.70 per Share is recommended by the Board which is subject to the approval of shareholders in the ensuing Annual General Meeting.

### Note - 42

Figures For the previous year have been re-grouped/re-arranged wherever necessary to conform current year's classification.

### Note - 43

#### Dues to micro and small enterprise

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and March 31, 2023 is as under:

# BALANCE SHEET

## Notes To Financial Statements For The Year Ended 31/03/2024

<b>Dues remaining unpaid to any supplier</b>	<b>As at March, 2024</b>	<b>As at March, 2023</b>
<b>Principal</b>	<b>3,336.09</b>	<b>1,938.28</b>
<b>Interest on the above</b>	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	9.09
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

### 44. Provisions & Contingent Liabilities

#### Accounting Policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### 45. Capital Commitments

The company does not have any capital commitments as at 31st March, 2024

### 46. Non - cancellable Operating Leases

The Company has taken various residential/office premises/factory godowns under operating lease or leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no sub-leases. The lease payments recognised under "Rent Expenses" are:

#### Rental expense relating to Operating Leases

(Rs. in Lacs)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
RENT EXPENSE	404.49	278.10
<b>Total rental expense relating to Operating Leases</b>	<b>404.49</b>	<b>278.10</b>
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>A. Basic Earnings Per Share</b>		
i. Net Profit attributable to Equity Shareholders	1,562.34	1,080.66
ii. Weighted average number of Equity Shares Outstanding (Nos.)	46.42	44.78
<b>Basic and Diluted EPS (Rs) (i) / (ii)</b>	<b>33.66</b>	<b>24.13</b>

### 48. Capital Management

#### **The company's objective while managing capital are:**

1. Safeguard its ability to continue as a going concern
2. Maintain an optimal mix of debt and capital to reduce overall cost of capital
3. Provide adequate returns to shareholders



# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

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Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets

<b>Particulars</b>	<b>Year ended 31 March, 2024</b>	<b>Year ended 31 March, 2023</b>
Gross Debt	18,199.14	15,706.07
Less: Cash and cash equivalents	107.17	294.65
Net debt	18,091.97	15,411.42
Total Equity	12,147.12	9,637.57
Net debt to equity ratio	1.49	1.60

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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<b>Note No. 49</b>				
<b>Employee Benefit Obligations</b>				<b>(Rs. in Lacs)</b>
<b>Particulars</b>	<b>As at 31 March, 2024</b>		<b>As at 31 March, 2023</b>	
	<b>Current</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>
Gratuity (unfunded)	14.32	101.89	10.96	88.76
<b>Total</b>	<b>14.32</b>	<b>101.89</b>	<b>10.96</b>	<b>88.76</b>

## **(i) Leave Obligations**

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs.120.37/- lakhs (March 31, 2023 Rs. 96.69/- lakhs) is presented as non current liabilities, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## **(ii) Post-Employment Obligations**

### **Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately multiplied for the number of years of service as per the Scheme.

## **(iii) Defined Contributions Plans**

The Company also has certain defined contribution plans . Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Amount recognized as an expense during the period towards defined contribution plan is Rs.46.07/- (March 31, 2023 Rs.47.39/- ).

## **Details of Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined Benefits obligation over the year are as follows:

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Present Value of Obligation</b>	<b>Present Value of Obligation</b>
<b>As at 1st April</b>		
Interest Expense/(Income)	7.39	6.73

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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(Rs. in Lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	<b>Present Value of Obligation</b>	<b>Present Value of Obligation</b>
Current Service Cost	10.55	10.83
<b>Total Amount recognized in Profit and Loss</b>	<b>17.93</b>	<b>17.56</b>
<b>Total amount recognised in Other</b>		
Comprehensive Income	7.04	-4.92
<b>Total</b>	<b>24.98</b>	<b>12.64</b>

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Discount rate</b>	<b>7.20% P.A</b>	<b>7.41% P.A</b>
<b>Attrition rate</b>		
For service 2 years and below	28.00% P.A	28.00% P.A
For service 3 years to 4 years	11.00% P.A	11.00% P.A
For service 5 years and above	7.00% P.A	7.00% P.A
Salary escalation rate	5.00% P.A	5.00% P.A

## Additional Details

**Methodology Adopted for Assured Life Mortality (ALM): Projected Unit Credit Method**

**Details of Funding: Unfunded**

## Risk exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

### 1. Liability Risks

#### a. Asset-liability Mismatch Risk:

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

### **b. Discount Rate Risk:**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

### **c. Future Salary Escalation and Inflation Risk:**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

### **2. Unfunded Plan Risk:**

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances, Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

<b>Note No.50</b>			
<b>Reconciliation of Accounting Profit &amp; Tax Expenses</b>			<b>(Rs. in Lacs)</b>
<b>Particulars</b>	<b>Year ended 31 March, 2024</b>	<b>Year ended 31 March, 2023</b>	
<b>Reconciliation of tax expense and accounting profit multiplied by tax rate applicable in India:</b>			
Profit from Operations Before Income Tax Expense	2,145.19	1,750.85	
Corporate Tax Rate as per Income Tax Act, 1961	25.168%	25.168%	
<b>Tax on Accounting profit</b>	<b>539.90</b>	<b>440.65</b>	
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>			
Non-deductible expenses for tax purpose	30.23	26.38	
Other Items	77.34	5.17	
<b>Income tax expense</b>	<b>647.47</b>	<b>472.20</b>	
<b>Deferred Tax Asset (Net)</b>			
The balance comprises temporary differences attributable to:			
<b>Deferred Tax Asset:</b>			
Tax losses	-	-	
Defined Benefits obligations	-	-	
Gratuity	-	-	
Leave Encashment	-	-	
MAT credit entitlement	-	-	
Other Items	-	-	
Allowance of Expected Credit Loss on Trade Receivables	-	-	
Allowance of doubtful debts - security deposits	-	-	
Others	-	-	
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>-</b>	
<b>Deferred Tax Liabilities:</b>			
Property Plant and Equipment and Intangible Assets	29.35	241.18	
Financial Assets at Fair Value Through Profit and Loss			
Others			
<b>Total Deferred Tax Liabilities</b>	<b>29.35</b>	<b>241.18</b>	

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
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Movement in Deferred Tax Assets					
Particulars	Tax losses	Defined Benefits Obligations	MAT Credit Entitlement	Other Items	Total Deferred Tax Assets
<b>As at April 1, 2023</b>					-
(Charged)/credited :	-	-	-	-	-
to Profit and loss	-	-	-	-	-
to other comprehensive income	-	-	-	-	-
<b>As at March 31, 2024</b>	-	-	-	-	-

Movement in Deferred Tax Liabilities			
Particulars	Property, Plant and Equipment and Intangible Assets	Financial assets at at Fair Value through Profit and Loss	Total Deferred Tax Liabilities
<b>As at April 1, 2023</b>			
(Charged)/credited :			
to Profit and loss	-29.35	-	-29.35
to other comprehensive income	-	-	-
<b>As at March 31, 2024</b>	<b>-29.35</b>	<b>-</b>	<b>-29.35</b>

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## Note - 51 Ratios

Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance
Current Ratio ( In Times )	Current assets	current liabilities	1.54	1.55	-0.01
Debt - Equity Ratio( In Times )	Total Debt	Shareholder's Equity	0.87	0.90	-0.03
Debt Service Coverage Ratio ( In for Times )	Earnings available for debt service	Debt Service	3.48	2.33	1.16
Return on Equity ( ROE )	Net Profits after Taxes	Shareholders's Equity	13%	11%	2%
Trade receivables turnover ratio ( In Time )	Revenue	Avarage Trade Receivables	4.22	3.44	0.78
Trade payables turnover ratio ( In Time )	Purchases and expenses	Average Trade Payables	3.59	3.40	0.19
Net Capital turnover ratio ( In Time )	Revenue	Working Capital	3.86	2.51	1.35
Net Profit ratio	Net Profit	Revenue	4.48%	3.91%	0.57%
Return on capital employed ( ROCE )	Earning before interest and taxes	Capital Employed	28.90%	27.80%	0.011
Inventory Turnover Ratio ( In Time )	Cost of Goods Sold	Cost of Average Inventory	1.74	2.51	-0.77

# BALANCE SHEET

Notes To Financial Statements For The Year Ended 31/03/2024

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

## Note - 52

### Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	(Rs. in Lacs)	
	As at 31 March, 2024	As at 31 March, 2023
1) Amount required to be spent by the company during the year	19.54	9.53
2) Amount of expenditure incurred	19.54	N/A
3) Shortfall at the end of the year	-	9.53
4) Total of previous years shortfall	N/A	N/A
5) Reason for shortfall		The suitable project for CSR spending is in process of Finalization by the CSR committee and company believes that the required amount will be spent against CSR activities up to September, 2023 & provision for the same has been provided in the books of accounts.
6) Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment and sustainability, disaster relief and rural development projects	
7) Details of related party transactions eg. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	N/A	N/A
8) Where a provision is made with respect to a liability incurred by entering into a contractual obligations, the movements in the provisions	N/A	N/A

## Note - 53

There are no Benami properties held by the Company. Also, there has been no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



### **Note - 54**

The Company has not traded or invested in Crypto currency or Virtual currency during the financials year.

### **Note - 55**

There are no transactions which are recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

### **Note - 56**

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other source of funds) to other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or like on or behalf of the Ultimate Beneficiaries.

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or like on or behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or like on or behalf of the Ultimate Beneficiaries.

### **Note - 57**

The standalone financial statements were authorised for issue in accordance with a resolution passed of the Board of Directors in its meeting held on May 07, 2024.

### **Note - 58**

The company does not have any charges or satisfaction which is yet to registered with ROC beyond statutory period

### **Note - 59**

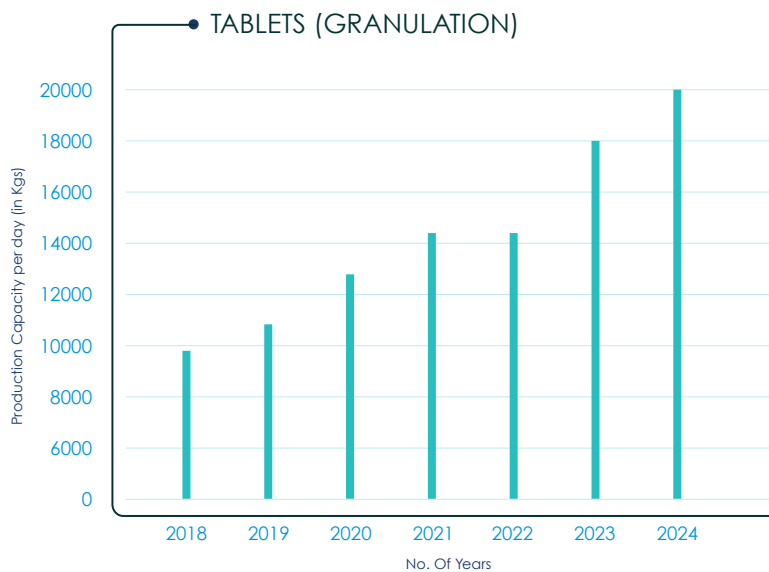
Each entity in the Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

### **Note - 60**

There are no approved schemes or arrangements which has been approved by the competent authority in terms of section 230 to 237 of Companies Act, 2013

