

FREDUN PHARMACEUTICALS LIMITED

Compassionate Healthcare



CIN No : L24239MH1987PLC043662

Date: 08th September, 2022

To,
BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street - Fort,
Mumbai — 400 001

Ref.: BSE Scrip Code — 539730

Subject: Submission of Annual Report for 2021-22 and Notice of 35th Annual General Meeting

Dear Sir / Madam,

The 35th Annual General Meeting of members of **Fredun Pharmaceuticals Limited** ("the Company") is scheduled to be held on Friday, September 30, 2022 at 9:00 A.M. through Video conference/ Other Audio-Visual Means (OAVM).

Pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company along with the Notice of the AGM for the Financial Year 2021-22. The same shall be circulated to all the members through electronic means.

The Annual Report containing the Notice is also available on the website of the Company at www.fredungroup.com.

Kindly take the same on your records.

Thanking you,
For **Fredun Pharmaceuticals Limited**

Fredun Medhora
Managing Director
DIN: 01745348

Encl: a/a

Registered Office: Manoj Industrial Premises, G.D. Ambekar Marg, Wadala (W), Mumbai - 400 031, (INDIA)

Corporate Office: Urmi Estate, 11th Floor, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013.

Phone No.: 91-22- 4031 8111 **Fax:** 91-22-4031 8133

Factory: 14,15,16, Zorabian Industrial Complex, Vevoor, Palghar (E), Dist: Palghar - 401 404.

Phone No.: +917045957828, +917045957829, +917045957830, +917045956857

E-Mail: business@fredungroup.com **Web:** www.fredungroup.com

FREDUN PHARMACEUTICALS LIMITED

COMPASSIONATE HEALTHCARE



35th ANNUAL
REPORT | **2021-22**

CIN: L24239MH1987PLC043662

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CORPORATE INFORMATION

BOARD OF DIRECTORS AND 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 |
| Dr. Chandrakant Shah | Non-Executive Independent Director |
| Dr. Rohinton Kanga | Non-Executive Independent Director |
| Ms. Jinkal Shah | Company Secretary and Compliance Officer (With effect from 28th January 2022). |

REGISTERED OFFICE:

26, Manoj Industrial Premises,
G. D. Ambekar Marg, Wadala,
Mumbai – 400 031.

CORPORATE 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

Website: www.fredungroup.com

PLANT SITE

14, 15, 16 Zorabian Industrial Complex,
Vevoor, Palghar (East) - 401 404
District – Palghar
Tel. No.: +91 7045957829 / 30

STATUTORY AUDITORS

M/s. Savla & Associates

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 - East,
Mumbai – 400 011

BANKERS

Saraswat Bank Ltd.



MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

It gives me great pleasure in addressing you all.

The world has undergone a sea of change over the last two years with several external challenges. Human resilience has been a beacon of light in the face of all these adversities. Despite a tough year, India has taken significant strides in its economic recovery and we at Fredun have simultaneously been marching towards multiple milestones of our own.

I am very pleased to share that we continued to receive new registration approvals for existing products while we explored various opportunities and entered multiple market segments. It is extremely encouraging to see our Generics segment in India receive tremendous traction. Our order pipeline stands at 300% of our current inventory. We launched 24 products in the past year across various therapies and have ~210 products under launch phase for the next 3 quarters.

On the export front, we have received FDA Registration approvals from the Philippines MOH for our Ointment/Creams Line and 46 new registrations for our existing range of products. Moreover, we successfully tied-up with a Company in UAE for tech-transfer and for Manufacturing/Direct Compressible Granules. We have multiple products that are under registration and set to hit the markets in UAE, West & Central Africa and Southeast Asian Countries in the upcoming quarters.

Number Crunching

In FY22, our revenues crossed 200 Crores and stood at ~ 226.08 Crores, reporting a growth of ~68% yoy. Though our EBITDA margins stood at 6.15% in FY2022 against 7.8% in FY2021, PAT increased 215% from 2.0 Crores in Fy2021 to 6.3 Crores in FY2022.

Welcoming response to New Launches

Our recently launched brand **FREOSS** aimed at providing best quality, efficient and affordable pet healthcare products in India has been well-received. The response to our Vet Products in this segment has been phenomenal.

With a grand launch of the **FREOSS** range of products in Mumbai in association with Pet Practitioners Association Mumbai (PPAM) and have added 10 new Districts in North India in addition to deep coverage in Western India. We target to launch 76+ products and enter 16 new States by the end of FY2023.

Nutraceuticals & Cosmeceutical Vertical

Last year marked the launch of our brands '**Fredun Nutrition**' under Nutraceuticals and **BIRD n BEAUTY** which will cater to the Cosmeceuticals vertical. We supplied our first order in both these segments to Nigeria and French West Africa. We launched 9 products in UAE under **Fredun Nutrition** with 13 products under registration. We further have plans to launch 84+ nutritional products in West & Central Africa by Fy2023.

With a soft launch of skin, hair and body care products under the **BIRD n BEAUTY** segment, we are humbled to receive positive feedback from dermatologists. The Company has a robust roadmap of investments in this division while ensuring wide reach of the products across platforms in India.



Looking ahead

We are ready to take the Company to the next level by focusing on scaling up the existing business with a focus on geographical expansion for the newly launched products. We have come to realise the role of technology as well as the importance of staying phygital in the current times. The Company will focus on increasing business productivity through digital and non-digital initiatives and focus on system-oriented operations as we gradually transform from a B2B Company to a B2C Company. With a large part of capex undertaken in the last few years and operating at utilization of over 60%, we aim to replicate the existing product portfolio through cost optimization and operating leverage. This will further ensure incremental growth with minimal spends which shall aid margins and return ratios. In-line with our efforts, we expect revenues to grow at 25-27% in FY2023.

Closing note

I would like to take a moment to express my gratitude to each of our stakeholders for believing in the vision of **Fredun Pharmaceuticals Limited**. To our shareholders, business partners, regulators, we thank you for your continued support in our journey at the Company. I thank our Board for being our guiding light. My deepest gratitude to the employees for their relentless pursuit for excellence and innovation despite all the external trying times. We look forward to delivering continued, sustainable growth in the years to come.

Warm Regards,

Mr. Fredun Medhora

Managing Director & CFO, Fredun Pharmaceuticals Limited

FINANCIAL PERFORMANCE

KEY FINANCIALS MEASURES (STANDALONE):

| Sr No | Particulars | FY 2021-22 | FY 2020-21 |
|------------------------------------|-------------------------------|------------|------------|
| Financial Stability Ratios: | | | |
| 1 | Total Debt / Equity (x) | 0.78 | 0.92 |
| 2 | Current Ratio (x) | 2.07 | 1.50 |
| 3 | Quick Ratio (x) | 1.44 | 0.72 |
| 4 | Interest Coverage Ratio (x) | 3.83 | 2.05 |
| Performance Ratios: | | | |
| 1 | Return on Assets (%) | 3.63% | 1.33% |
| 2 | RoCE (%) | 11.44% | 10.74% |
| 3 | Asset Turnover (%) | 1.20% | 0.83% |
| 4 | Working Capital /Sales (x) | 2.43 | 4.00 |
| 5 | Return on Equity (%) | 9.31% | 4.68% |
| Profitability Ratios: | | | |
| 1 | EBITDA (%) | 6.15% | 7.87% |
| 2 | PBT (%) | 3.83% | 3.26% |
| 3 | PAT (%) | 2.82% | 1.50% |
| 4 | Operating Profit (%) | 6.87% | 8.91% |
| Efficiency Ratio: | | | |
| 1 | Receivables in Days | 106.79 | 109.11 |
| 2 | Inventory in Days | 117.51 | 210.68 |
| 3 | Payable in Days | 111.88 | 189.53 |
| 4 | Working Capital Cycle in Days | 112.42 | 130.26 |
| 5 | Debtor's Turnover Ratio (x) | 3.42 | 3.35 |
| 6 | Inventory Turnover Ratio (x) | 3.11 | 1.73 |
| Growth Ratio (Y-o-Y): | | | |
| 1 | Net Revenue Growth (%) | 67.64% | 18.73% |
| 2 | Net Sales Growth (%) | 69.11% | 18.56% |
| 3 | EBITDA Growth (%) | 30.93% | 27.40% |
| 4 | PBT Growth (%) | 96.78% | 75.19% |
| 5 | PAT Growth (%) | 214.47% | 5.92% |