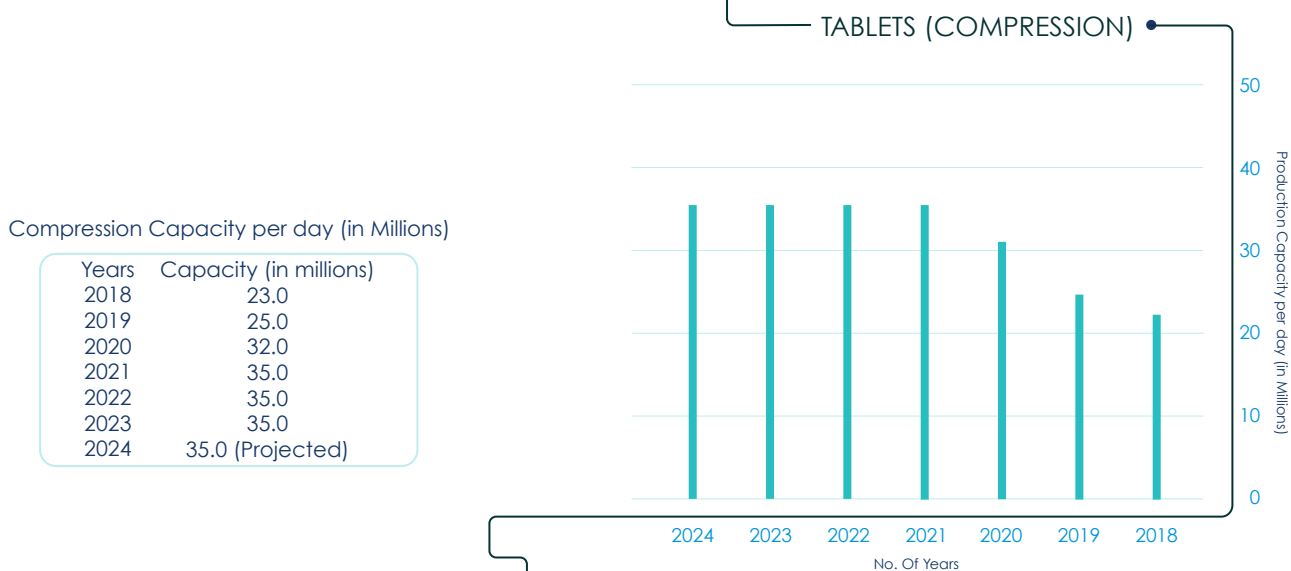
12

**Data about  
Company's  
products &  
expansion**



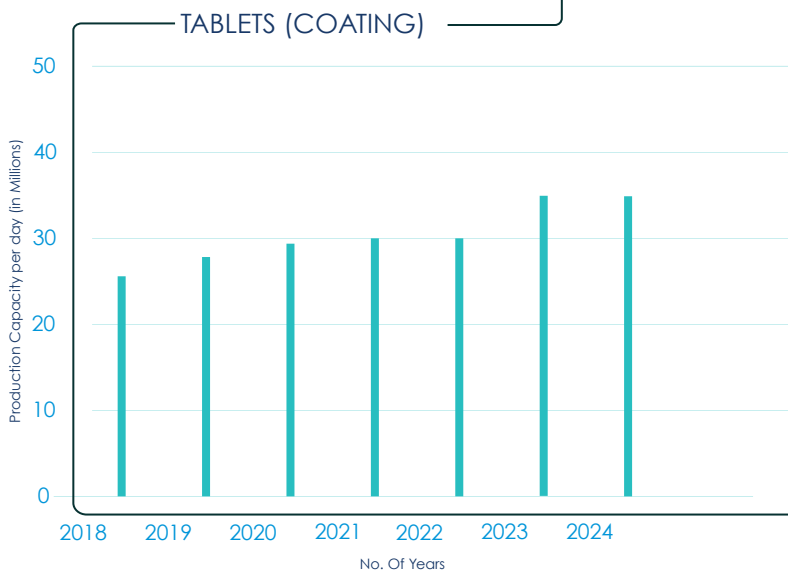
Granulation Capacity per day (in kgs)

Years	Capacity (in bottles)
2018	9800
2019	10500
2020	13000
2021	15000
2022	15000
2023	18000
2024	20000 (Projected)



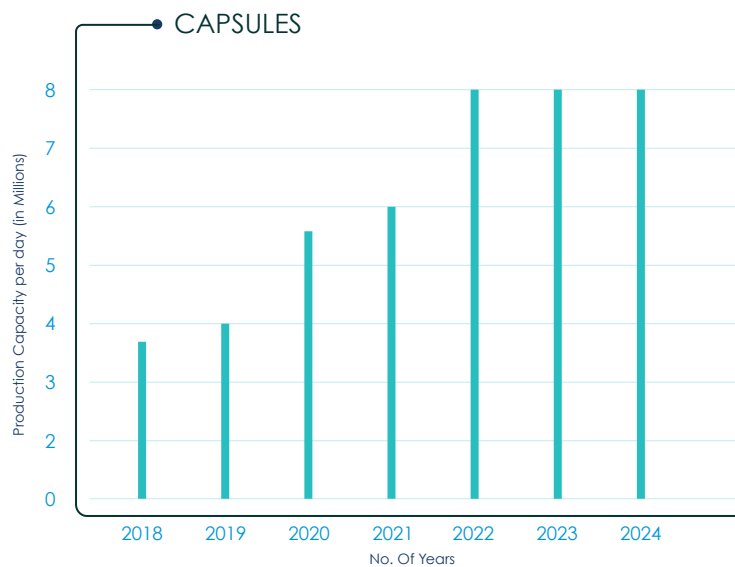
Compression Capacity per day (in Millions)

Years	Capacity (in millions)
2018	23.0
2019	25.0
2020	32.0
2021	35.0
2022	35.0
2023	35.0
2024	35.0 (Projected)



Coating Capacity per day (in Millions)

Years	Capacity (in millions)
2018	25.0
2019	27.0
2020	29.0
2021	30.0
2022	30.0
2023	35.0
2024	35.0 (Projected)

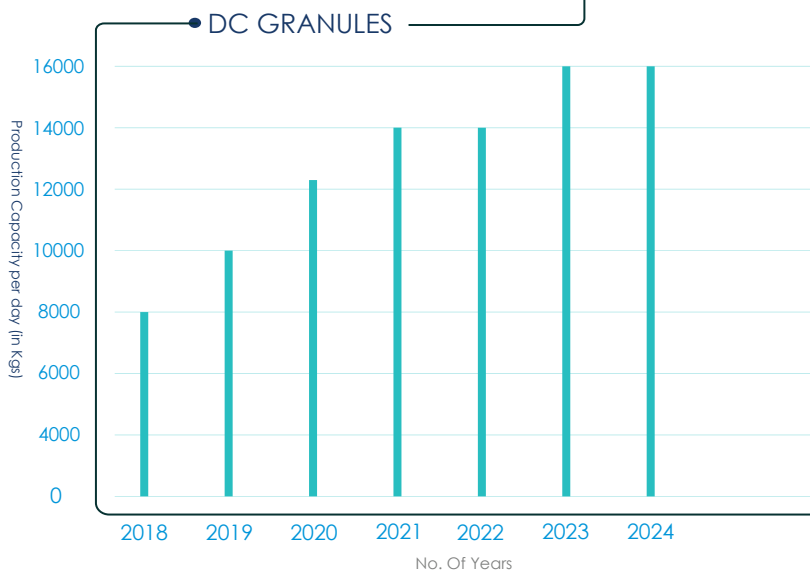
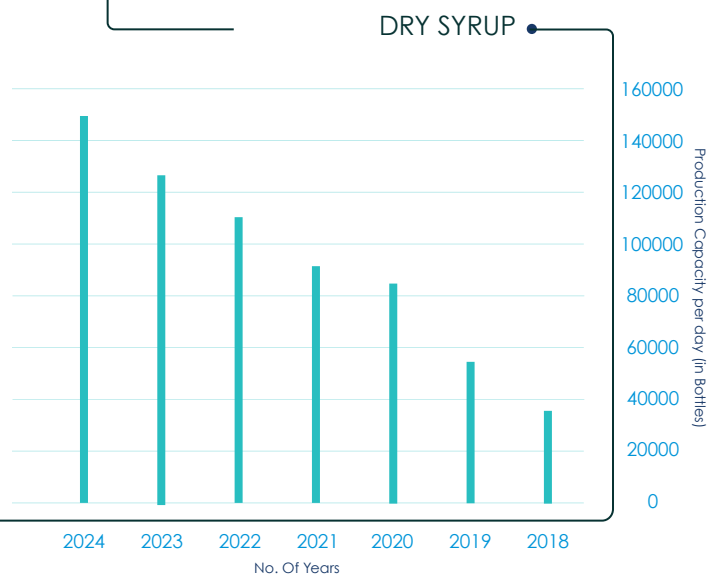


Capsules Capacity per day (in Millions)

Years	Capacity (in Millions)
2018	3.8
2019	4.0
2020	5.5
2021	6.0
2022	8.0
2023	8.0
2024	8.0 (Projected)

Dry Syrup Capacity per day (in Bottles)

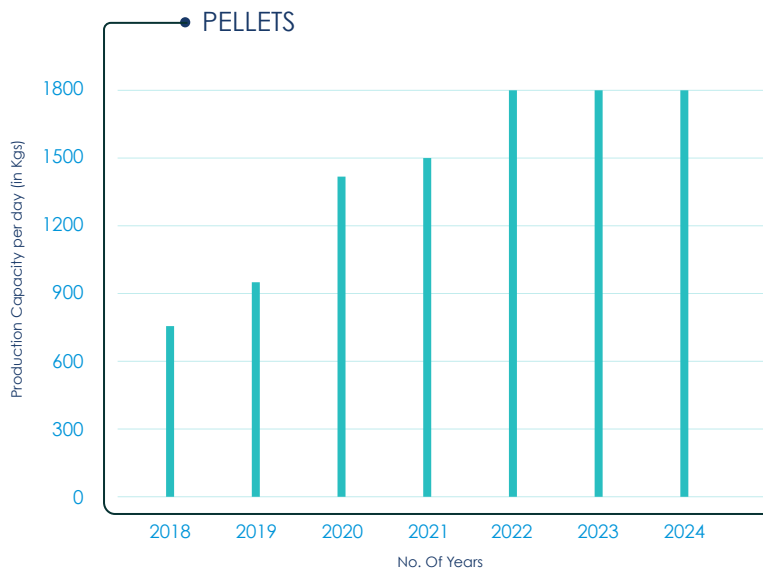
Years	Capacity (in Bottles)
2018	35000
2019	50000
2020	85000
2021	90000
2022	110000
2023	125000
2024	150000 (Projected)



DC Granules Capacity per day (in Kgs)

Years	Capacity (in Kgs)
2018	8000
2019	10000
2020	12500
2021	14000
2022	14000
2023	16000
2024	16000 (Projected)

# PRODUCT CAPACITY

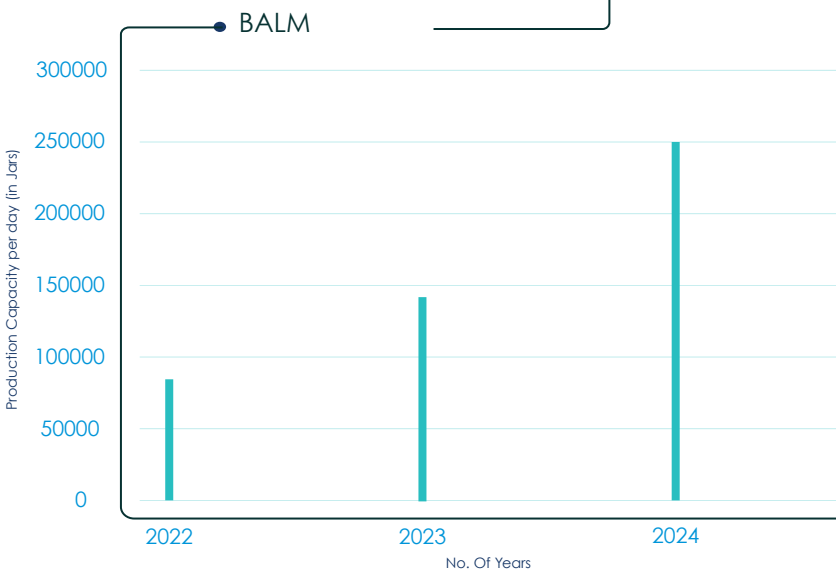
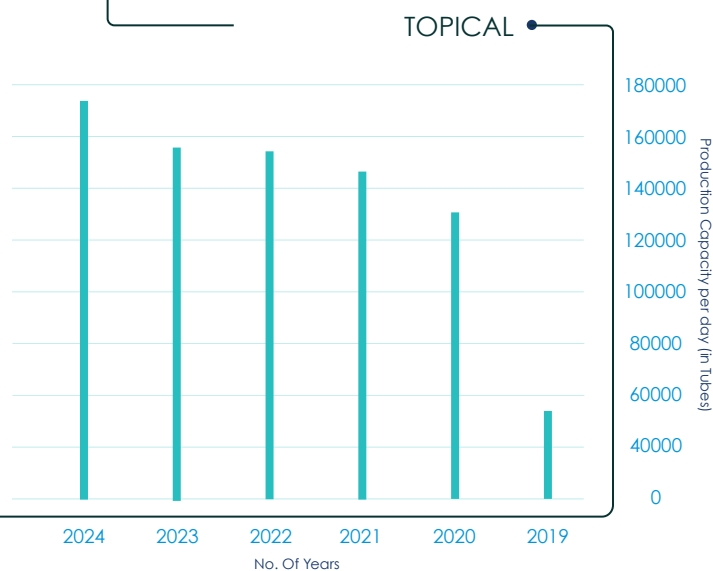


Pellets Capacity per day (in Kgs)

Years	Capacity (in kgs)
2018	750
2019	1000
2020	1400
2021	1500
2022	1800
2023	1800
2024	1800 (Projected)

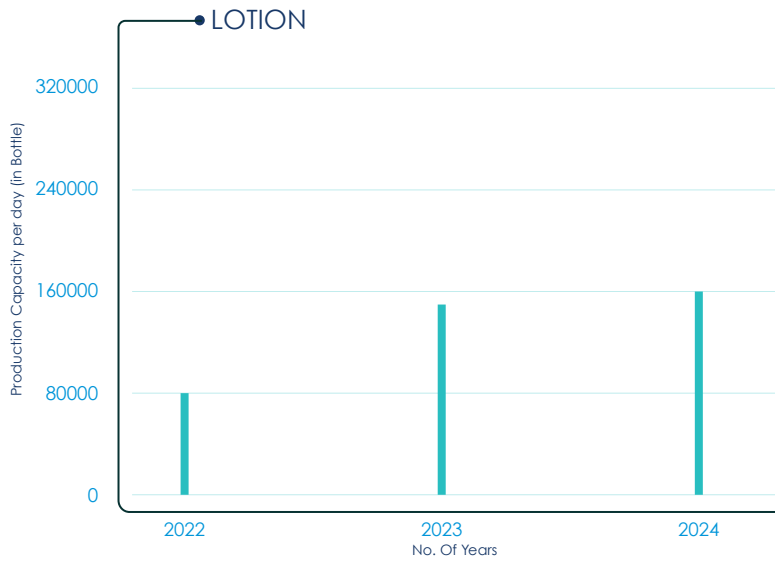
Topical Capacity per day (In Tubes)

Years	Capacity (In Tubes)
2019	55000
2020	130000
2021	145000
2022	154000
2023	155000
2024	175000 (Projected)



Balm Capacity per day (in Jars)

Years	Capacity (in Jars)
2022	86000
2023	145000
2024	250000 (Projected)



Lotion Capacity per day (in Bottles)

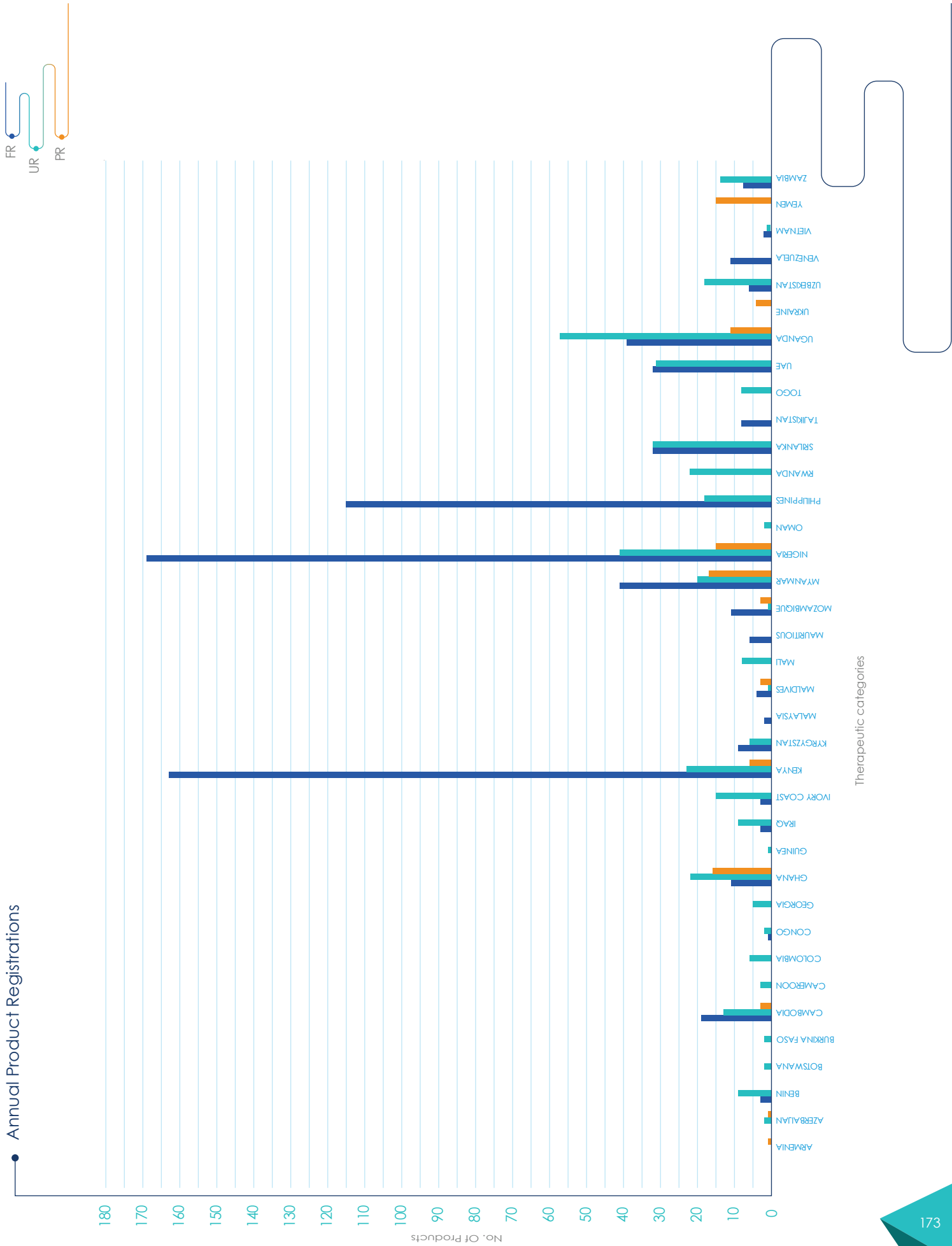
Years	Capacity (in Bottles)
2022	80000
2023	152000
2024	160000 (Projected)

# CATEGORY OF ANNUAL PRODUCT REGISTRATION

Fredun Pharmaceuticals Ltd.  
Annual Report 2023-24

Category	FR	UR	PR	
1	ARMENIA	--	--	1
2	AZERBAIJAN	--	2	1
3	BENIN	3	9	--
4	BOTSWANA	--	2	--
5	BURKINA FASO	--	2	--
6	CAMBODIA	19	13	3
7	CAMEROON	--	3	--
8	COLOMBIA	--	6	--
9	CONGO	1	2	--
10	GEORGIA	--	5	--
11	GHANA	11	22	16
12	GUINEA	--	1	--
13	IRAQ	3	9	--
14	IVORY COAST	3	15	--
15	KENYA	163	23	6
16	KYRGYZSTAN	9	6	--
17	MALAYSIA	2	--	--
18	MALDIVES	4	1	3
19	MALI	--	8	--
20	MAURITIUS	6	--	--
21	MOZAMBIQUE	11	1	3
22	MYANMAR	41	20	17
23	NIGERIA	169	41	15
24	OMAN	--	2	--
25	PHILIPPINES	115	18	--
26	RWANDA	--	22	--
27	SRILANKA	32	32	--
28	TAJIKISTAN	8	--	--
29	TOGO	--	8	--
30	UAE	32	31	--
31	UGANDA	39	57	11
32	UKRAINE	--	--	4
33	UZBEKISTAN	6	18	--
34	VENEZUELA	11	--	--
35	VIETNAM	2	1	--
36	YEMEN	--	--	15
37		7	14	--
TOTAL	697	394	95	

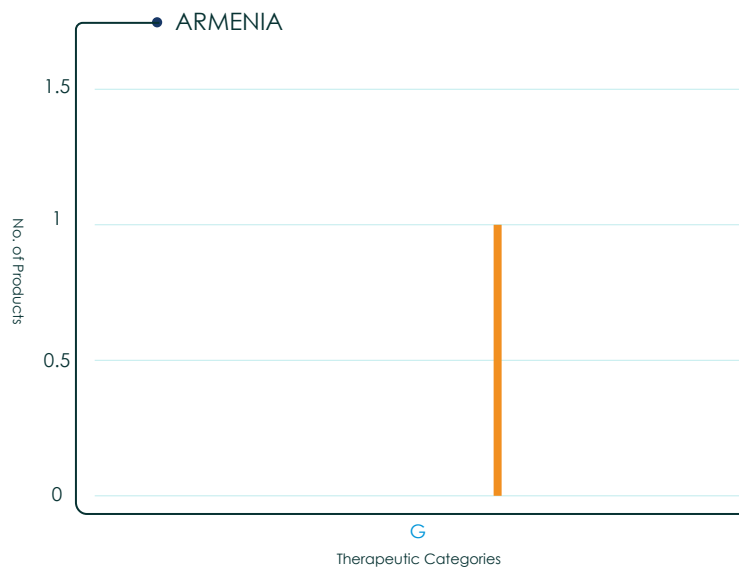
# ANNUAL PRODUCT REGISTRATION





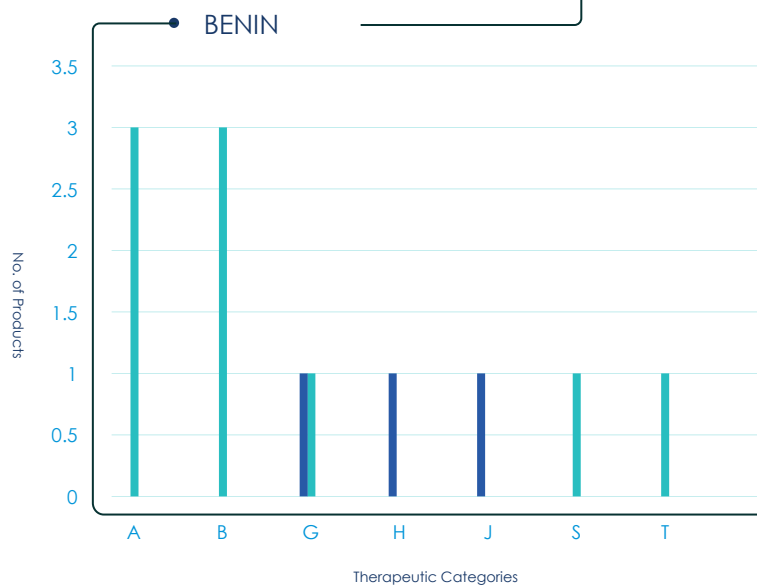
A	1.	ANTI-BACTERIAL	V	22.	BONE MODULATING DRUGS
B	2.	ANTI-MALARIAL	W	23.	ALPHA-BLOCKER
C	3.	ANTI-DIABETIC	X	24.	PSYCHOTROPICS/ ANTI- PSYCHOTICS
D	4.	ANTHELMINTIC	Y	25.	NEPHROLOGY
E	5.	ANTIHISTAMINES / ANTIALLERGIC	Z	26.	ANGIOTENSIN-CONVERTING ENZYME (ACE) INHIBITORS
F	6.	ANTACID / ANTIULCER / ANTIEMETIC	AA	27.	BRONCHODILATORS & ANTI -ASTHMA DRUGS
G	7.	ANALGESICS / NSAID	AB	28.	ANTIDEPRESSANT
H	8.	ANTIFUNGAL	AC	29.	ANTISPASMODIC
I	9.	ANTICOAGULANTS	AD	30.	ANTIFIBRINOLYTIC DRUGS
J	10.	ANTI INFLAMATORY	AE	31.	ANTI VERTIGO
K	11.	ANTIHYPERTENSIVE	AF	32.	CALCIUM SUPPLIMENT
L	12.	ANTIVIRAL	AG	33.	FARNESOID X-RECEPTOR AGONIST
M	13.	ANTI-RETROVIRAL / ANTI HIV	AH	34.	DIETARY SUPPLYMENT/ NUTRACEUTICALS
N	14.	ANTICONVULSANTS/ANTI-EPILEPTIC	AI	35.	ANTI THYROID
O	15.	ANTIDIARRHOEAL	AJ	36.	HAND SANITIZER
P	16.	DIURETIC	AK	37.	COSMETICS
Q	17.	CARDIOVASCULAR	AL	38.	AYURVEDIC
R	18.	LAXATIVE	AM	39.	ANTIMUSCARINICS
S	19.	IMPOTENCE DRUGS	AN	40.	SKIN BLEACHING CREAM/DEPIGMENTING AGENT
T	20.	ANTI OBESITY	AO	41.	INODILATOR
U	21.	APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	AP	42.	MEDICAL DEVICE