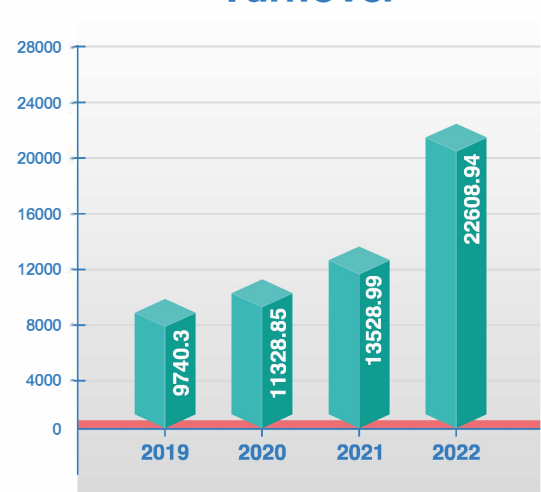
KEY PERFORMANCE INDICATORS GROWING STRONGER

₹ in Lakhs

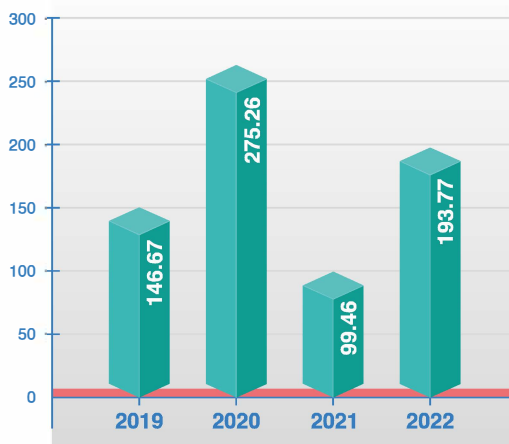
Ebitda



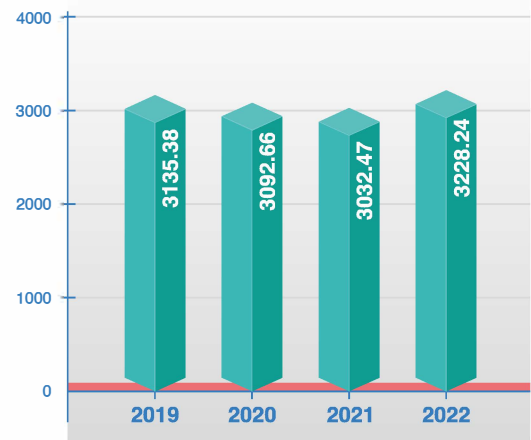
Turnover



Cash & Cash Equivalents



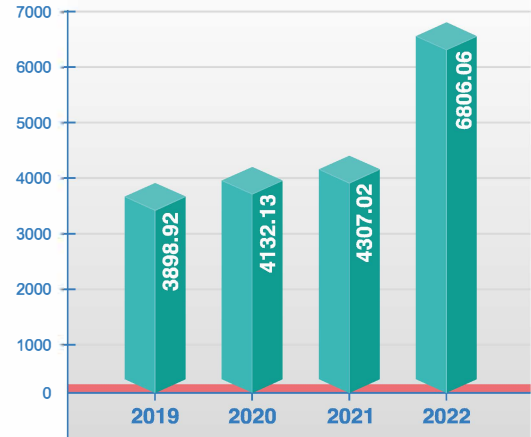
Fixed Assets

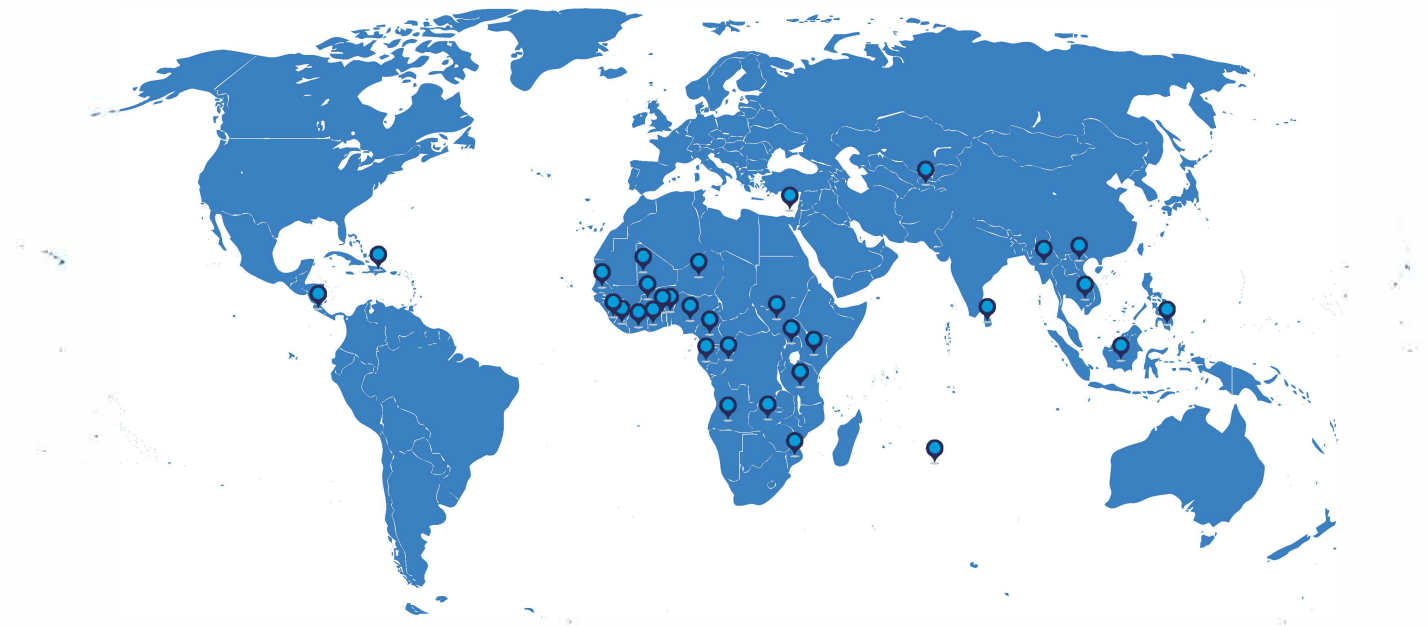


EPS



Networth





- | | | |
|--|--|---|
|  • ARMENIA |  • AZERBAIJAN |  • BENIN |
|  • CAMBODIA |  • CONGO |  • COSTA RICA |
|  • GHANA |  • GEORGIA |  • HAITI |
|  • IRAQ |  • IVORY COAST |  • KENYA |
|  • KYRGYZSTAN |  • MALAYSIA |  • MALI |
|  • MAURITIUS |  • MOZAMBIQUE |  • MYANMAR |
|  • NIGER |  • NIGERIA |  • OMAN |
|  • PAPUA NEW GUINEA |  • PERU |  • PHILIPPINES |
|  • RWANDA |  • SOMALIA |  • SOUTH SUDAN |
|  • SRI LANKA |  • TAJIKISTAN |  • TANZANIA |
|  • TOGO |  • TURKMENISTAN |  • UAE |
|  • UGANDA |  • UZBEKISTAN |  • VENEZUELA |
|  • VIETNAM |  • YEMEN |  • ZAMBIA |

NOTICE OF 35th ANNUAL GENERAL MEETING

Notice is hereby given that the **35TH ANNUAL GENERAL MEETING** (the “**35TH AGM**”) of the Members of **FREDUN PHARMACEUTICALS LIMITED** will be held on **Friday, September 30, 2022 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, 2022 together with the reports of the Board of Directors and the Auditors thereon;
2. To declare a Dividend of 7% on the Equity Shares of the Company for the Financial Year ended March 31, 2022
3. To appoint a director in place of Mr. Nariman Medhora Medhora (DIN No: 02060357) Non-Executive Non Independent Director, who 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 31st March, 2023:

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

“RESOLVED THAT, pursuant to Section 148 of the Companies Act, 2013 and other applicable laws, the remuneration of Rs. 1,25,000 (Rupees One Lakh Twenty-Five Thousand) plus applicable taxes and out-of-pocket expenses to be paid to M/s Joshi Apte & Associates (Firm Registration No.00240), Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2022-23 as approved by the Board on the recommendation of the Audit Committee be and is hereby ratified and confirmed.

“RESOLVED FURTHER THAT, the Board of Directors (‘the Board’, which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.”

5. To consider and approve continuation of Mr. Nariman Medhora as Director upon his attainment of 75 years of age:

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

“RESOLVED THAT, pursuant to the provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the



consent of the members of the Company is also accorded to continue the directorship of Mr. Nariman Medhora (DIN: 02060357), as Director of the Company, and he shall be liable to retire by rotation upon his attainment of 75 years of age during his term as non-executive director on such terms and conditions as may be decided by the Board or a Committee, as the case may be, from time to time.

“RESOLVED FURTHER THAT, all the Directors and Key Managerial Personnel of the Company or the Company Secretary or any other persons authorised by the Board or any Committees be and are hereby severally authorized to do all such acts, deeds, things and to execute all such documents, undertaking as may be necessary for giving effect to the foregoing resolutions.

6. To consider and approve continuation of Dr. Chandrakant Shah as Director upon his attainment of 75 years of age:

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

“RESOLVED THAT, pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and the applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company is also accorded to continue the directorship of Dr. Chandrakant Shah (DIN: 02843653) as an Independent Director of the Company, upon his attainment of 75 years of age, during his term as an Independent Director of the Company and he shall not be liable to retire by rotation.

“RESOLVED FURTHER THAT, all the Directors and Key Managerial Personnel of the Company or the Company Secretary or any other persons authorised by the Board or any Committees be and are hereby severally authorized to do all such acts, deeds, things and to execute all such documents, undertaking as may be necessary for giving effect to the foregoing resolutions.

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

Sd/-

Jinkal Shah

Company Secretary and Compliance Officer

Place: Mumbai

Date: August 27, 2022

REGISTERED OFFICE:

26, Manoj Industrial Premises,
G.D. Ambekar Marg, Wadala,
Mumbai - 400 031



NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has, vide its Circular No. 2/2022 dated -May 5, 2022, General Circular No. 02 / 2021 dated January 13, 2021 read with General Circular No. 20 / 2020, General Circulars No. 14 / 2020 and 17 / 2020 dated May 5, 2020, April 8, 2020 and April 13, 2020, respectively (collectively referred to as “MCA Circulars”), read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated - May 13, 2022, January 15, 2021 and May 12, 2020 respectively issued by the Securities and Exchange Board of India (SEBI), permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, the 35th AGM of the Company is being held through VC / OAVM.
2. As the Members can attend and participate in the AGM through VC/OAVM only, the facility to appoint proxies to attend and vote on behalf of the Members is not available for this AGM and hence the Proxy Form, Attendance Slip and Road Map are not annexed to this Notice. The deemed venue for the 35th Annual General Meeting shall be the Registered Office of the Company situated at “26 Manoj Industrial Premises, G D Ambekar, Wadala, Mumbai - 400031.
3. Corporate members intending to send their authorized representatives to attend/participate in the AGM through VC/OAVM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM through VC/OAVM by e-mail to cs@fredungroup.com.
4. In compliance with the aforesaid MCA and SEBI Circulars, notice of the 35th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company’s Website www.fredungroup.com, website of the Stock Exchange i.e BSE Ltd. at www.bseindia.com and on the website of NSDL (Agency for providing the Remote Voting Facility) at www.evoting.nsdl.com.
5. Members who have not registered their e-mail address, so far, are requested to register their e-mail 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 Sharegistry (India) Pvt Ltd**” for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

6. 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 Sharegistry (India) Pvt Ltd" for assistance in this regard.
7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 16, 2022 to Friday, September 30, 2022 (both days inclusive).
9. The Explanatory Statement, as required under Section 102(1) of the Companies Act 2013 in respect of Special Business mentioned in the Notice is annexed hereto.
10. The documents referred to in the accompanying Notice calling the AGM and the Explanatory Statement annexed thereto will be available for inspection in electronic mode. Members who wish to inspect the aforementioned documents are requested to write to the Company by sending e-mail to cs@fredungroup.com The same will be replied by the Company suitably.
11. 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 Thursday, September 15, 2022 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 Thursday, September 15, 2022.
 - 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. Thursday, September 15, 2022. 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 and on the website of NSDL viz. 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., Friday September 30, 2022.

The instructions for shareholders voting electronically and joining the AGM through video conferencing (VC) or other audio-visual means (OAVM) are as under:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. 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 Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.fredungroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

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

The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 5:00 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. Thursday, September 15, 2022, 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 Thursday, September 15, 2022.

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> | <p>i. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com 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 & voting during the meeting.</p> <p>ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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 & voting during the meeting.</p> <p>iv. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="635 1167 1485 1570" style="border: 1px solid black; padding: 10px; text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Apple</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|---|---|
| <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 & 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 |
|---|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p> |

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?

- 1 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.
- 2 Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- 3 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.

- 4 Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| <p>a) For Members who hold shares in demat account with NSDL.</p> | <p>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*****.</p> |
| <p>b) For Members who hold shares in demat account with CDSL.</p> | <p>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.</p> |
| <p>c) For Members holding shares in Physical Form.</p> | <p>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***</p> |

- 5 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.
- 6 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.
 - b **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 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.
- 7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8 Now, you will have to click on "Login" button.
- 9 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 toll free no.: 1800 1020 990 and 1800 22 44 30 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 link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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. 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. any time before 5:00 p.m. IST on Tuesday, September 20, 2022 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. any time before 5:00 p.m. IST on Tuesday, September 20, 2022, 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**

Sd/-

Jinkal Shah

Company Secretary and Compliance Officer

Place: Mumbai

Date: August 27, 2022

REGISTERED OFFICE:

26, Manoj Industrial Premises,
G.D. Ambekar Marg, Wadala,
Mumbai - 400 031



ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF COMPANIES ACT, 2013:

SPECIAL BUSINESS:

Item No. 4:

Pursuant to Section 148 of The Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors Rules), 2014, the Board of Directors on the recommendation of the Audit Committee, has approved the appointment of M/s Joshi Apte & Associates (Firm Registration No. 00240) for conducting cost audit of the cost records of the Company for the year ending March 31, 2023 subject to the approval of the shareholders of the Company, considering this the Resolution is set out in Item No. 4 of the accompanying notice and accordingly the Board recommends the same for the approval of the Shareholders. None of the Directors and Key Managerial Personnel are interested in the said Resolution.

Item No. 5:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 notified on May 9, 2018 stipulates as no listed company shall appoint a person or continue the directorship of as a non-executive director who has attained the age of 75 (seventy five) years unless such appointment is approved by the members by passing a special resolution and the Provision is effective from April, 01 2019. The members of the Company at the AGM held on September, 28 2021 had approved the re-appointment of Mr. Nariman Medhora as Non-executive Non-independent Director liable to retire by rotation.

After having spent 34 exhilarating years in executive role at the Company and keeping in view Mr. Nariman Medhora's rich and varied experience in the industry, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company through three decades of diversification and growth. The role by the Founder Director will be that of the mentor and advisor of the Company. The Board of Directors is of the opinion that it would be in the interest of the Company to continue him as Non-executive Non-independent Director.

Additional information in respect of Mr. Nariman Medhora pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Nariman Medhora is given at Annexure A to this Notice.