# ANNUAL PRODUCT REGISTRATION



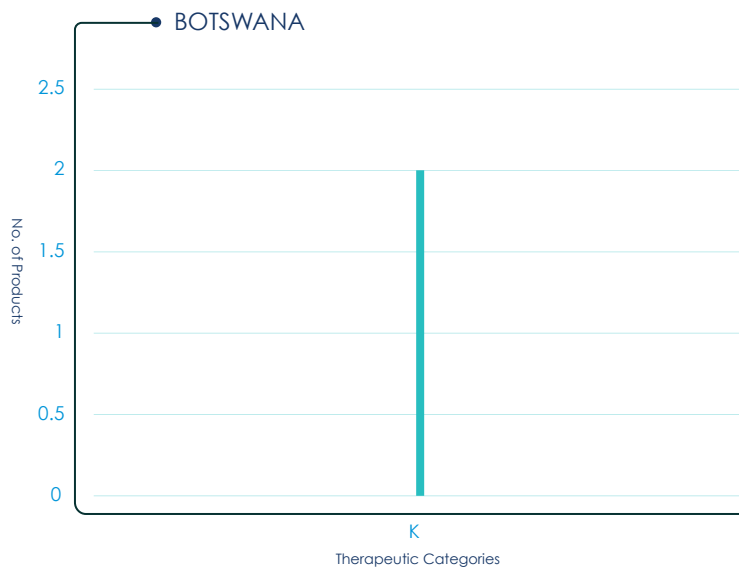
Category	FR	UR	PR
G	0	0	1
TOTAL	0	0	1

Category	FR	UR	PR
F	0	1	0
S	0	1	1
TOTAL	0	2	1

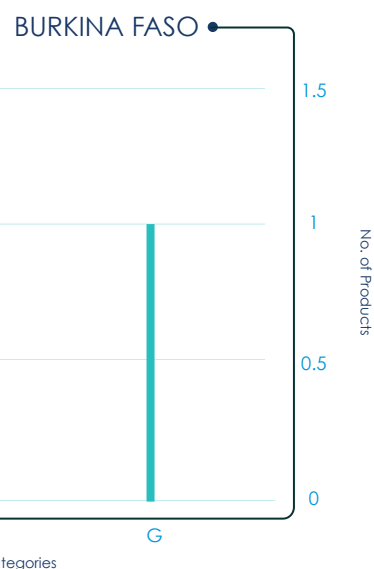


Category	FR	UR	PR
A	--	3	--
B	--	3	--
G	1	1	--
H	1	--	--
J	1	--	--
S	--	1	--
T	--	1	--
TOTAL	3	9	--

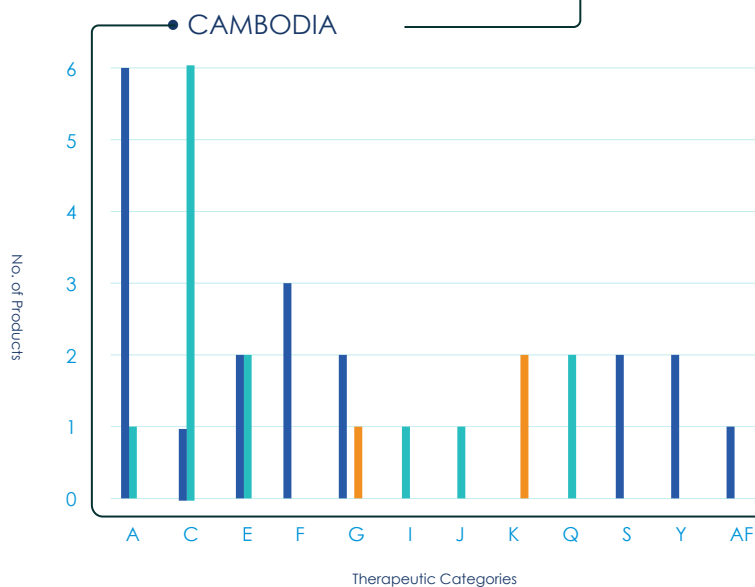
# ANNUAL PRODUCT REGISTRATION



Category	FR	UR	PR
K	--	2	--
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>--</b>

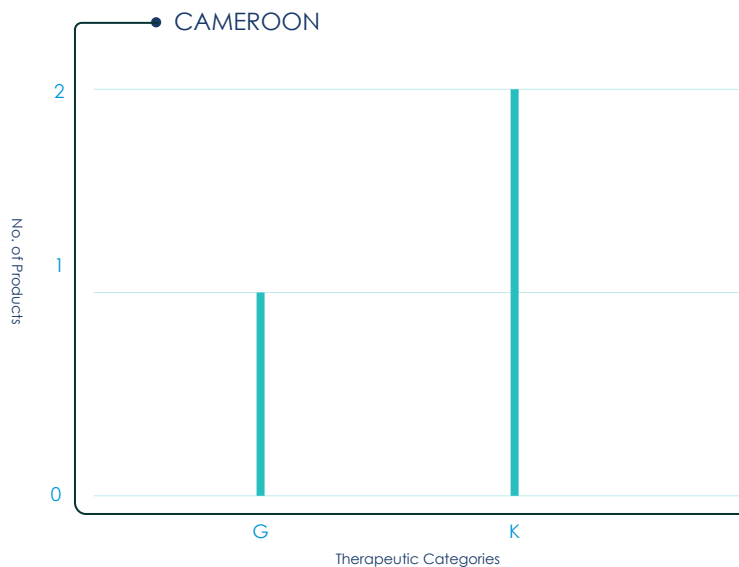


Category	FR	UR	PR
E	--	1	--
G	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>0</b>



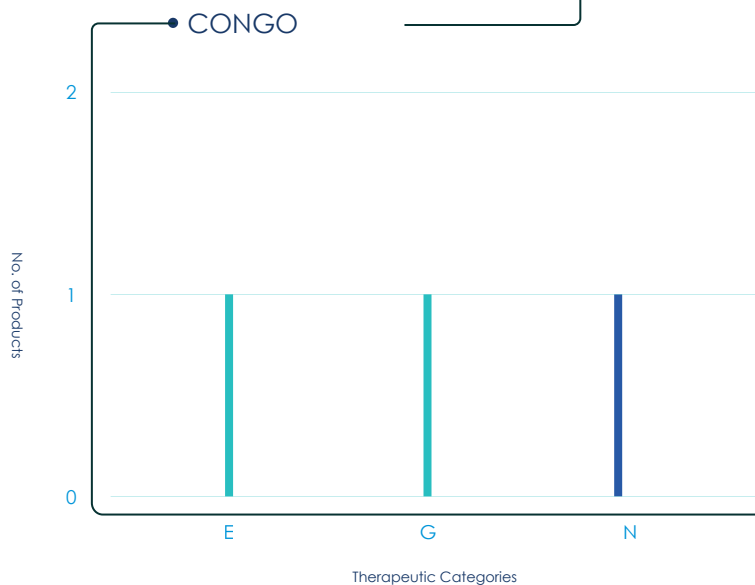
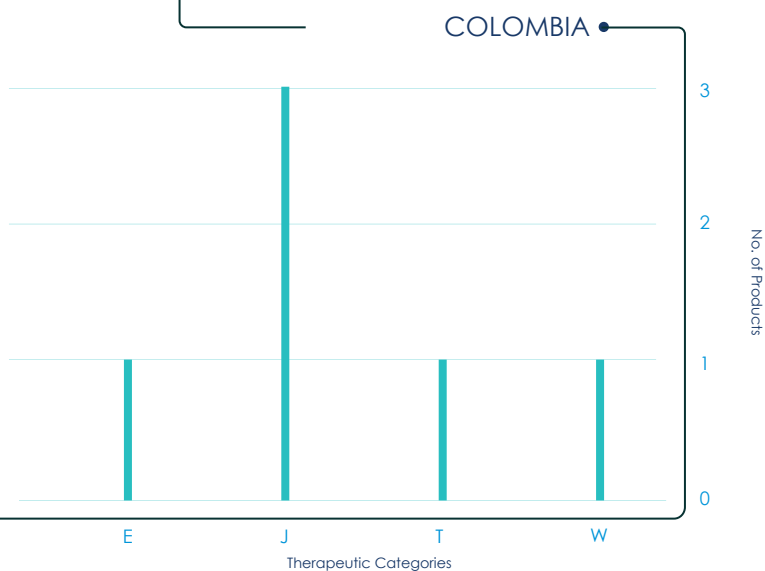
Category	FR	UR	PR
A	6	1	--
C	1	6	--
E	2	2	--
F	3	--	--
G	2	--	1
I	--	1	--
J	--	1	--
K	--	--	2
Q	--	2	--
S	2	--	--
Y	2	--	--
AF	1	--	--
<b>TOTAL</b>	<b>19</b>	<b>13</b>	<b>3</b>

# ANNUAL PRODUCT REGISTRATION



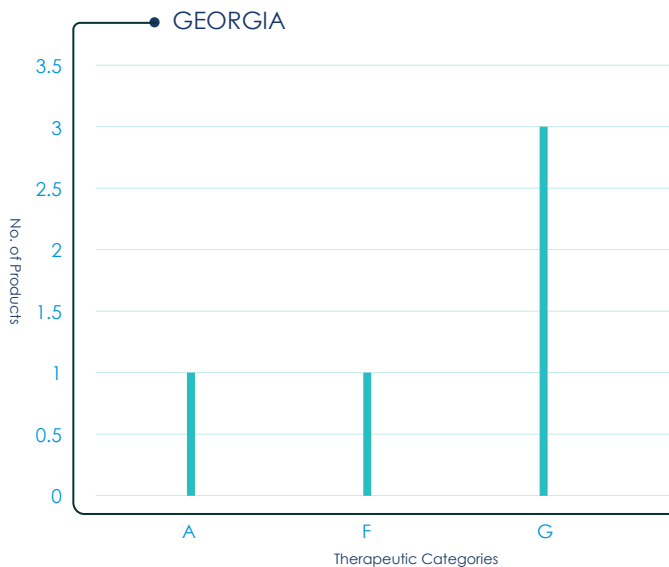
Category	FR	UR	PR
G	--	1	--
K	--	2	--
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>0</b>

Category	FR	UR	PR
E	--	1	--
J	--	3	--
T	--	1	--
W	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>6</b>	<b>0</b>



Category	FR	UR	PR
E	--	1	--
G	--	1	--
N	1	--	--
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>0</b>

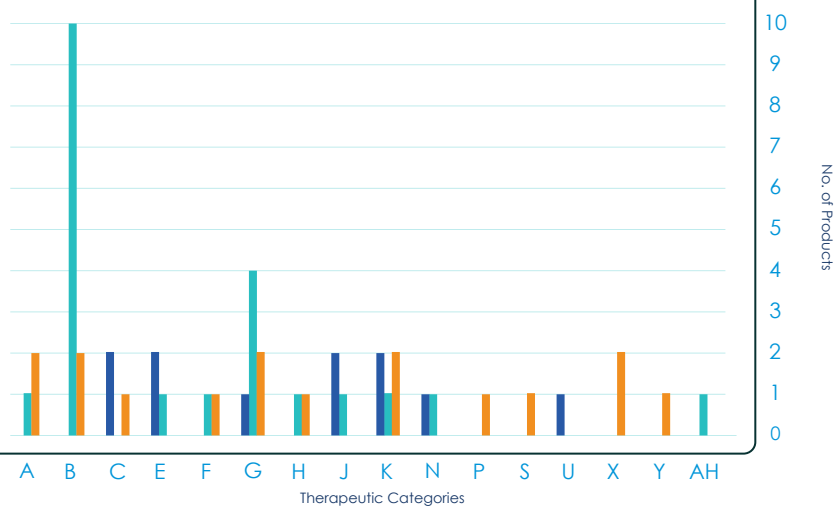
# ANNUAL PRODUCT REGISTRATION



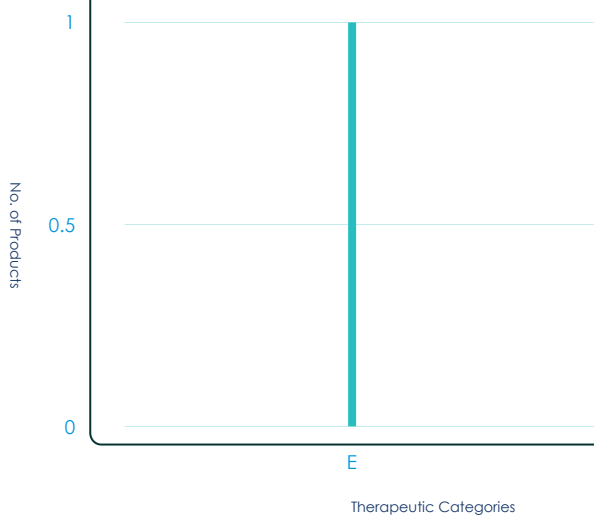
Category	FR	UR	PR
A	--	1	--
F	--	1	--
G	--	3	--
<b>TOTAL</b>	<b>0</b>	<b>5</b>	<b>0</b>

**GHANA**

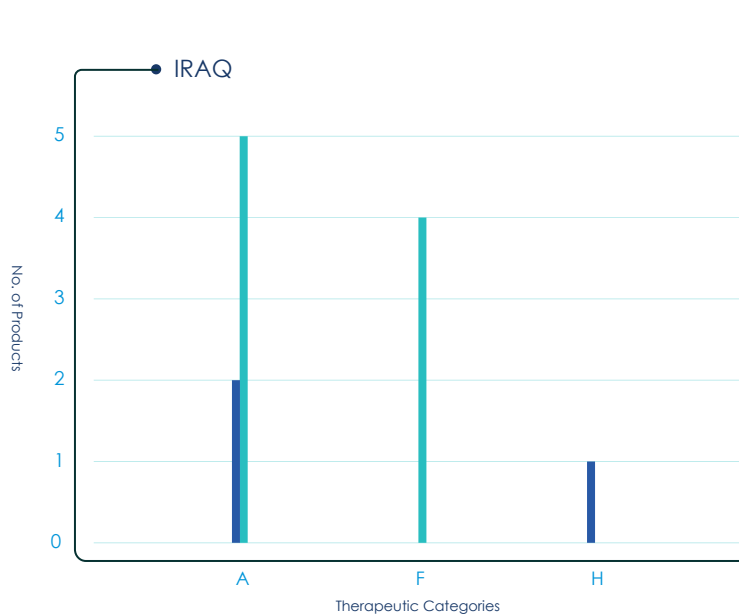
Category	FR	UR	PR
A	--	1	2
B	--	10	2
C	2	--	1
E	2	1	--
F	--	1	1
G	1	4	2
H	--	1	1
J	2	1	--
K	2	1	2
N	1	1	--
P	--	--	1
S	--	--	1
U	1	--	--
X	--	--	2
Y	--	--	1
AH	--	1	--
<b>TOTAL</b>	<b>11</b>	<b>22</b>	<b>16</b>



**GUINEA**



Category	FR	UR	PR
E	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>0</b>



Category FR UR PR

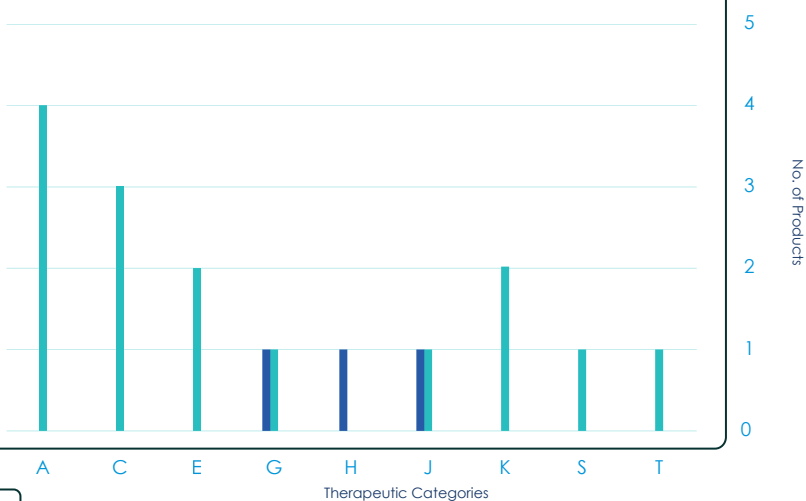
A	2	5	--
F	--	4	--
H	1	--	--
<b>TOTAL</b>	<b>3</b>	<b>9</b>	<b>--</b>



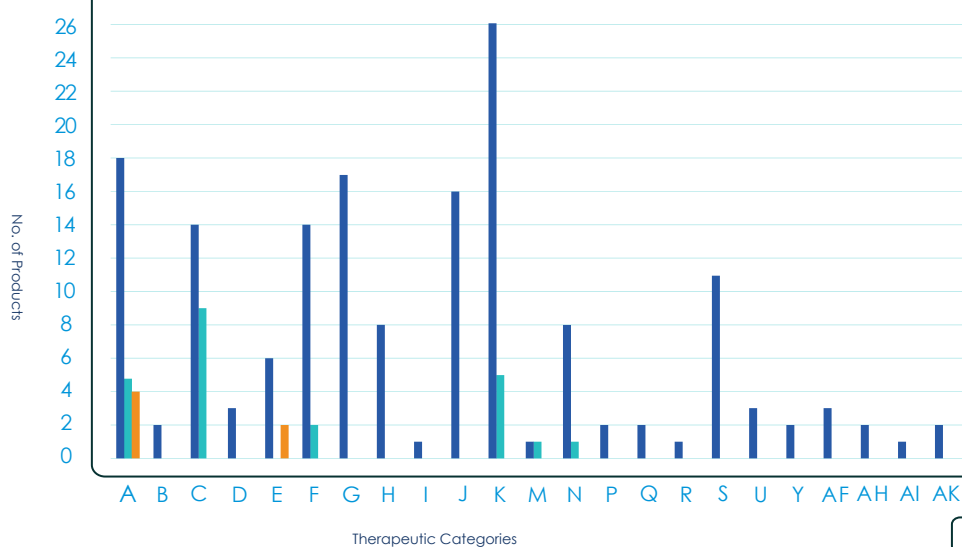
**IVORY COAST**

Category FR UR PR

A	--	4	--
C	--	3	--
E	--	2	--
G	1	1	--
H	1	--	--
J	1	1	--
K	--	2	--
S	--	1	--
T	--	1	--
<b>TOTAL</b>	<b>3</b>	<b>15</b>	<b>0</b>



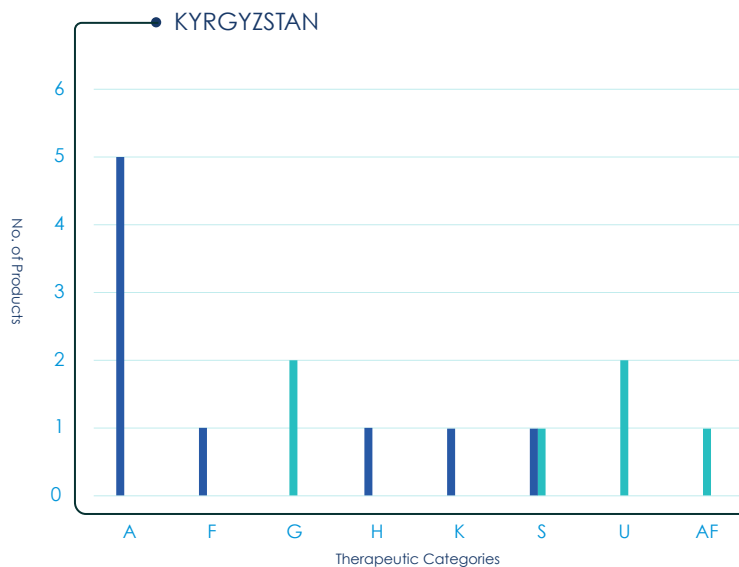
**KENYA**



Category FR UR PR

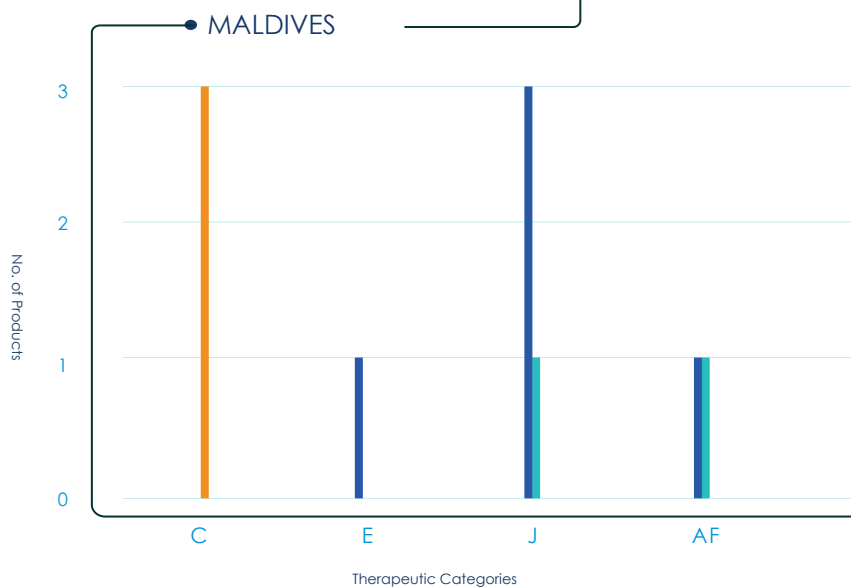
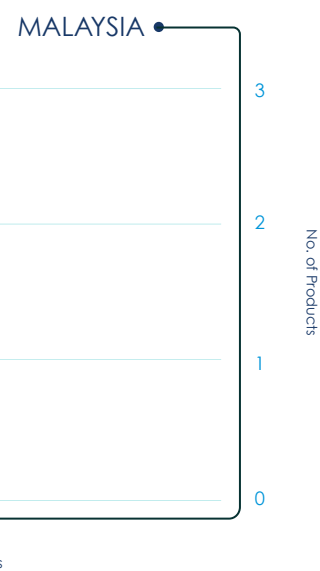
A	18	5	4
B	2	--	--
C	14	9	--
D	3	--	--
E	6	--	2
F	14	2	--
G	17	--	--
H	8	--	--
I	1	--	--
J	16	--	--
K	26	5	--
M	1	1	--
N	8	1	--
P	2	--	--
Q	2	--	--
R	1	--	--
S	11	--	--
U	3	--	--
Y	2	--	--
AF	3	--	--
AH	2	--	--
AI	1	--	--
AK	2	--	--
<b>TOTAL</b>	<b>163</b>	<b>23</b>	<b>6</b>