Except Mr. Nariman Medhora, Dr. (Mrs.) Daulat Medhora, Mr. Fredun Medhora none of the Directors

and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Item No. 6:

Considering Dr. Chandrakant Shah's skills, competencies, expertise and experience his appointment on the Board of the Company as an Independent Director will be in the interest of the Company.

Regulation 17 (1A) of the (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, provides that no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless such appointment is approved by the members by passing a special resolution. Since, Dr. Chandrakant Shah has attained the age of 75 years during his term as non-executive non-independent Director, his continuation beyond the age 75 years requires the approval of members by way of a special resolution.

Additional information in respect of Dr. Chandrakant Shah pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice.

Except Dr. Chandrakant Shah none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

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

Sd/-

Jinkal Shah

Company Secretary and Compliance Officer

Place: Mumbai

Date: August 27, 2022

REGISTERED OFFICE:

26, Manoj Industrial Premises,
G.D. Ambekar Marg, Wadala,
Mumbai - 400 031

ANNEXURE TO NOTICE:

ANNEXURE A

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

| Name of the Director | Mr. Nariman Medhora | Dr. Chandrakant Shah |
|---|---|--|
| Date of Birth | 05-11-1937 | 06-12-1938 |
| Age | 84 | 83 |
| Date of appointment/re-appointment | 05-06-2021 | 30-09-2015 |
| Relationship with Directors and Key Mangerial Personnel | Spouse of Dr. (Mrs.) Daulat Medhora Father of Mr. Fredun Medhora | — |
| Nature of expertise in specific functional area | Pharmaceutical Industry Mr. Nariman Medhodra has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. He is associated with the Company since its incorporation. | Pharmaceutical Industry Mr. Chandrakant Shah has rich experience and knowledge of pharmaceutical industry and has contributed substantially to the growth of the Company. |

| | | |
|--|--|--|
| Qualification(s) | B.sc from Gujarat University. He has wide experience in Plant checking, R.M. Stores, Inventory Control and Purchase Department . | Dr. Chandrakant Shah has done his Post-graduation in Anaesthesia in G.S. Medical College & K.E.M Hospital (from year 1959 to year 1965). Apart from this he has Residency in Anesthesia in KEM hospital (from year 1965 to year 1967). He started his practice in the year 1967. He has been honorary Anesthetist from year 1969 to 2011 in Holy Spirit Hospital, Andheri, Mumbai. During his tenure with Holy Spirit Hospital, he has issued various study papers and had given various lectures. Dr. Chandrakant Shah is associated with medical profession and medicines since year 1967. He has vast experience in the medical profession. |
| Board Membership of other listed Companies as on March 31, 2022 | NIL | NIL |
| Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2022 | | |
| Audit Committee | NIL | NIL |
| Stakeholders Relationship Committee | NIL | NIL |
| Nomination and Remuneration Committee | NIL | NIL |
| CSR Committee | NIL | NIL |

| | | |
|---|----------|-------|
| Other Committees | NIL | NIL |
| Number of equity shares held as on 31 st March, 2022 | 7,19,815 | *9990 |

* Shares are held by Dr. Chandrakant Shah jointly with his relative

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 2021-22 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 an 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 10F (**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 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 on account of the application of the beneficial DTAA rate or lower tax deduction order, if any.

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/ 10Fin 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.

ANNEXURE TO NOTICE:

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.

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:-

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 Income-tax act, 1961: Yes <input type="checkbox"/> No <input type="checkbox"/> (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. | | | |



ANNEXURE TO NOTICE:

| 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

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

ANNEXURE TO NOTICE:

PART II

[To be filled by the person responsible for paying the income Referred to in column 16 of 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 197A(1) or 197A(1A) 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 197A(1) and a person (other than a company or a firm) under section 197A(1A).
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.

ANNEXURE TO NOTICE:

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.
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 sub-section (1A) of section 197A 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.;

ANNEXURE TO NOTICE:

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/District/City | | 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 | | <input type="checkbox"/> | <input type="checkbox"/> | | |
| 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 | | | | | |

ANNEXURE TO NOTICE:

| Sr. No | Identification number of relevant investment/account, etc. 7 | Nature of income | Section under which tax is deductible | Amount of income |
|--------|--|------------------|---------------------------------------|------------------|
| 1. | | | | |

Signature of the Declarant

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

ANNEXURE TO NOTICE:

*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.
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.

ANNEXURE TO NOTICE:

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.

ANNEXURE TO NOTICE:

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:-

| Sl.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 | : | |

ANNEXURE TO NOTICE:

2. I have obtained a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A from the Government of _____ (name of country or specified territory outside India)

Signature: _____

Name: _____

Address: _____

Permanent Account Number or Aadhaar Number: _____

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:

1. *Delete whichever is not applicable.
2. #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.

ANNEXURE TO NOTICE:

ANNEXURE IV

<ON THE LETTERHEAD OF THE NON-RESIDENT PERSON>

Date:

Fredun Pharmaceuticals Limited
26, Manoj Industrial Estate
G. D. Ambekar Marg, Wadala (W)
Mumbai- 400031.

Dear Sir/Madam,

Re.: Self declaration for Indian Financial Year (FY) 2022-2023 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 2022-2023 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.

ANNEXURE TO NOTICE:

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

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, 2022 to March 31, 2023.

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>

DIRECTORS REPORT

Dear Shareholders,

Your Director's have pleasure in presenting their 35th Annual Report and the Audited Accounts for the Financial Year ended March 31, 2022 together with the Independent Auditor's Report thereon.

FINANCIAL RESULTS:

(₹. In Lakhs)

| Particulars | For the financial year ended 31.03.2022 | For the financial year ended 31.03.2021 |
|--|---|---|
| Income from Business Operations | 22,173.69 | 13,155.19 |
| Other Income | 435.25 | 373.80 |
| Total Income | 22,608.94 | 13,528.99 |
| Total Expenditure other than Financial Costs and Depreciation | 21,066.42 | 12,475.38 |
| Profit / Loss before Interest, Depreciation and Taxes | 1,542.52 | 1,053.61 |
| Finance Cost | 466.86 | 416.21 |
| Depreciation / Amortization | 215.67 | 200.37 |
| Profit / Loss Before tax | 859.99 | 437.03 |
| Exceptional Income / Expenses | 0.00 | 116.37 |
| Prior Period adjustments | 00 | 00 |
| Profit / Loss before Tax | 859.99 | 320.66 |
| Total Tax expenses | 226.46 | 119.19 |
| Profit / Loss after Tax | 633.52 | 201.47 |

OPERATIONS OF THE COMPANY:

Your Company earned a Total Income of Rs. 22,608.94 lakhs in the Financial Year ended March 31, 2022 as compared to the Total Income of Rs.13,528.99 Lakhs for the corresponding Financial Year ended March 31, 2021. There was 67.11% hike in the Total Income of the Company.

The Company's turnover was Rs. 22173.69 lakhs in the Financial Year ended March 31, 2022 as compared to the turnover of Rs.13,155.19 lakhs for the corresponding Financial Year ended March 31, 2021. There was 68.55 % hike in the turnover of the Company.

Your Company's Net Profit for the Financial Year 2021-22 was Rs.633.53 Lakhs as compared to the Net Profit of Rs.201.46 lakhs for the Previous Year i.e. 2020-21.

Considering the overall growth in Pharma Industry vigorous efforts are put in by your Managing Director, to increase the turnover of the Company by at least 28% in the next financial year.

STATE OF AFFAIRS OF THE COMPANY:

Your Company is well diversified in the business ranging from Formulations to Diagnostics to Consultancy. The Company has an 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.

Your Company is focusing in the Southeast Asian Markets and is doing well in African Markets by adding new molecules to achieve further economics of scale. Your Company has decided to add new products like cosmeceuticals and nutraceuticals in existing as well as in new markets where the registration process is going on. Considering a good potential for growth, your Company has ventured into a separate Generic Division to market different generic products at very competitive prices.

During the year under review, the Company has issued and allotted 4,43,009 Equity Shares of Rs. 10/- each on preferential basis.

DIVIDEND:

The Board of Directors have recommended a 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:

The Company proposes to transfer an amount of Rs. 6341.54 Lakhs to reserves for its future growth and diversification.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the year, your Company has not given any new loans, but has taken loan from banks and other parties. The Company has not made any investments. During the year, your Company has not provided any Guarantee except those which are already mentioned in the Audited Accounts of the Company.

SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY:

The Company doesn't have any Subsidiary, Joint Venture or Associate company and hence doesn't 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".

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business during the year under review

DEPOSITS:

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 ("the Act"). Accordingly, there is no disclosure or reporting required in respect of details relating to deposits.

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 31st March, 2022, is placed on the website of the Company at www.fredungroup.com

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

Company has established Internal Financial Control over financial reporting in current Financial Year 2021-22.

BOARD MEETINGS AND COMMITTEE MEETINGS:

- Eight (8) Board meetings were held during the Financial Year 2021-22. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed herewith.
- Four (4) Audit Committee Meetings were held during the Financial Year 2021-22. The details of the Audit Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed herewith.
- Three (3) Nomination & Remuneration Committee Meetings were held during the Financial Year 2021-22. The details of the Nomination & Remuneration Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report which is annexed herewith.
- One (1) Independent Directors Committee Meeting was held during the Financial Year 2021-22. The details of the Committee Meeting and the attendance of the Directors are provided in the Corporate Governance Report which is annexed herewith.
- One (1) Stakeholders Relationship Committee Meeting was held during the Financial Year 2021-22. The details of the Committee Meeting and the attendance of the Directors are provided in the Corporate Governance Report which is annexed herewith.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees.

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; Mr. Nariman Medhora (DIN: 02060357) is liable to retire by rotation at the ensuing 35th Annual General Meeting and being eligible, has offered herself for re-appointment. His re-appointment is being placed for your approval at the ensuing 35th Annual General Meeting.

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 2021-22 held on June 11, 2021; stating that they meet the criteria of Independence as laid down under Section 149(6) of The Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013 ("the Act"), we hereby state that:

- i in the preparation of the annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii 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, 2022 and its loss for the year ended on that date
- iii 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;
- iv your Directors have prepared the Annual Accounts for the financial year ended March 31, 2022 on a going concern basis;
- v 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
- vi 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 the provisions of Section of 134 (3) (p) of The Companies Act, 2013 and Rule 8 (4) of the Companies (Accounts) Rules an annual performance evaluation was carried out by the Board of its own performance, Directors individually and Committees of the Board. Performance evaluation of the Board and Committees was done by the Board after seeking inputs from all Directors, inter-alia covering different criteria viz, adequacy and composition of the Board, quality of deliberations, transparency, effectiveness of Board procedures, and observance of governance and contributions of Directors at Board and Committee meetings. In evaluating the performance of Individual Directors, criteria such as leadership qualities, qualifications, responsibilities shouldered, analytical skills,

knowledge, participation in long-term strategic planning, inter-personal relationships and attendance at meetings was taken into consideration. In compliance with Regulation 17(10) of the Listing Regulations, 2015, the Board carried out performance evaluation of Independent Directors without the participation of the Director being evaluated. The performance evaluation was carried out based on parameters such as initiative, contributions, independent judgement, understanding the business environment and understanding of strategic issues. Independent Directors are a diversified group of recognised professionals with wide horizon of knowledge, competence and integrity who express their opinions freely and exercise their own judgements in decision-making.

AUDIT COMMITTEE:

The Audit Committee consists of the following members as on March 31, 2022:

| Sr. No. | Name | Category |
|---------|----------------------|------------------------------------|
| 1. | Dr. Chandrakant Shah | Non-Executive Independent Director |
| 2. | Mr. Fredun Medhora | Executive Director |
| 3. | Dr. Rohiton Kanga | Non-Executive Independent Director |

During the year under review, the Board has accepted all the recommendation of the Audit Committee.