# ANNUAL PRODUCT REGISTRATION

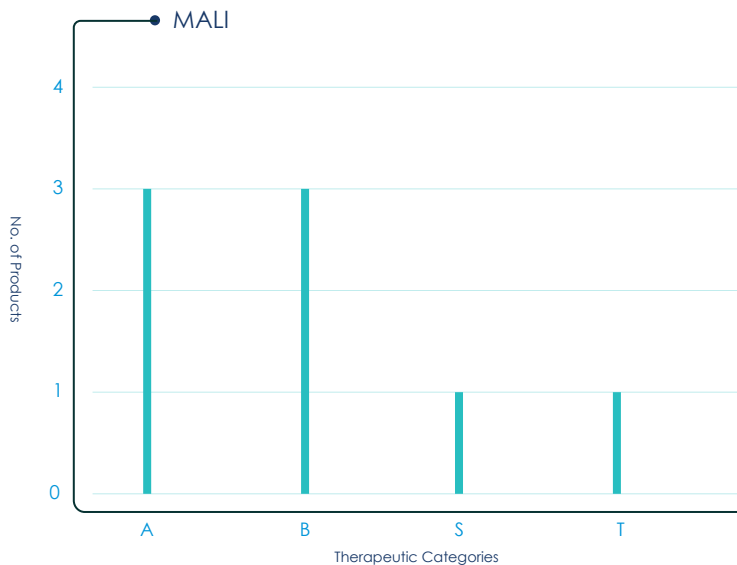


Category	FR	UR	PR
A	5	--	--
F	1	--	--
G	--	2	--
H	1	--	--
K	1	--	--
S	1	1	--
U	--	2	--
AF	--	1	--
<b>TOTAL</b>	<b>9</b>	<b>6</b>	<b>0</b>

Category	FR	UR	PR
U	2	--	--
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>

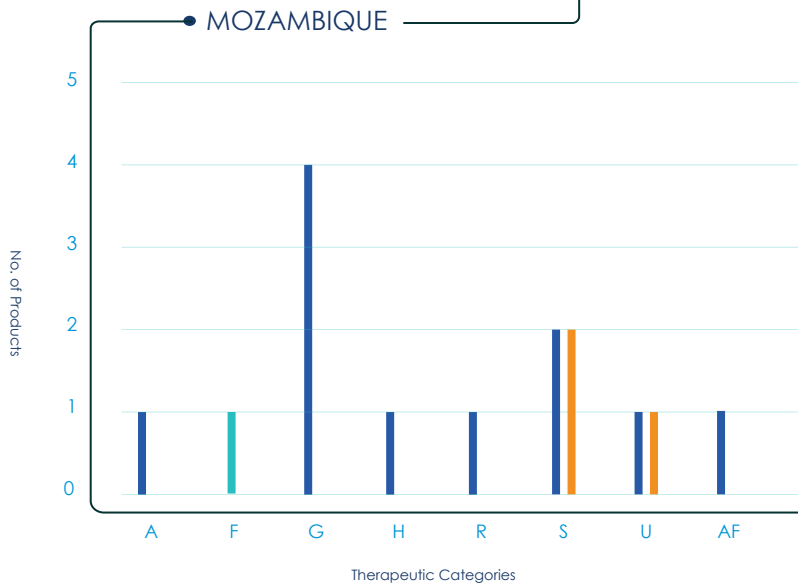
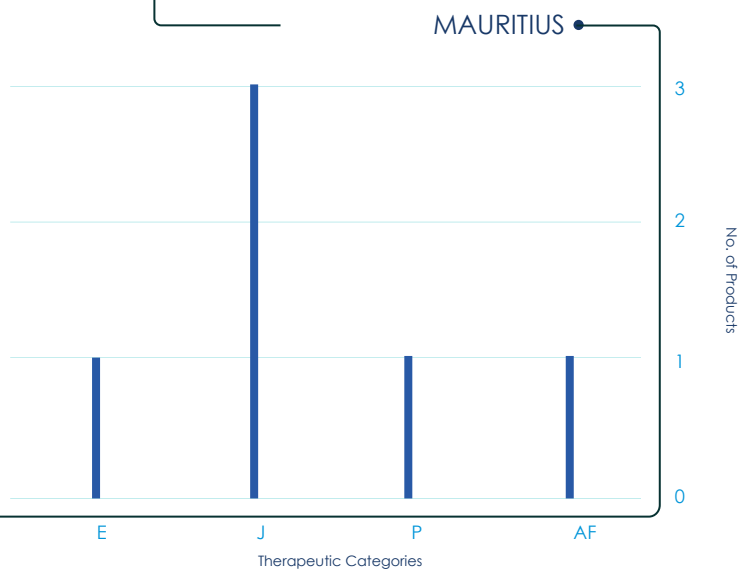


Category	FR	UR	PR
C	--	--	3
E	1	--	--
J	3	1	--
AF	1	1	--
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>3</b>



Category	FR	UR	PR
A	--	3	--
B	--	3	--
S	--	1	--
T	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>8</b>	<b>0</b>

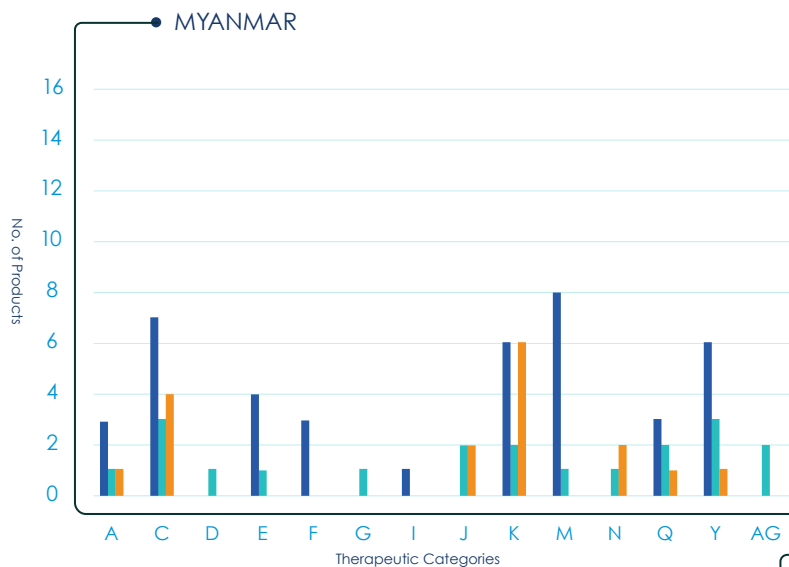
Category	FR	UR	PR
E	1	--	--
J	3	--	--
P	1	--	--
AF	1	--	--
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>



Category	FR	UR	PR
A	1	--	--
F	--	1	--
G	4	--	--
H	1	--	--
R	1	--	--
S	2	--	2
U	1	--	1
AF	1	--	--
<b>TOTAL</b>	<b>11</b>	<b>1</b>	<b>3</b>



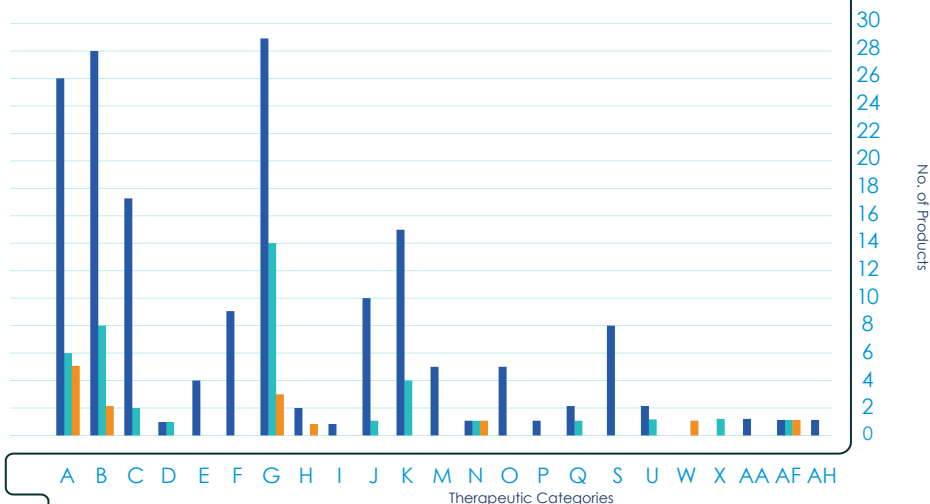
# ANNUAL PRODUCT REGISTRATION



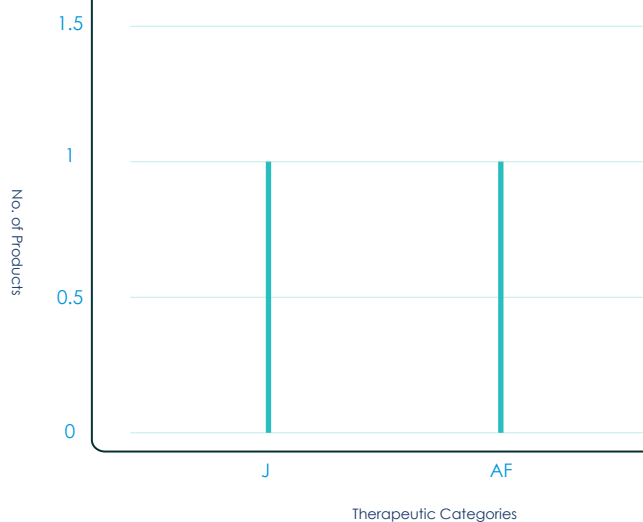
Category	FR	UR	PR
A	3	1	1
C	7	3	4
D	--	1	--
E	4	1	--
F	3	--	--
G	--	1	--
I	1	--	--
J	--	2	2
K	6	2	6
M	8	1	--
N	--	1	2
Q	3	2	1
Y	6	3	1
AG	--	2	--
<b>TOTAL</b>	<b>41</b>	<b>20</b>	<b>17</b>

Category	FR	UR	PR
A	26	6	5
B	28	8	2
C	17	2	--
D	1	1	--
E	4	--	--
F	9	--	1
G	29	14	3
H	2	--	1
I	1	--	--
J	10	1	--
K	15	4	--
M	5	--	--
N	1	1	1
O	5	--	--
P	1	--	--
Q	2	1	--
S	8	--	--
U	2	1	--
W	--	--	1
X	--	1	--
AA	1	--	--
AF	1	1	1
AH	1	--	--
<b>TOTAL</b>	<b>169</b>	<b>41</b>	<b>15</b>

**NIGERIA**

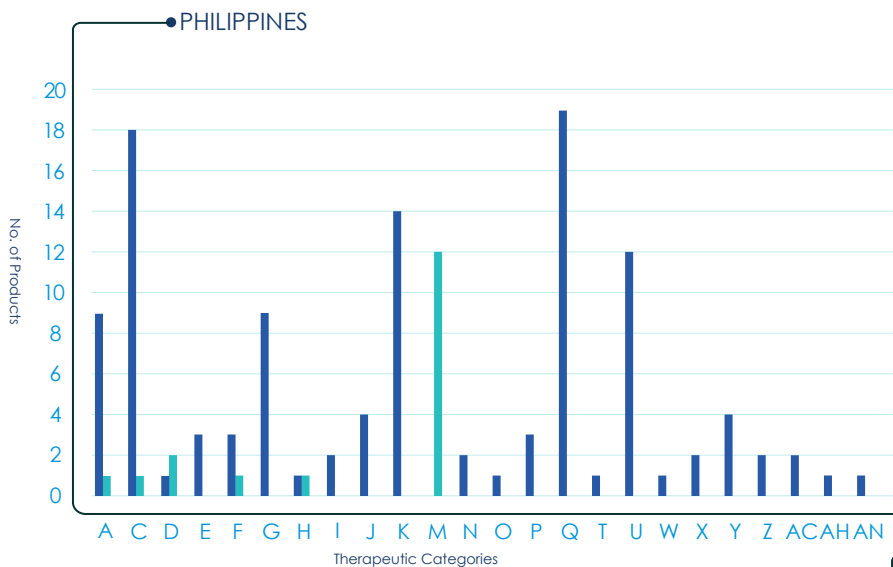


**OMAN**



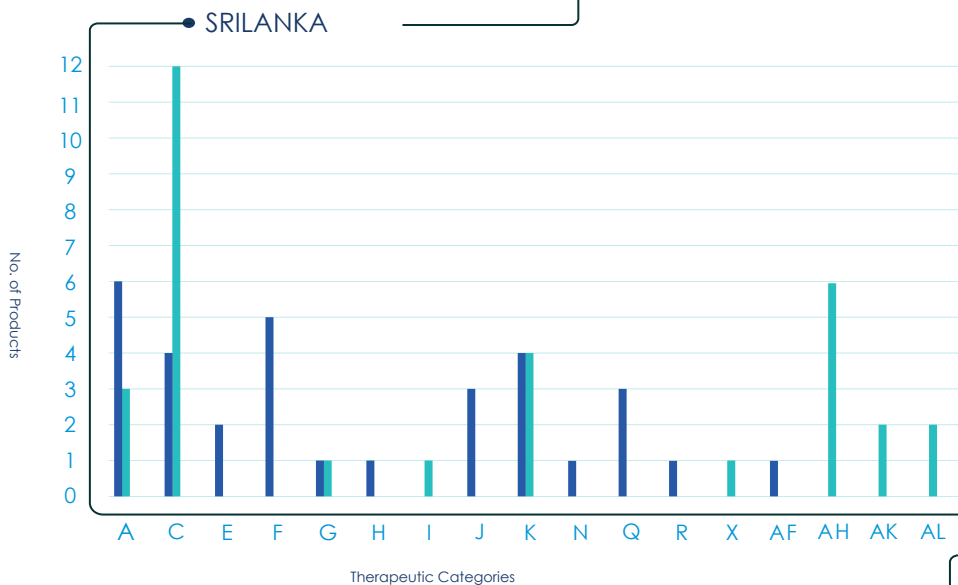
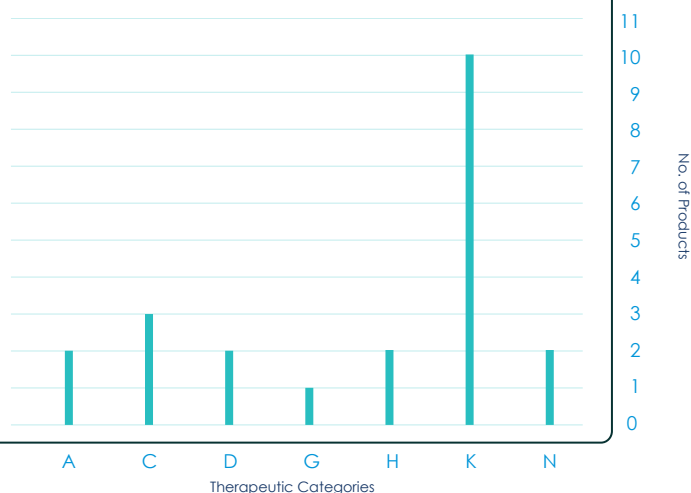
Category	FR	UR	PR
J	--	1	--
AF	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>0</b>

# ANNUAL PRODUCT REGISTRATION



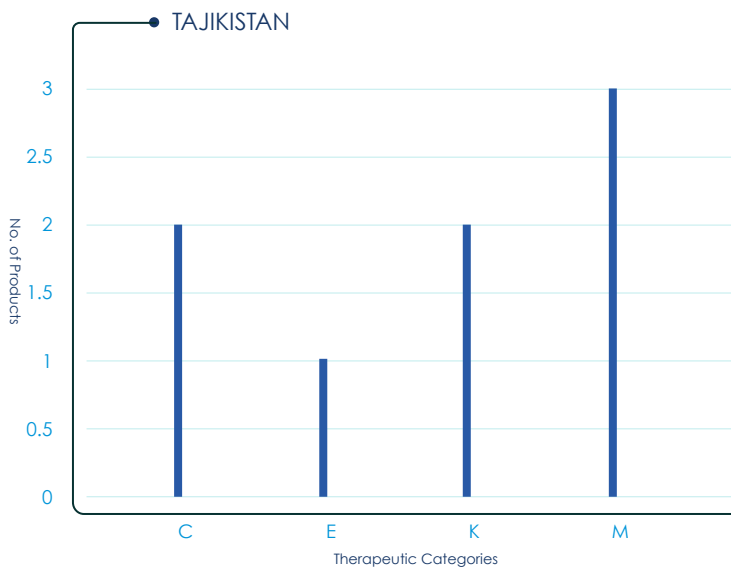
Category	FR	UR	PR
A	9	1	--
C	18	1	--
D	1	2	--
E	3	--	--
F	3	1	--
G	9	--	--
H	1	1	--
I	2	--	--
J	4	--	--
K	14	--	--
M	--	12	--
N	2	--	--
O	1	--	--
P	3	--	--
Q	19	--	--
T	1	--	--
U	12	--	--
W	1	--	--
X	2	--	--
Y	4	--	--
Z	2	--	--
AC	2	--	--
AH	1	--	--
AN	1	--	--
<b>TOTAL</b>	<b>115</b>	<b>18</b>	<b>0</b>

Category	FR	UR	PR
A	--	2	--
C	--	3	--
D	--	2	--
G	--	1	--
H	--	2	--
K	--	10	--
N	--	2	--
<b>TOTAL</b>	<b>0</b>	<b>22</b>	<b>0</b>



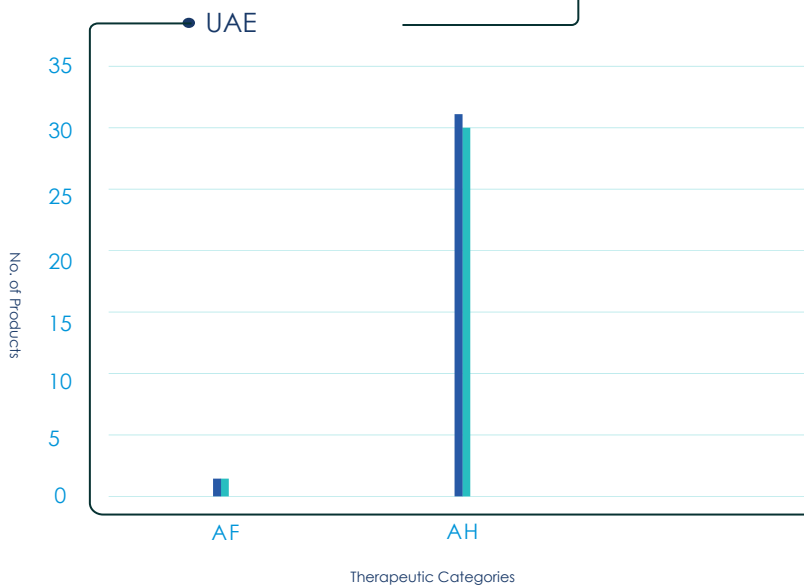
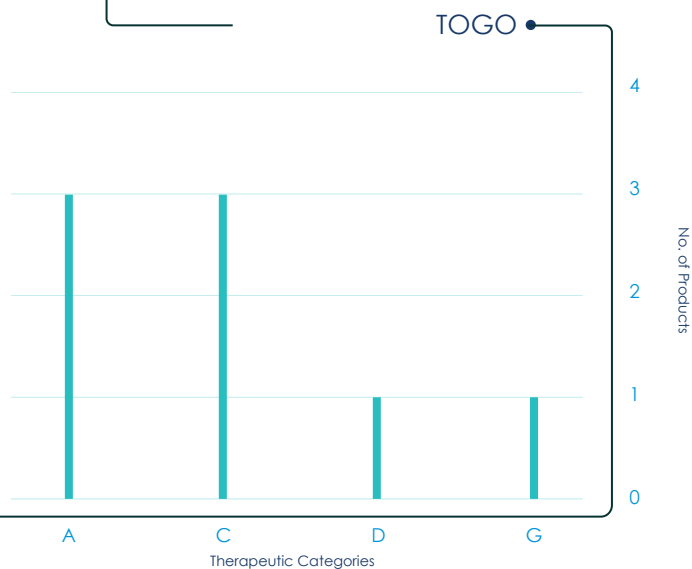
Category	FR	UR	PR
A	6	3	--
C	4	12	--
E	2	--	--
F	5	--	--
G	1	1	--
H	1	--	--
I	--	1	--
J	3	--	--
K	4	4	--
N	1	--	--
Q	3	--	--
R	1	--	--
X	--	1	--
AF	1	--	--
AH	--	6	--
AK	--	2	--
AL	--	2	--
<b>TOTAL</b>	<b>32</b>	<b>32</b>	<b>0</b>

# ANNUAL PRODUCT REGISTRATION



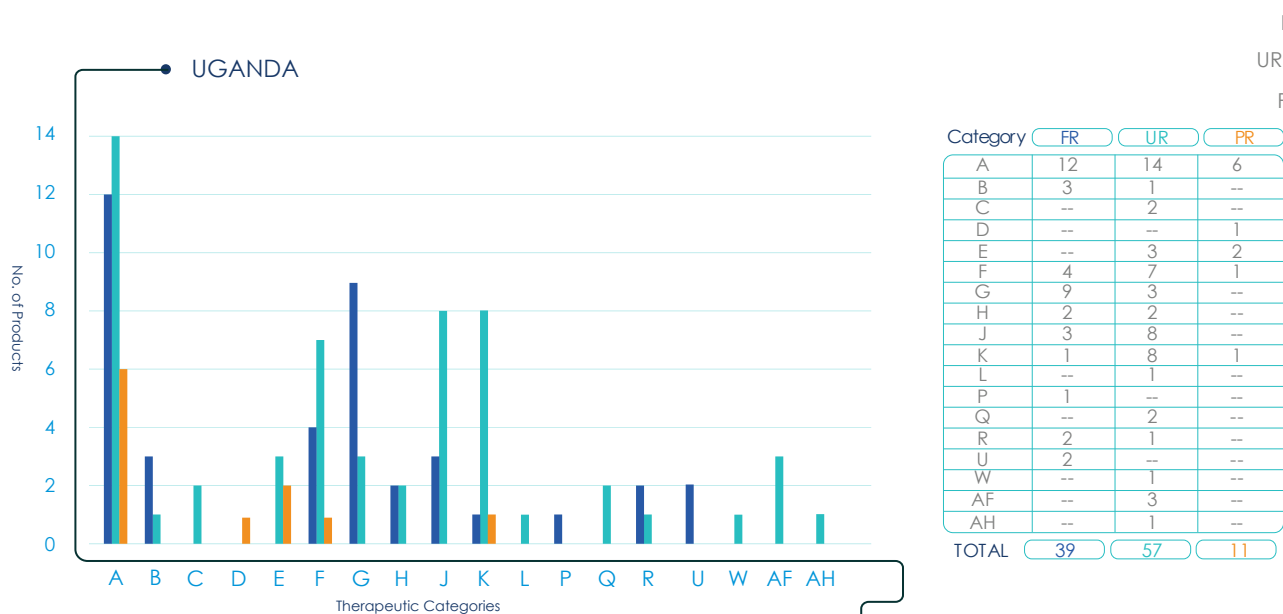
Category	FR	UR	PR
C	2	--	--
E	1	--	--
K	2	--	--
M	3	--	--
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>

Category	FR	UR	PR
A	--	3	--
B	--	3	--
S	--	1	--
T	--	1	--
<b>TOTAL</b>	<b>0</b>	<b>8</b>	<b>0</b>