The details terms of reference, meetings of committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees and provides for direct access to the Chairman of the Audit Committee. The same is also available on the website of the Company at www.fredungroup.com.

NOMINATION & REMUNERATION COMMITTEE:

In compliance with the provisions of Companies Act, 2013, your Company has 'Nomination & Remuneration Committee' with scope and functions as stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations.

The Nomination and remuneration Committee consists of the following members as on March 31, 2022.

| Sr. No. | Name | Category |
|---------|----------------------|------------------------------------|
| 1. | Dr. Rohiton Kanga | Non-Executive Independent Director |
| 2. | Dr. Chandrakant Shah | Non-Executive Independent Director |
| 3. | Dr. Aspi Raimalwala | Non-Executive Independent Director |

The terms of reference, meetings of Committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report



STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company has 'Stakeholders Relationship Committee' with enhanced scope and functioning. The Stakeholders Relationship Committee consists of the following members as on March 31, 2022.

| Sr. No. | Name | Category |
|---------|---------------------------|------------------------------------|
| 1. | Dr. Chandrakant Shah | Non-Executive Independent Director |
| 2. | Dr. (Mrs.) Daulat Medhora | Executive Director |
| 3. | Dr. Aspi Raimalwala | Non-Executive Independent Director |

The terms of reference, meetings of committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

During the year under review i.e., for the Financial Year 2021-22; the Company was not under any statutory obligation to make any contribution towards the Corporate Social Responsibility activities.

The Company has a Policy on Corporate Social responsibility (CSR) duly approved by the Board and the same has been hosted on Company's website at <https://www.fredungroup.com/investor-relations/statutory-documents-and-information.pdf>.

The detailed report on CSR is enclosed as "Annexure-III" to the report.

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company with effect from Financial Year 2022-23.

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.

Further, the Company has voluntarily constituted a Risk Management Committee (RMC) in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details in this regard are given in the Corporate Governance Report, which forms a part of this Annual Report.

STATUTORY AUDITORS AND AUDIT REPORT:

The Statutory Auditors of the Company M/s. Savla & Associates, Chartered Accountants (ICAI Registration No: 109361W) were appointed at the 31st Annual General Meeting of the Company held

on September 27, 2018 for a period of 5 years i.e. upto the conclusion of the 36th Annual General Meeting that will be held in the year 2023.

The Company had received a confirmation from M/s. Savla & Associates to the effect that their appointment is in compliance with the eligibility criteria in terms of Section 141 (3) of The Companies Act, 2013.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Savla & Associates, in their Report dated May 16, 2022; on the Financial Statements of the Company for Financial Year 2021-22.

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., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the F.Y. ended March 31, 2022. The Secretarial Audit Report is annexed as “Annexure IV”.

The following the qualification in Secretarial Audit Report:

- 1 As per Regulation 17(1A) of SEBI (LODR), Regulation 2015 no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person however the Company has not taken such approval for appointment of Mr. Nariman Medhora.
- 2 As per Regulation 27(2) of SEBI (LODR), Regulation 2015 a Quarterly compliance report on Corporate Governance shall be submitted on Stock exchange within period of 21 days from end of each quarter however the company has failed to submit the same to the Stock Exchange for the Financial Year 2021-22.
- 3 As per Regulation 23(9) of SEBI (LODR), Regulation 2015 disclosure of related party transactions shall be made to stock exchange every six months within fifteen days from the date of publication of its standalone and consolidated financial results. The Company has not made this disclosure for the Financial Year 2021-22
- 4 As per Section 92 of Companies Act, 2013 every company has to file Form MGT-7 within 60 days from the date of Annual General meeting, however the Company has not filed the same.
- 5 Pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014, every Company has to file form DPT-3 on or before 30th June, however the Company has not filed the same.

Management Reply to the qualification by the Secretarial Auditor:

Reply to Point No.1 - The Company shall pass Special Resolution for continuation for Directorship of Mr. Nariman Medhora who has attained the age of seventy-five years in the Annual General Meeting of the Company for the Financial Year 2021-22.

Reply to Point No.2 - The Company is in the process of filing Quarterly compliance report on Corporate Governance as per Regulation 27(2) of SEBI (LODR), Regulation 2015.

Reply to Point No.3 - The Company is in the process of filing disclosure of related party transaction as per Regulation 23(9) of SEBI (LODR), Regulation 2015.

Reply to Point No.4 - The Company is in the process of filing Form MGT-7 for the Financial Year 2020-2021 as per Section 92 of Companies Act, 2013.

Reply to Point No.5 - The Company is in the process of filing form DPT-3 pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014.

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 for conducting the audit of cost records of the Company for conducting the audit of cost records made and maintained by the Company for the Financial Year 2022-23. .

DETAILS OF FRAUD:

There were no frauds which are reported to have been committed by Employees or Officers of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulation, Management Discussion and Analysis Report containing information inter-alia on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended March 31, 2022, is provided in a separate section forming integral part of this Annual report.

LISTING FEES:

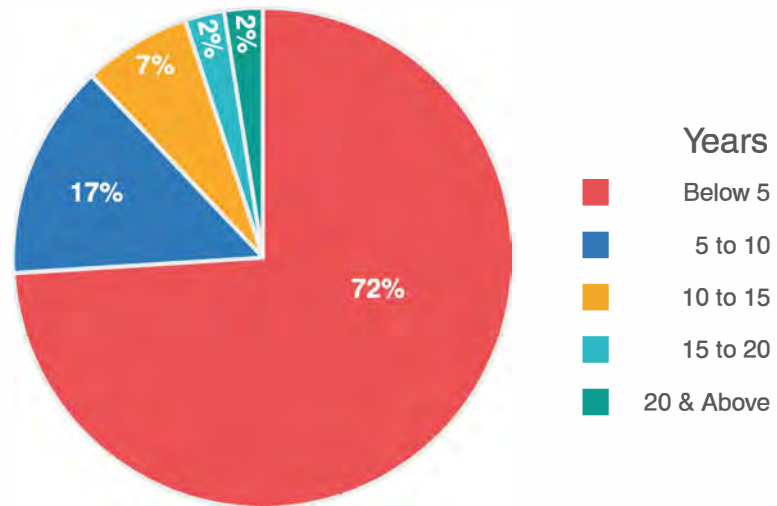
The Equity Shares of the Company is listed on BSE Limited and the Company has paid the applicable listing fees to the Stock Exchange till date.

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 IV**"

Current Employees Tenure with the Company In years



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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, 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.

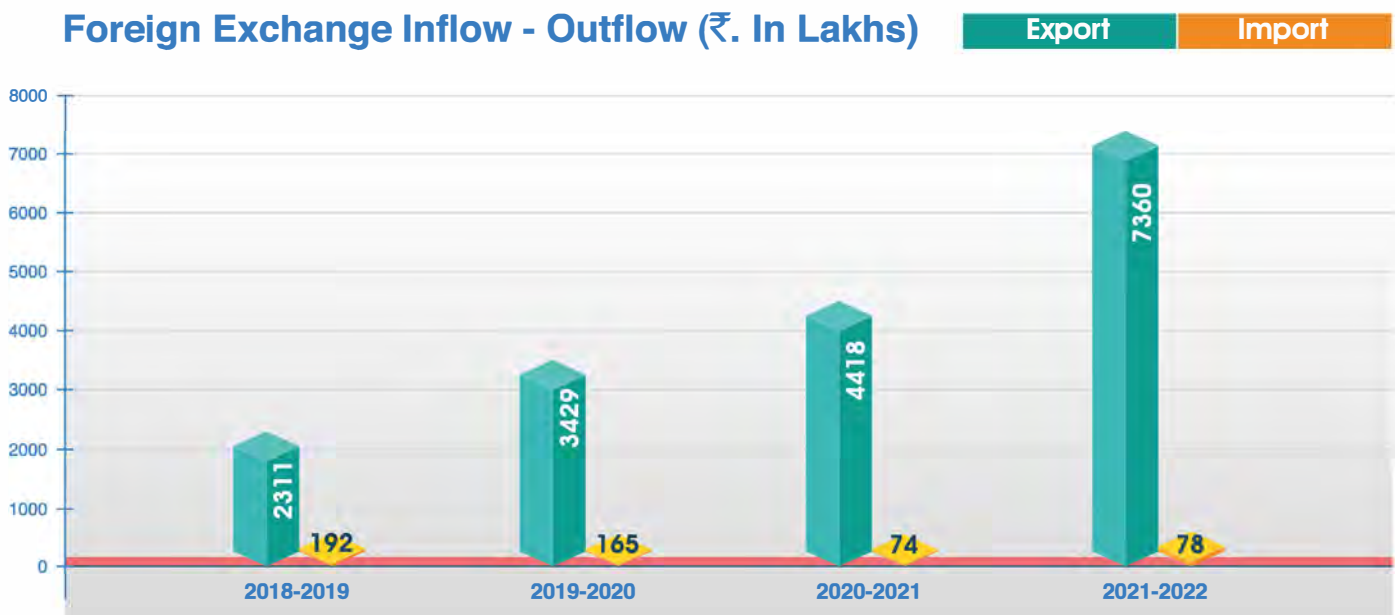
With a full-fledged R&D Department, your Company has developed and launched many new molecules like antihypertensive, antidiabetic, ARVs and even narcotics. These molecules are either under patent or still not universally manufactured on a large scale. Continuous efforts are made to improve the quality 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- Rs. 73,60,93,412.16/- |
| Foreign Exchange Outgo: | Import of Goods- Rs. 78,04,067.88 /- |

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.



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.

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

The Company is committed to uphold and maintain the dignity of 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

No case of Sexual harassment was reported to the Internal Complaints Committee 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.

CHANGE IN THE NATURE OF BUSINESS (IF ANY):

There is no material change in the type of business the Company is carrying.

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.

SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards during the Financial Year 2021-22.

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. | Particulars | 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 1, 2021. | 4000 |
| 2. | Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2021-22 | NA |
| 3. | Number of shareholders to whom shares were transferred from suspense account during the year 2021-22 | NA |
| 4. | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year March 31, 2022 | 4000 |

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, Debenture Trustees, Shareholders, Debenture-Holders 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. (MRS.) DAULAT MEDHORA
CHAIRPERSON & JT. MANAGING DIRECTOR
DIN: 01745277**

Sd/-

**MR. FREDUN MEDHORA
MANAGING DIRECTOR AND CFO
DIN: 01745348**

Place: Mumbai

Date: May 16, 2022

ANNEXURE TO DIRECTORS REPORT

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 Financial year in the case of foreign subsidiaries | NIL |
| 5. | Share capital | NIL |
| 6. | Reserves & surplus | NIL |
| 7. | Total assets | NIL |
| 8. | Total Liabilities | NIL |
| 9. | Investments | NIL |
| 10. | Turnover | NIL |
| 11. | Profit before taxation | NIL |
| 12. | Provision for taxation | NIL |
| 13. | Profit after taxation | NIL |
| 14. | Proposed Dividend | NIL |
| 15. | 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

ANNEXURE TO DIRECTORS REPORT

Part “B”: Associates and Joint Ventures

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

| | |
|---|-----|
| Name of associates/Joint Ventures | NIL |
| 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 | NIL |
| 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 |

1. Names of associates or joint ventures which are yet to commence operations. NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year. NIL

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. (MRS.) DAULAT MEDHORA

CHAIRPERSON & JT. MANAGING DIRECTOR

DIN: 01745277

Sd/-

MR. FREDUN MEDHORA

MANAGING DIRECTOR AND CFO

DIN: 01745348

Place: Mumbai

Date: May 16, 2022

ANNEXURE TO DIRECTORS REPORT

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.

1 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

2 Details of material contracts or arrangement or transactions 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 Contracts/ arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Date(s) of approval by the Board, if any: NIL
- (f) Amount paid as advances, if any: NIL

For FREDUN PHARMACEUTICALS LIMITED

Sd/-

DR. (MRS.) DAULAT MEDHORA

CHAIRPERSON & JT. MANAGING DIRECTOR

DIN: 01745277

Place: Mumbai

Date: May 16, 2022

Sd/-

MR. FREDUN MEDHORA

MANAGING DIRECTOR AND CFO

DIN: 01745348



ANNEXURE TO DIRECTORS REPORT

ANNEXURE-III

CSR ACTIVITIES

1 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.

2 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. Rohinton Kanga | Non-Executive Independent Director- Chairman CSR Committee | 1 | 1 |
| 2. | Dr. (Mrs.) Daulat Medhora | Joint Managing Director | 1 | 1 |
| 3. | Mr. Fredun Medhora | Managing Director | 1 | 1 |

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: Composition of the CSR committee shared above and is available on the Company's website on www.fredungroup.com.
- Provide the details of 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 (attach the report): NA
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA

| Sr. No. | Financial year | Amount available for set-off from | Financial Year, if any (Rs.) |
|---------|----------------|-----------------------------------|------------------------------|
| | | NIL | |

6 Average net profit (last 3 immediate financial years) of the company as per section 135 (5): Rs. 3,95,83,903.53/-

(a) Two percent of average net profit of the company as per section 135(5): Rs. 7,91,678.07/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

(c) Amount required to be set off or the financial year, if any: NA

(d) Total CSR obligation for the financial year (7a+7b- 7c): NA

8 (a) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year | Amount Unspent (in Rs.) | | | | |
|---|-------------------------|------------------|------------------|--------|------------------|
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| NIL | | | | | |

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(d) Amount spent in Administrative Overheads: NA

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NA

(g) Excess amount for set off, if any

9 (a) Details of Unspent CSR amount for the preceding three financial years: NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NA

(a) Date of creation or acquisition of the capital asset(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA

(d) (Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135 (5): NA

ANNEXURE TO DIRECTORS REPORT

ANNEXURE-IV

FORM NO. - MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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

26 Manoj Industrial Premises,
G D Ambekar, Wadala,
Mumbai - 400031

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 31st March, 2022 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 31st March, 2022 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.:



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company, namely:
1. The Companies Act 2013 and Rules Made there under.
 2. Maintenance of records relating to shares.
 3. Securities Contracts (Regulations) Act, 1956
 4. Industries (Development & Regulations) Act, 1951.
 5. Indian Customs Act, 1962.
 6. Shops and Establishment Act, 1948.
 7. Income Tax Act, 1961.
 8. Payment of Gratuity Act, 1972.
 9. Payment of Wages Act, 1936.
 10. Employees State Insurance Act, 1948.
 11. Provident Fund Act, 1952 & Family Pension Act, 1971
 12. Payment of Bonus Act, 1965.
 13. Workmen's Compensation Act, 1923.
 14. Minimum Wages Act, 1948.
 15. The Factories Act, 1948

16. Industrial Disputes Act, 1947.
17. The Contract Labour (Regulation & Abolition) Act, 1970.
18. Personnel Injuries (Compensation) Act, 1963.
19. Public Liability Insurance Act, 1991.
20. The Apprentices Act, 1961.
21. Equal Remuneration Act, 1976.
22. Employment Exchanges (compulsory vacation of notices) Act, 1959.
23. Maternity Benefit Act, 1961.
24. Industrial Employment (Standing orders) Act, 1946.
25. Environment (Protection) Act, 1986.
26. The Information Technology Act, 2000.
27. The Depositories Act, 1996.
28. The Competition Act, 2002.
29. Consumer Protection Act, 1986.
30. Right to Information Act, 2005.
31. Emblems and Names (Prevention of Improper Use) Act, 1950.
32. The Trade Marks Act, 1999.
33. The Patents Act, 1970.
34. The Indian Copyright Act, 1957.
35. Pharmacy Act, 1948.
36. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
37. Essential Commodities Act, 1955.
38. Food Safety and Standards Act, 2006.
39. The Central Goods And Services Tax Act, 2017
40. Maharashtra Goods and Services Tax Act, 2017
41. The Boiler Act, 1923
42. The Maharashtra Fire Prevention & Life Safety measures Act, 2006
43. The Air (Prevention and Control of Pollution) Act, 1981
44. The Narcotic Drugs and Psychotropic Substances Act, 1985

45. The Andhra Pradesh Fire Services Act, 1999
46. The Water (Prevention and Control of Pollution) Cess Act, 1977
47. Drugs & Cosmetics Act, 1940
48. Drugs (Prices Control) Order, 1995
49. Homoeopathy Central Council Act, 1973
50. Petroleum Act, 1934
51. Poisons Act, 1919
52. Food Safety and Standards Act, 2006
53. Insecticides Act, 1968
54. Bombay Provincial Municipal Corporations Act, 1949
55. Trade Union Act, 1926
56. Foreign Trade (Development and Regulation) Act, 1951
57. Industrial Relations Act, 1967
58. 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:

- 1 As per Regulation 17(1A) of SEBI (LODR), Regulation 2015 no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person however the Company has not taken such approval for appointment of Mr. Nariman Medhora.*
- 2 As per Regulation 27(2) of SEBI (LODR), Regulation 2015 a Quarterly compliance report on Corporate Governance shall be submitted on Stock exchange within period of 21 days from end of each quarter however the company has failed to submit the same to the Stock Exchange for the Financial Year 2021-22.*
- 3 As per Regulation 23(9) of SEBI (LODR), Regulation 2015 disclosure of related party transactions shall be made to stock exchange every six months within fifteen days from the date of publication of its standalone and consolidated financial results. The Company has not made this disclosure for the Financial Year 2021-22.*
- 4 As per Section 92 of Companies Act, 2013 every company has to file Form MGT-7 within 60 days from the date of Annual General meeting, however the Company has not filed the same.*
- 5 Pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014, every Company has to file form DPT-3 on or before 30th June, however the Company has not filed the same.*

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.

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: F005976D000326274

Place: Mumbai

Date: May 16, 2022

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 TO DIRECTORS REPORT

‘ANNEXURE - A’

To,
The Members,
FREDUN PHARMACEUTICALS LIMITED
26 Manoj Industrial Premises,
G D Ambekar, Wadala,
Mumbai - 400031

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: F005976D000326274

Place: Mumbai

Date: May 16, 2022

ANNEXURE TO DIRECTORS REPORT

ANNEXURE V

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 2021-22;

| Name of Director/KMP | Designation | Remuneration of Director /KMP for the F.Y. 2021-22 | Ratio of remuneration of each Director/ KMP to median remuneration of employees |
|----------------------------|----------------------------------|--|---|
| Mrs. ((Dr.) Daulat Medhora | Chairman & Jt. Managing Director | 12,00,000 | 4.97 |
| Mr. Nariman Medhora | * Director | 2,20,000 (paid only for 2 month April& May) | 0.91 |
| Mr. Fredun Nariman Medhora | Managing Director | 39,00,000 | 16.14 |

* The designation of Mr. Nariman Medhora was changed from Whole-Time Director to Director with effect from 5th June, 2021

- b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2021-22 compared to 2020-2021:

| Name | Remuneration for the Year ended 2021-2022 | Remuneration for the Year ended 2020-2021 | % Change |
|----------------------------|---|---|----------|
| Mrs. ((Dr.) Daulat Medhora | 12,00,000 | 12,00,000 | - |
| Mr. Nariman Medhora | 2,20,000 | 13,20,000 | -83.33% |
| Mr. Fredun Nariman Medhora | 39,00,000 | 24,00,000 | 62.50% |
| **Ms. Jinkal Shah | 41,900 | - | - |

• The designation of Mr. Nariman Medhora was changed from Whole-Time Director to Director with effect from 5th June, 2021

** Ms. Jinkal Shah was appointed as Company Secretary and Compliance Officer with effect from 28th January, 2022

- c) The median remuneration of the employees has increased to 0.28% in 2021-22 as compared to 2020-21.
- d) The Independent – Non-Executive Directors of the Company are only getting sitting fees.
- e) There were **256 employees** on the rolls of the Company as on 31st March 2022;
- 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

[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, 2022 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 had listed its Equity Shares on March 21, 2016 and executed Listing Agreement with the BSE Limited.

As per Regulation 15(2) of the Listing Regulation 2015; the compliance with the Corporate Governance provisions as specified in regulations 17, 17(A), 18, 19, 20, 21, 22, 23, 24, 24(A), 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of –

- the listed entity having paid up Equity Share Capital not exceeding Rupees Ten Crore and Net Worth not exceeding Rupees Twenty-Five Crore, as on the last day of the previous Financial Year.

In lines with the above stated provision(s) the above-mentioned Regulation(s) were not applicable to the Company for the FY 2021-22.

But with an intention of applying good Corporate Governance practices in the affairs of the Company, we have tried to adopt every possible aspect of the Corporate Governance norms in our business activities, as mandated under the SEBI Listing Regulations, 2015.

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 units 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.

BOARD OF DIRECTORS:

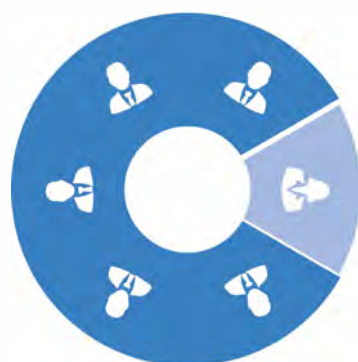
The Board of Directors have the responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices.

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 Directors 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.



■ Male Directors ■ Female Director



■ Executive Directors ■ Non - Executive Directors ■ Independent Directors

ii. Attendance of Each Director at the Board Meeting and Last Annual General Meeting:

| Name of Members | Category | Attendance Particulars | | |
|----------------------------------|--|--------------------------|----------|---|
| | | Number of Board Meetings | | Last AGM held on 27 th September, 2021 |
| | | Held | Attended | |
| Dr. (Mrs.) Daulat Medhora | Executive Director | 8 | 8 | Yes |
| Mr. Nariman Medhora | Non-Executive Non-Independent Director | 8 | 8 | Yes |
| Mr. Fredun Medhora | Executive Director | 8 | 8 | Yes |
| Dr. Aspi Raimalwala | Non-Executive Independent Director | 8 | 8 | Yes |
| Dr. Rohinton Kanga | Non-Executive Independent Director | 8 | 8 | Yes |
| Dr. C. K. Shah | Non-Executive Independent Director | 8 | 8 | Yes |

iii. Number of other Boards or Board Committees in which he/she is a Member or Chairperson:

| Name of Members | Designation | No. of Directorships and Committee Chairmanship / Membership (including this Company) | | | |
|----------------------------------|--|---|--------------------------------|------------------------|------------------------|
| | | Directorship | Directorship in listed Company | Committee Chairmanship | Committee Chairmanship |
| Dr. (Mrs.) Daulat Medhora | Executive Director | 2 | 1 | 0 | 2 |
| Mr. Nariman Medhora | Non-Executive Non-Independent Director | 3 | 1 | 0 | 0 |
| Mr. Fredun Medhora | Executive Director | 5 | 1 | 0 | 2 |
| Dr. Aspi Raimalwala | Non-Executive Independent Director | 1 | 1 | 0 | 2 |
| Dr. Rohinton Kanga | Non-Executive Independent Director | 1 | 1 | 2 | 1 |
| Dr. C. K. Shah | Non-Executive Independent Director | 1 | 1 | 2 | 1 |

iv. The names of listed companies in which the Directors hold Directorships as on March 31, 2022 are as under:

| Director | Directorships of Listed Companies | Category of Directorship |
|---------------------------|-----------------------------------|--|
| Dr. (Mrs.) Daulat Medhora | Fredun Pharmaceuticals Limited | Executive Director, Chairperson |
| Mr. Nariman Medhora | Fredun Pharmaceuticals Limited | Non-Executive Non-Independent Director |
| Mr. Fredun Medhora | Fredun Pharmaceuticals Limited | Executive Director |
| Dr. Aspi Raimalwala | Fredun Pharmaceuticals Limited | Non-Executive Independent Director |
| Dr. Rohinton Kanga | Fredun Pharmaceuticals Limited | Non-Executive Independent Director |
| Dr. Chandrakant Shah | Fredun Pharmaceuticals Limited | Non-Executive Independent Director |

v. Meetings of the Board:

During Financial Year (“F.Y.”) 2021-22, the Board met 8 (eight) times on the following dates:

| Dates on which Board Meetings were Held | Total Strength of the Board | No. of Directors Present |
|---|-----------------------------|--------------------------|
| June 11, 2021 | 6 | 6 |
| June 28, 2021 | 6 | 6 |
| August 10, 2021 | 6 | 6 |
| September 22, 2021 | 6 | 6 |
| November 6, 2021 | 6 | 6 |
| November 17, 2021 | 6 | 6 |
| November 23, 2021 | 6 | 6 |
| January 28, 2022 | 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.

vi. Disclosure of Relationship between Directors Inter-se:

| Name | Relation with Company | Inter-se Relation |
|---------------------------|------------------------------------|---|
| Dr. (Mrs.) Daulat Medhora | Chariman and Jt. Managing Director | Wife of Mr. Nariman Medhora & Mother of Mr. Fredun Medhora |
| Mr. Nariman Medhora | Director | Husband of Dr. (Mrs.) Daulat Medhora & Father of Mr. Fredun Medhora |
| Mr. Fredun Medhora | Managing Director | Son of Mr. Nariman Medhora & Dr. (Mrs.) Daulat Medhora |

vii. Disclosure of Shareholding by Non–Executive Directors: (as on 31st March, 2022)

| Sr. No. | Name of Director | Number of shares held |
|---------|----------------------|-----------------------|
| 1 | Dr. Aspi Raimalwalla | 8,061 |
| 2 | Dr. Chandrakant Shah | 9,900 |
| 3 | Dr. Rohinton Kanga | 500 |
| 4 | Mr. Nariman Medhora | 7,19,815 |

* Shares are held by Dr. Chandrakant Shah jointly with his relative

viii. 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

ix. 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, 2022 are stated hereunder:

| Sr. No. | List of core skills/ expertise/ competence | Availability of the core skills/ expertise/ competence as on March 31, 2022 |
|---------|--|---|
| 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. Aspi Raimalwala | | | | | | | | | ✓ | |
| Dr. Rohinton Kanga | | | | | | | | | ✓ | |
| Dr. Chandrakant Shah | | | | | | | | | ✓ | |

x. 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.

xi. 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.

xii. Code of conduct:

- i) 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
- ii) 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.
- iii) All Directors and the designated employees have confirmed compliance with the Code.
- iv) A certificate from Mr. Fredun Medhora, Managing Director 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, 2022 was placed before the Board of Directors of the Company in their meeting held on May 16, 2022 and is annexed to this Report.

INDEPENDENT DIRECTORS:

Dr. Chandrakant Shah, Dr. Aspi Raimalwala and Dr. Rohiton Kanga were the Independent Directors on the Board of Directors of your Company as on March 31, 2022. 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 2021-22, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, 2015; separate meeting of Independent Directors was held on July 12, 2021 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 31st March, 2022, 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 Kala Agarwal, to that effect is attached as a part of this Report.

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 2021-22 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 2021-22, the Audit Committee met 4 times, on June 28, 2021; August 10, 2021; November 6, 2021 and January 28, 2022. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual general Meeting of the Company held on September 27, 2021

| Sr. No. | Name of Director | Position | Category | No. of Audit Committee Meetings attended |
|---------|---------------------------|----------|------------------------------------|--|
| 1. | Dr. C. K. Shah | Chairman | Non-Executive Independent Director | 4 out of 4 |
| 2. | Dr. Rohinton Kanga | Member | Non-Executive Independent Director | 4 out of 4 |
| 3. | Mr. Fredun Medhora | Member | Managing Director | 4 out of 4 |

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 2021-22, the NRC met 3 times on June 28, 2022; November 6, 2021 and January 28, 2022. The requisite quorum was present at all the meetings. The Chairman of the NRC was present at the last Annual General Meeting of the Company held on September 27, 2021.

| Sr. No. | Name of Director | Position | Category | No. of NRC Meetings attended |
|---------|----------------------------|----------|------------------------------------|------------------------------|
| 1. | Dr. Rohinton Kanga | Chairman | Non-Executive Independent Director | 3 out of 3 |
| 2. | Dr. Aspi Raimalwala | Member | Non-Executive Independent Director | 3 out of 3 |
| 3. | Dr. C. K. Shah | Member | Non-Executive Independent Director | 3 out of 3 |

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:

- i. 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.
- ii. 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.
- iii. 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.
- iv. For the benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- v. 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 of the Company is hosted on the website of the Company at www.fredungroup.com

REMUNERATION OF DIRECTORS

1. Remuneration paid to Non-Executive Directors of the Company

The 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 2021-22. 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 2021-22 are given below:

| Sr. No. | Name of the Director | Designation as on March 31, 2022 | Sitting Fees |
|---------|--|----------------------------------|--------------|
| 1. | Dr. Rohinton Kanga | Independent Director | 54,668 |
| 2. | Dr. Aspi Navroze Raimalwala | Independent Director | 54,668 |
| 3. | Dr. Chandrakant Kanchanlal Shah | Independent Director | 30,668 |

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 2021-22 are summarized below:

| Name of the Directors | Designation | Salary & Allowances | Perquisite | Company's contribution to Provident Fund & Superannuation Fund |
|-----------------------------------|--------------------------------------|---------------------|---|--|
| Mr. Fredun Nariman Medhora | Managing Director | 39,00,000 | Medical expenses: Rs. 100,000 per year Leave travel concession: Rs. 80000 per year | - |
| Dr. (Mrs.) Daulat Nariman Medhora | Chairman and Joint Managing Director | 1200,000 | - | - |

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 2021-22, the SRC met on July 13, 2021. The requisite quorum was present at the meeting.

| Sr. No. | Name of Director | Position | Category | No. of SRC Meetings attended |
|---------|----------------------------------|----------|------------------------------------|------------------------------|
| 1. | Dr. C. K. Shah | Chairman | Non-Executive Independent Director | 1 out of 1 |
| 2. | Dr. Rohinton Kanga | Member | Non-Executive Independent Director | 1 out of 1 |
| 3. | Dr. (Mrs.) Daulat Medhora | Member | Jt. Managing Director | 1 out of 1 |

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

Composition, Meetings and Attendance:

During Financial Year 2021-22, the CSR met once on August 23, 2021. The requisite quorum was present at all the meetings.

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

Contact details of the Compliance Officer / Company Secretary

| | | |
|---|--|-------------------------------------|
| Ms. Jinkal Shah Company Secretary Cum Compliance Officer | <u>Address:</u> 26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai 400 031 | <u>Email:</u> 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 2021-22

| | |
|---|-----|
| Number of complaints received so far | Nil |
| Number of complaints solved to the satisfaction of Shareholders | Nil |
| Number of pending complaints | Nil |

GENERAL BODY MEETING:

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

| Sr. No. | Type of Meeting | Date & Time | Location | Details of Special Resolution passed |
|---------|-----------------------------|--|---|--|
| 1. | 34th Annual General Meeting | Monday, September 27, 2021 at 11.30 A.M | 26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai -400031 (Through Video Conferencing mode- Deemed location) | 1. To approve increase in remuneration of Mr. Fredun Medhora (DIN: 01745348) Managing Director & CFO of the Company |
| 2. | 33rd Annual General Meeting | Monday, September 28, 2020 at 11:00 A.M. | 26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai -400031 (Through Video Conferencing mode- Deemed location) | 1. Appointment of Dr. Aspi Raimalwala (DIN:02454860) as Independent Director 2. Appointment of Dr. Chandrakant Shah (DIN:02843653) as Independent Director 3. Appointment of Dr. Rohinton Kanga (DIN:07178190) as Independent Director 4. Reappointment of Mr. Fredun Medhora (DIN:01745348) as the Managing Director of the Company 5. Reappointment of Dr. (Mrs.) Daulat Medhora (DIN:01745277) as the Whole Time Director designated as Joint Managing Director |
| 3. | 32nd Annual General Meeting | Tuesday, September 24, 2019 at 09:00 A.M | Ramee Guest Line Hotel, Naigaum Cross Road, Dadar Plot No 3, Kohinoor Road, Dadar, Mumbai – 400014 | — |

POSTAL BALLOT

During the year under review, no postal ballot was conducted.

MEANS OF COMMUNICATION

| | |
|--|--|
| The quarterly / half yearly and annual results of the Company | 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. |
| All the Shareholders' information | Such information is made available on the Company's website at www.fredungroup.com wherein there is a separate dedicated Section named as 'Investor Relations' |
| The Quarterly Results, Shareholding Pattern, Quarterly Compliances and all other Corporate communication during the year ended March 31, 2020 | Filed electronically with BSE through BSE Listing Centre & also placed on the website of the Company at www.fredungroup.com |
| All material information including declaration of Financial Results; Press Releases, Presentations made to Institutional Analyst or Investors etc. | The Company has promptly reported to the Stock Exchange(s) where Shares of the Company are listed, viz. BSE Limited ("BSE"). Such information is also simultaneously displayed on the Company's website at www.fredungroup.com |

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.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting (“AGM”) for the Financial Year 2021-22:

| | |
|--|--|
| Day and Date | Friday, September 30, 2022 |
| Time | 09: 00 A.M |
| Mode | Video Conference/Other AudioVisual Means |
| Deemed Venue | 26, Manoj Industrial Premises, G D Ambekar Marg, Wadala (West), Mumbai –400 031. (Registered Office) |
| Financial Year | The financial year of the Company is April 01, 2021 to March 31, 2022. |
| Board Meeting for consideration of accounts | May 16, 2022 |
| Dividend Rate | 7 % on the Face value |
| Book Closure Dates | September 16, 2022- September 30, 2022 (both dates inclusive) |



b) Stock Exchanges where the securities of the Company are listed:

| Name of the Stock Exchange | Scrip Code | Listing date |
|--|------------|----------------|
| BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. | 539730 | March 21, 2016 |

Annual Listing Fees for the FY 2021-2022 has been paid to BSE Limited.

c) 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 2021-2022 and is put for shareholders' approval.