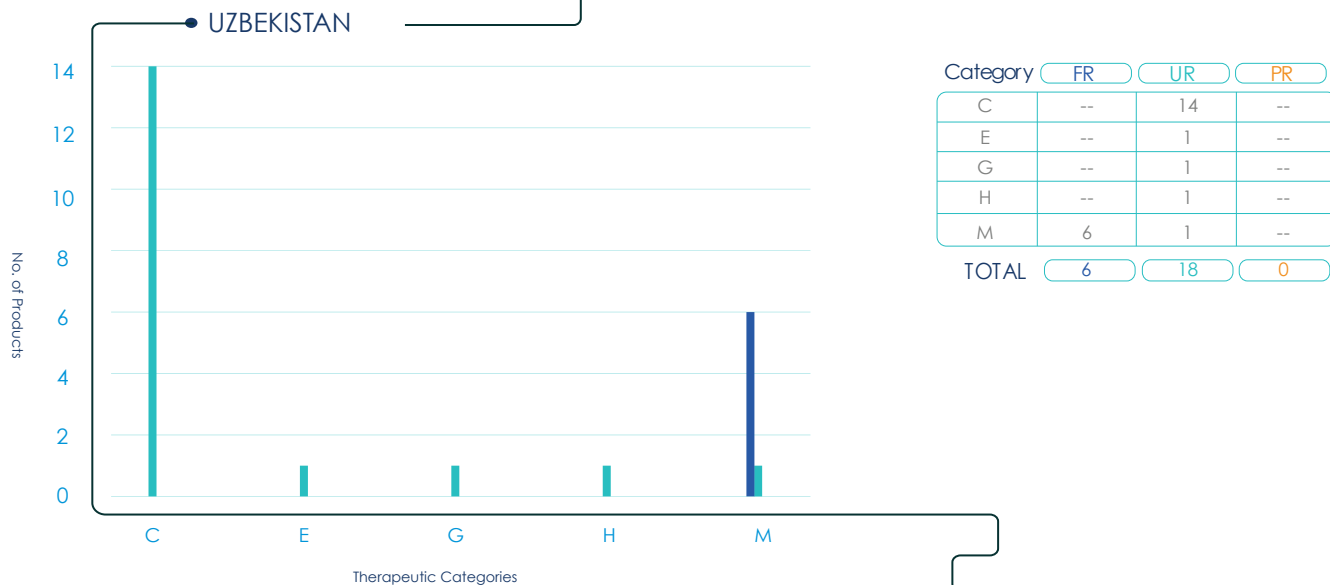
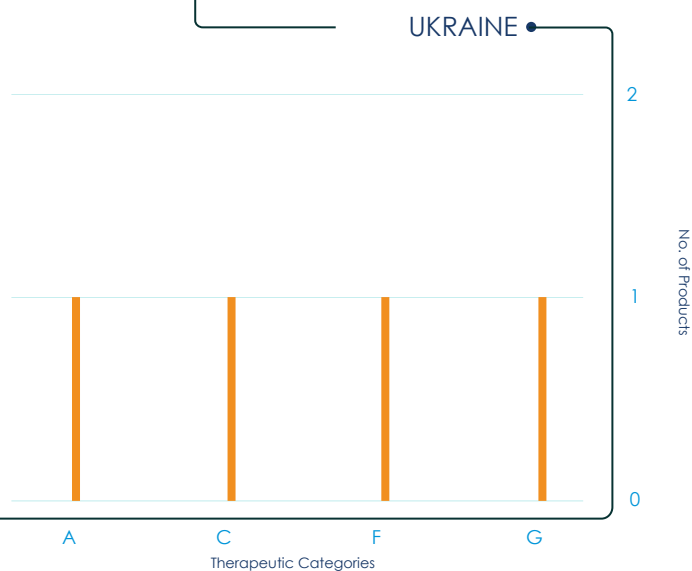


Category	FR	UR	PR
AF	1	1	--
AH	31	30	--
<b>TOTAL</b>	<b>32</b>	<b>31</b>	<b>0</b>

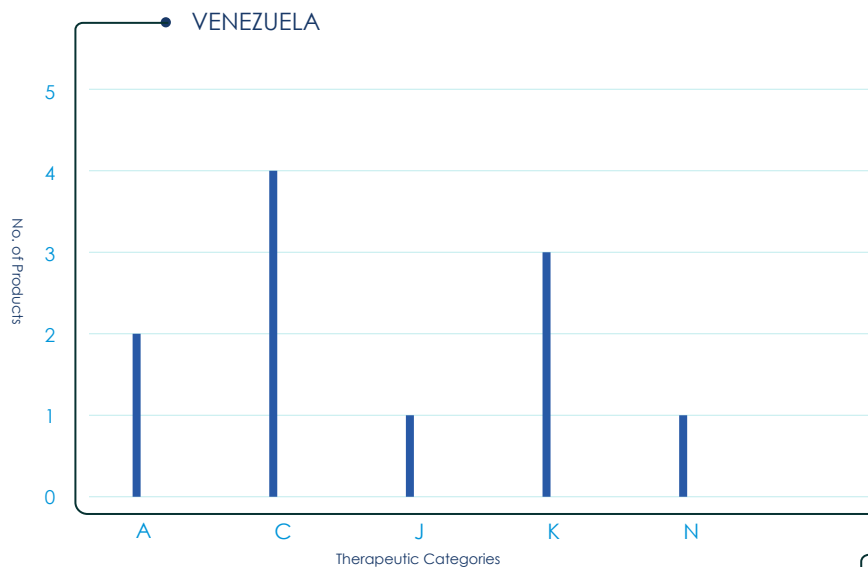
# ANNUAL PRODUCT REGISTRATION



Category	FR	UR	PR
A	--	--	1
C	--	--	1
F	--	--	1
G	--	--	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>4</b>

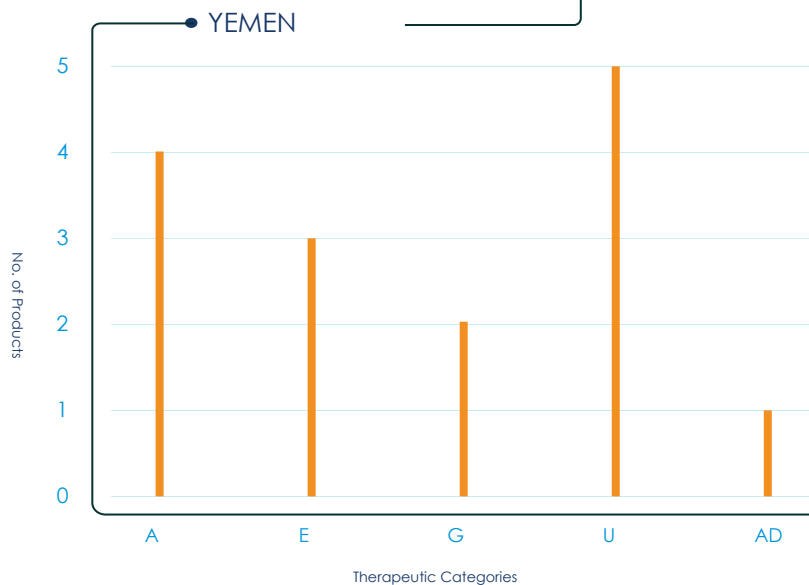
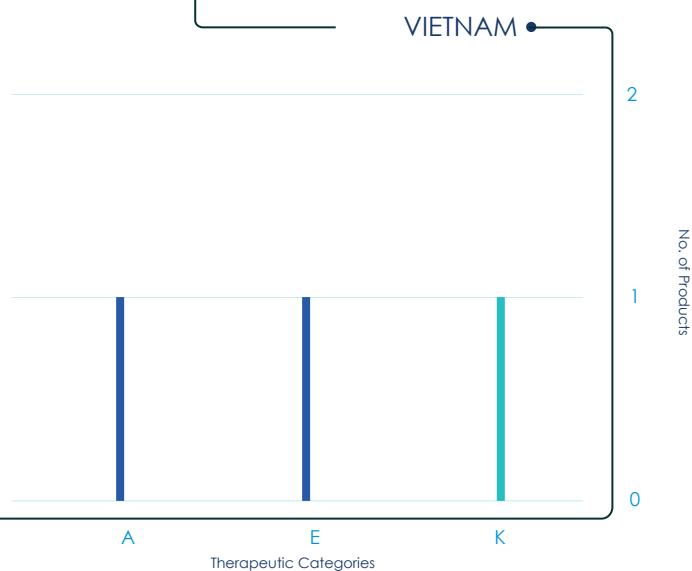


# ANNUAL PRODUCT REGISTRATION

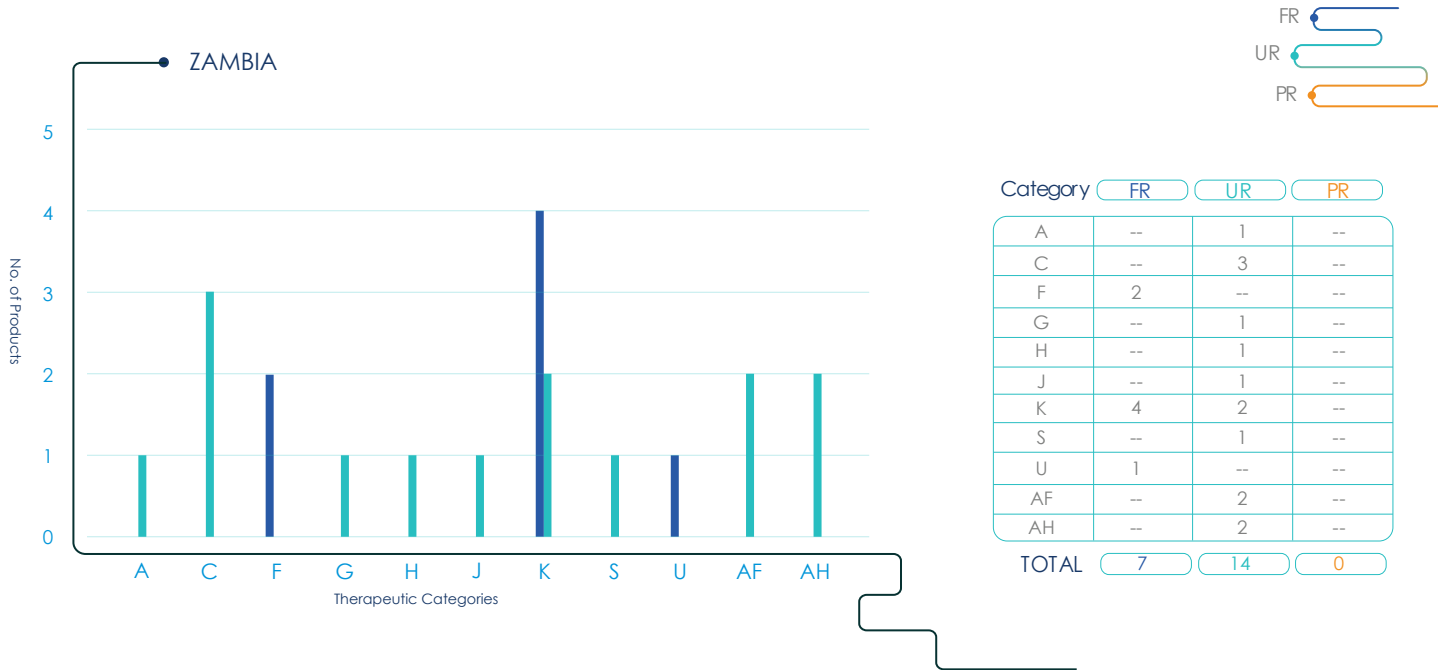


Category	FR	UR	PR
A	2	--	--
C	4	--	--
J	1	--	--
K	3	--	--
N	1	--	--
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>0</b>

Category	FR	UR	PR
A	1	--	--
E	1	--	--
K	--	1	--
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>



Category	FR	UR	PR
A	--	--	4
E	--	--	3
G	--	--	2
U	--	--	5
AD	--	--	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>15</b>



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