Further, your Company had declared dividend of 7% for the Financial Year 2020-21 and 6.6% for the Financial Year 2019-20 on the Face value of Rs. 10/- each on the shares of the Company in the 34th Annual General Meeting held on 27th September, 2021 and 33rd Annual General Meeting held on September 28, 2020 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.

d) Market price data - monthly high - low of the closing price on the BSE during the period from April 2021 to March 2022 is given below:

| Month | High Price | Low Price | Sensex (Closing) |
|-----------------------|------------|-----------|------------------|
| April 2021 | 474.85 | 401.05 | 48,782.36 |
| May 2021 | 468.70 | 395.00 | 51,937.44 |
| June 2021 | 444.90 | 380.50 | 52,482.71 |
| July 2021 | 472.00 | 400.00 | 52,586.84 |
| August 2021 | 449.95 | 351.20 | 57,552.39 |
| September 2021 | 637.00 | 360.00 | 59,126.36 |
| October 2021 | 555.00 | 455.00 | 59,306.93 |
| November 2021 | 549.00 | 445.30 | 57,064.87 |
| December 2021 | 957.00 | 477.35 | 58,253.82 |
| January 2022 | 1140.00 | 800.00 | 58,014.17 |
| February 2022 | 1138.85 | 786.00 | 56,247.28 |
| March 2022 | 1045.00 | 769.70 | 58,568.51 |

e) Registrar to an Issue and Share Transfer Agents:

For acknowledgement of transfer deeds and any other documents or for any Grievances / Complaints, kindly contact at the following address:

Purva Sharegistry (India) Pvt. Ltd.,

Unit No 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,
Opp Kasturba Hospital Lane,
Lower Parel (E). Mumbai- 400011
Tel No.: 022 - 23016761 / 8261
E-mail: busicomp@vsnl.com
Website: www.purvashare.com

f) 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.

g) Details of Shareholding as on March 31, 2022:

I Distribution of Shareholding

| Shareholding of Nominal Value | No. of Shareholders | % of Total no. of Shareholders | Amount (in ₹.) | % to Total Capital |
|-------------------------------|---------------------|--------------------------------|--------------------|--------------------|
| 1-5000 | 3,144 | 86.85 | 26,19,120 | 5.91 |
| 5001-10000 | 226 | 6.24 | 17,55,310 | 3.96 |
| 10001-20000 | 97 | 2.68 | 14,39,630 | 3.25 |
| 20001-30000 | 39 | 1.08 | 9,96,710 | 2.25 |
| 30001-40000 | 26 | 0.72 | 9,12,000 | 2.06 |
| 40001-50000 | 16 | 0.44 | 7,12,690 | 1.61 |
| 50000-100000 | 33 | 0.91 | 23,55,330 | 5.31 |
| 100001 and above | 39 | 1.08 | 3,35,35,640 | 75.66 |
| Total | | 100 | 4,43,26,430 | 100 |

II Shareholding Pattern as on March 31, 2022

| Category of Shareholders | Number of Shares | Percentage Holding |
|-------------------------------------|------------------|--------------------|
| Promoters and Promoter Group | 22,72,745 | 51.27 |
| Bodies Corporate | 60,560 | 1.37 |
| Limited Liability Partnership (LLP) | 451 | 0.01 |
| Banks and Financial Institutions | 75,000 | 1.69 |
| NRI (Non Repat) | 59,929 | 1.35 |
| NRI (Repat) | 75,249 | 1.70 |
| Foreign Institutional Investor | NIL | NIL |

| Category of Shareholders | Number of Shares | Percentage Holding |
|-------------------------------|------------------|--------------------|
| HUF | 30,094 | 0.68 |
| Others - Resident Individuals | 18,53,219 | 41.81 |
| Others - Clearing Members | 4,355 | 0.10 |
| Trust | 1,041 | 0.02 |

III Directors Share Holding

| Sr. No. | Name of the Directors | Number of Shares held |
|--------------|---------------------------|-----------------------|
| 1. | Dr. (Mrs.) Daulat Medhora | 13,92,830 |
| 2. | Mr. Nariman Medhora | 7,19,815 |
| 3. | Mr. Fredun Medhora | 1,60,100 |
| 4. | Dr. Aspi Raimalwala | 8,061 |
| 5. | Dr. Chandrakant K. Shah | *9,900 |
| 6. | Dr. Rohinton Kanga | 500 |
| Total | | 22,91,206 |

* Shares are held by Dr. Chandrakant Shah jointly with his relative

h) Dematerialization of Shares:

As on March 31, 2022, 43,22,373 Shares (97.51%) 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.

i) Outstanding GDRS / ADRS / Warrants / Convertible Instruments as on March 31, 2022:

The Company has not issued any GDRs / ADRs / warrants or any other convertible instrument(s).

j) Plant Location:

The Company has the following manufacturing and Operating sites:

Palghar

14, 15, 16 Zorabian Industrial Complex,
Veoor, Palghar (East) - 401 404
Maharashtra State
India

k) Address for Correspondence:

Ms. Jinkal Shah

Company Secretary and Compliance Officer
26, Manoj Industrial Premises
G. D. Ambekar Marg, Wadala
Mumbai – 400 031
Tel. No. +91 22 4031 8111
Email id.: cs@fredungroup.com
Website: www.fredungroup.com

m) 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.

SECRETARIAL AUDIT

Ms. Kala Agarwal, Practicing Company Secretary have conducted the Secretarial Audit of the Company for the Financial Year 2021-22 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.

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, 2022 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 and 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.

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

- **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, 2022; 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

- **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

- **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 2021-22. The policy is available on the website of the Company at 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, 2022. 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

- **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

- **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.

- **Compliance Certificate:**

Since Corporate Governance was not Applicable for 2021-22, the Certificate was Not Applicable and the same is not provided.

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

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

Place: Mumbai

Date: May 16, 2022

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 31st March, 2022.

Sd/-

Fredun Medhora

Managing Director and Chief Financial Officer

Place: Mumbai

Date: May 16, 2022

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
26 MANOJ INDUSTRIAL PREMISES
G D AMBEKAR WADALA
MUMBAI- 400031

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 26 Manoj Industrial Premises, G.D Ambekar Wadala Mumbai-400031 (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 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 31st March, 2022 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 the Directors | 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. Aspi Raimalwala | 02454860 | 30/09/2015 |
| 5. | Dr. Chandrakant K. Shah | 02843653 | 30/09/2015 |
| 6. | Dr. Rohinton Kanga | 07178190 | 30/09/2015 |

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.

Kala Agarwal

Practicing Company Secretary

CP No.: 5356

Membership No.: 5976

UDIN: F005976D000326307

Place: Mumbai
Date: May 16, 2022

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:-

A. We have reviewed the Standalone Audited Financial Statements comprising of Balance Sheet as at 31st March, 2022, 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:

1. The said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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.
- B. 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 violative of the listed entity’s code of conduct.
- C. 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.
- D. We have indicated to the auditors and the Audit committee
1. significant changes in internal control over financial reporting during the year 31st March, 2022, if any;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. 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

Sd/-

Fredun Medhora

Managing Director and Chief Financial Officer

**Place: Mumbai
Date: May 16, 2022**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Macroeconomic Scenario

As the world economy was beginning to take gradual steps in recovery after a severe blow from the pandemic over the last two years, it was hit by headwinds from the effects of China's Zero-Covid Policy along with extreme inflationary pressures and an unsettling humanitarian crisis in the form of the Russia-Ukraine war. All of these forced the global economy to take several steps back as international agencies revised their forecast for global GDP growth. The global GDP is expected to grow at 3.1% in 2022, as per United Nations' estimate in May 2022, revised against its previous forecast of 4.0% growth in January 2022.

The impact has been wide-reaching and encompasses the world's largest economies – the United States, the European Union and China – along with many developing economies. The United States is estimated to grow by 2.6% in 2022, against 5.7% GDP growth in 2021. The European Union is forecasted to grow by 2.7% in 2022 and the Chinese economy is projected to grow by 4.5% in 2022 give the country's stringent zero-COVID policies.

Developing economies are set to grow by 4.1% in 2022 due to the slower growth in developed countries. Monetary tightening in the US is further expected to increase borrowing costs and worsen financing gaps. This would increase the odds of many countries going in the direction of fiscal consolidation, but a premature attempt to do the same will derail these economies from their path of recovery that is still fragile and increase their debt sustainability risks.

The Indian economy has been a bright spot despite a brief slowdown from the Omicron spread. The country's economy experienced a rebound despite headwinds from commodity price rise, supply-chain hurdles to reach the pre-pandemic real GDP levels of 2019-2020. The government-led inoculation programme, easing of movement restrictions and opening up of trade and business along with several policy initiatives announced by the Government in its Union Budget 2022-23 have created significant opportunities for growth. Today, the Indian economy is estimated to grow by 7.1% to 7.6% in FY2022-23 and between 6% and 6.7% in FY 2023-24.

Rising inflation has been the primary reasons for faster-than-expected monetary tightening in the developed and developing economies exposing the global economy to further downside risks. Global inflation is expected to increase to 6.7% in 2022, which is 2x the average of 2.9% during the past decade. The United States is witnessing the highest level of headline inflation in four decades. Western Asia, Latin America and the Caribbean and CIS regions are experiencing an uptrend in inflation as well. The decline in real income due to inflation pressures is more prominent in developing countries that have larger low-income households, limited fiscal support measures to control the impact of higher food and energy prices and wage growth is constrained. Therefore, in the near term, economy shocks triggered due to inflation can worsen inequality both within and between the countries.

Pharmaceutical Industry

INDIAN PHARMACEUTICAL MARKET (IPM) Growth



FY22 has shown strong growth on the back of muted FY21

Going forward, the industry is expected to grow at CAGR 10-12% for next five years

Global scenario

As the global pharmaceutical market recovered from the pandemic, it managed to grow from US\$ 1,454 Bn in 2021 to US\$ 1,587 Bn in 2022 at a CAGR of 9.1%. The recovery was largely attributed to the easing of restrictive containment measures and opening of commercial activities in FY22 resulting in robust growth. The global market is further expected to reach US\$ 2,135 Bn in 2026, a growth of a CAGR of 7.7% between 2021 and 2026. Some of the major growth drivers for the sector have been new product launches, sedentary lifestyles that raise the prevalence of chronic diseases, technical advancements, new techniques for drug discovery, and an increase in the use of pharmaceutical drugs. Moreover, as per United Nations, the number of older people aged 65 years or above is expected to double by 2050, leading to an exponential rise in demand for pharmaceutical services. The rise in the ageing population coupled with an increase in healthcare services will help drive the demand for the global pharmaceutical industry in the future.

North America dominates the global market with a market share of 48% while the Middle East is expected to be the fastest growing region by 2026.

An estimated US\$ 17 Bn worth of pharmaceutical exports from India travel to African nations, making these nations a launching pad for many Indian exporters' international expansion plans and making Indian companies as partner of choice.

Domestic scenario

The Indian Economic Survey indicates that the domestic pharmaceutical market is anticipated to increase by three times (3x) during the FY22-32. It is expected to grow from US\$ 42 Bn in 2021 to US\$ 65 Bn by 2024 and then another US\$ 120–130 Bn by 2030. The Indian pharmaceutical sector may improve its efficiencies and attain its 2030 vision of establishing India's global leadership in life sciences, while driving deeper domestic access and affordability if intellectual potential is integrated into business activities. The pharmaceutical business already has a strong global footprint. What India needs is for it to become more effective in developing goods that are both inexpensive and inventive and meet the demands of patients all over the world.

The Indian pharmaceutical industry, which is the third largest in the world in terms of volume, makes a significant contribution to global health. The sector saw growth of 9–11% in FY22, fueled by demand from emerging and domestic markets. India remains on par globally in terms of technological capabilities and process efficiency along with a high-quality workforce and manufacturing standards. The operating costs remain low in India and with the government taking positive policy measures to change the business environment, India has built the foundations for sustainable growth in the global pharmaceutical industry.

India has made a significant impact on the global generics market, as evidenced by recording the second-highest number of USFDA approved plants only behind US.

A generic medicine works in a similar way and provides same efficacy as the brand name medicine, but it costs much less. In India, Trade generics is the new growth avenue and large cap companies are also present in the space, encouraged by the government's initiatives to make the drugs affordable to all. Trade generics stood at Rs. 21 Bn in FY20, having grown 6.2% during FY16-20, however it is expected to grow by 8-9% during FY20-25.

Pet Care Industry

The global pet care market stood at US\$ 245 Bn in 2021 and is expected to grow from US\$ 261 Bn in 2022 to US\$ 350 Bn in 2027, as per Global Market Insights (2021). The market is expanding year by year with pet food and treats accounting for a larger share, along with pet lifestyle products, over-the-counter drugs, veterinary care product sales and service consumption. The growth is being fuelled by increased purchasing power of consumers resulting from growing per capita disposable income over the years. This has led to an increase in the overall consumer demand that has created a good commerce potential for players who are now willing to offer a wider variety of products and services.

The ongoing digital innovation and penetration of e-commerce platforms have been key drivers supporting the growth of this industry. Internet has turned into a pet care influencer, creating a large impact on the type of products and services selected by the pet owners. The e-commerce brands are creating a unique brand identity within their pet market niche and tapping the opportunity by completely removing the middleman margins in comparison to pet brands that are catering to masses. Brick-and-mortar stores are further turning digital and offering services like buy-online, pick-up-in-store, etc. This allows them to service the customers faster than pure-play internet providers.

India has been one of the world's fastest expanding marketplaces for pet care. This has been driven by the shift in industry's perspective where people focus on being responsible pet parents instead of merely being pet owners. The market size has grown from US\$ 347.2 Mn in 2019 to US\$ 498.4 Mn in 2021 and is expected to grow at a CAGR of over 19% by 2025.

Important pet-care trends include:

- a. Adoption has been prevalent: In India, there has been a strong desire for pet adoption given the growing number of pet families in recent years. COVID-19 led to a further spike in pet adoption due to the constrained lifestyle and work-from-home scenario that ended up taking a toll on mental health. In such a scenario, adopting dogs and treating them as family served as an emotional support and assistance to many. Other contributing factors have been nuclear families, companions to senior individuals and children establishing emotional bonds with animals. Given that pets are treated as children by millennials, they aren't averse to spending significant portion of their wages towards the health of their pets.

b. Improvements in the food and health care advancements:

With the growing health awareness, pet owners are focussing on providing pets with meals that are well-balanced and more natural - free off artificial colours, flavours, and genetically engineered organisms. This has been critical in boosting their immune system and overall health. Pets get affected by obesity, diabetes, thyroid and kidney abnormalities at various parts of their life. Hence, the recent advancements in diagnostics, treatments and health management ways have helped owners to keep a record of their pet's health and locate a veterinarian when needed.

c. Pet insurance:

Multiple Indian insurance companies have introduced insurance policies for pet owners to protect their pet’s lives, pay for veterinary costs, and even cover their pet’s deaths.

Nutraceuticals Industry

The consumer health products market in India has been growing at a CAGR of 14% between FY2018-21 and stood at Rs. 1.0 Tn in FY2021. This market comprises of two main categories - (1) Health and wellness foods, and (2) Dietary supplements.



Source: EY analysis

In the first wave of adoption among consumers, healthy variants of food, that includes digestive biscuits and low-fat snacks, made up ~70% of the total demand for health products. Consumers have been actively searching for ways to enhance the purpose of basic foods and prefer brands with incremental nutrients like vitamins, fibre, protein, calcium, and minerals. The market has been catering to this demand by offering products that are “low sugar”, “baked not fried” and functional products like protein shakes and fortified juices.

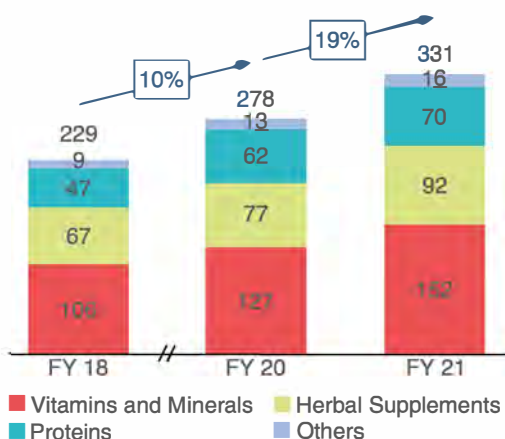
On the other hand, dietary supplements consist of herbal supplements, proteins, vitamins, and minerals. The segment stood at Rs. 331 Bn and is witnessing rapid growth, with COVID-19 acting as a key catalyst given the increased awareness towards preventive health and well-being and growing lifestyle diseases. In FY2020-21 alone, the demand for herbal supplements and vitamins and minerals such as Zinc and Vitamin C reported a significant growth.

Dietary Supplement Markets witnessed 19% growth in FY21

Zinc, Vitamin C/D along with Herbal Supplements witnessed unprecedented growth post the COVID-19 outbreak

Dietary Supplement Markets (INRb)

Segment-wise growth estimates (%)



| | FY 18 -FY 20 CAGR | FY 20 -FY 21 Growth Rate |
|-----------------------|-------------------|--------------------------|
| Others | 18% | 25% |
| Proteins | 14% | 14% |
| Herbal Supplements | 7% | 20% |
| Vitamins and Minerals | 9% | 20% |

Source: EY analysis

Cosmeceuticals Industry

As per Fortune Business Insights, the global cosmeceuticals market size was estimated at US\$ 50.8 Bn in 2021 and is expected to grow from US\$ 54.6 Bn in 2022 to US\$ 96.2 Bn in 2029, growing at a CAGR of 8.4%. Bioactive ingredients in cosmetic formulations are recognised for their medical benefits. Growing prevalence of skin disorders around the world, inclination of dermatologists towards prescribing cosmetic products over other modes of treatment and increasing number of market players to cater to this demand are expected to be the key drivers for market growth. Launch of e-commerce platforms by key market players has been another major contributor towards the industry's growth. As per a report published by Multidisciplinary Digital Publishing Institute (MDPI) in 2022, out of the dermatologic prescriptions given globally, 40% consisted of cosmeceuticals.


India ranks fourth globally in terms of highest revenue generated from the beauty and personal care market as of 2021. Indian cosmetics market stood at US\$ 13.2 Bn in FY2020 and is projected to touch US\$ 29.0 Bn by FY2026, growing at a CAGR of 16%. Changing lifestyle, growing disposable income in the hands of people, emergence of e-commerce, and increasing preference for good skin care and other grooming products among youth, are expected to be major contributors towards this growth. Large conglomerates like P&G, L'Oréal and Unilever, control the cosmetics industry globally, and have been able to establish a good footprint in India as well. However, over the years, the international brands failed to fulfil the demand for products that were suitable for Indian skin types. This created a large opportunity for domestic counterparts who have been successful in creating an equal footing in the market today by promoting their homemade cosmetics and personal care products.

Company Overview

Established in 1987, Fredun Pharmaceuticals ("Fredun" or "the Company") is a leading formulations Company in India that has recently diversified into manufacturing of dietary/herbal supplements, nutraceuticals, and other healthcare products along with animal healthcare products. 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 and Latin America. With such a diverse range of products, the Company's objective is to be a holistic healthcare provider.

We have received FDA Registration approvals from the Philippines MOH for our Ointment/Creams Line and 46 new registrations for our existing range of products.

Over the years, it has transformed into a world-class Company supported by a formidable manufacturing base and a strong reputation amongst global customers backed by strong execution. The product basket comprises of 1200+ global registrations spread across 46 countries and their key products include Metformin, Fexofenadine, Nifedipine. The Company has presence across most therapies with key focus on Anti-malarial, Anti-diabetics, Anti-retrovirals and Anti-hypertensives products and natural source of Calcium Supplement for both human and veterinary use.

In cosmeceuticals  with natural source of omega fatty acid has become a leading brand in our export market.

Business Segments

The Company operates in four segments through different brands: Generics (**Fredun Gx**), Pet Healthcare (**FREOSS**) Nutraceuticals (**Fredun Nutrition**) and Cosmeceuticals ( or **BnB**).

Generics (Fredun Gx)

In 2020, Fredun entered the trade generic segment in India after successfully exporting to 46 countries for 30+ years. The Company started operations in Maharashtra and has launched 120+ products across various target medicine segments. The product segment includes anti diabetics, antacids, antiemetics, anti-bacterials, anti-hypertensives, anti-fungals, anti-allergics, calcium supplements, inflammatory creams/ointments and many more.

Business Update

• Exports

- Received FDA Registration Approval from the Philippines MOH for our Ointment/Creams Line and 10 new registrations for our existing range of products.
- Received Iraq FDA Approval in October 2021 and 18 products are under registration.
- Sale of over \$1.4 million in oral solid dosages in the first 6 months of launch in South Sudan. The Company expects around \$2.5 -\$3 Mn revenue from this Country every year from next fiscal year.
- Registrations underway in two new countries - Togo and Benin.
- Successful tie-up with a Company in UAE for tech-transfer, and for Manufacturing/Direct Compressible Granules and Ready to fill Pellets.
- 13 products are under registration in UAE through FPL.
- Planning to expand our product basket from 9 products to 68 products in UAE and GCC region by end of Fy24.
- Expect to launch 46 topical ointments/lotions across the West & Central Africa region in the next two quarters.
- Substantially increased our presence in Southeast Asian Countries.
- FPL is having 372 products registration and 702 products are under registration.







• Domestic (Fredun Gx)

- **Fredun Gx** officially launched in Maharashtra in September 2021 with an order pipeline of 300% of the current inventory. Launched in two more States by the month of November 2021, taking the total domestic presence to five States by January 2022.
- **Fredun Gx** had a successful tie-up for distribution across 17 States in December 2021.
- Successful tie-ups with seven manufacturing Companies for marketing their products not manufactured by **Fredun**.
- **Fredun** has successfully launched products for the Indian Railways and the Defence sector.
- The Company has 160 products in distribution for this division.
- 209 products across all therapeutic fields have been selected/finalized and under launch phase in the next financial year.

Pet Healthcare (FREOSS)

Fredun launched FREOSS in 2021 with an aim to provide best quality, efficient and affordable pet healthcare products in India. The product portfolio comprises of Microcrystalline Hydroxyapatite Complex (MCHC) based supplements, animal feed additives and other animal healthcare formulations for pets, poultry and cattle. Fredun specializes in manufacturing various formulations made from (MCHC) which is a natural source of Calcium & Phosphorus for animals. Fredun happens to be the largest manufacturer of (MCHC) in India. MCHC's efficacy is time-tested and clinically proven for more than 60 years. 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.


Some of the key products sold under this division are:

| | |
|---|---|
|  | Combination of Biologically Derived Calcium, Phosphorus and Vitamin D ₃ tablets with Proteins & Collagen |
|  | Super supplement for healthy bones |
|  | Biologically Derived Calcium, Phosphorus Feed Supplement with Trace Minerals fortified with Vitamin D ₃ |
|  | Combination of Biologically derived Calcium, Phosphorus feed supplement with Potent Herbal Extracts |
|  | High grade functional food fortified with Microcrystalline Hydroxyapatite Complex (MCHC) |
|  | Multivitamins, Multi-minerals, Essential Amino Acids fortified with Microcrystalline Hydroxyapatite Complex (MCHC) |

The above mentioned products are available on leading online sales portals. FREOSS future product launches include shampoos, conditioners, paw creams, deodorants, disinfectant wipes, snacks and other wipes.

Business Update

- Launching our Pet Grooming range of products in October 2022 with initial trials showing success.
- Phenomenal response to our Vet Products.
- Grand launch of FREOSS Range of products in Mumbai in association with Pet Practitioners Association Mumbai (PPAM).
- Successful tie-ups with Top Doctors and Key Opinion Leaders across the industry.
- Added 10 new districts in North India in addition to extensive reach in Western India.

- Added Food products to the portfolio with seven different food products for vets.
- Fredun targets to launch 76+ products and enter 16 new States by the end of Fy2023.
- First in India to launch  (Daily Nutritional Granules) sachets for Pets.
- Launch of 19 Veterinary Pharma products.

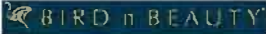
Nutraceuticals (Fredun Nutrition)

Under its brand **Fredun Nutrition**, in 2022, the Company 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 at the Company's facility is at par with world-class quality standards and are backed by years of research ensuring efficacy and quality. The Company has conducted clinical trials on key brands like **Mamalait**[®] Granules.


Some of the key products sold under this division are:

| | |
|---|--|
| Mamalait[®] Granules | A galactagogue product that Promotes and Enriches Lactation, builds immunity |
| Fredun Liver Boost[™] | Protects, detoxifies and enhances liver function |
| Fredcal[®] 500 | Calcium, Phosphorus with Vitamin D ₃ Tablet |
| Fredun Fertifre[™] - M | Promotes and improves male fertility |
| Fredun Fertifre[™] Lady | Helps improve and enhances fertility in women |
| Nutrifred[®] | Multivitamins and Minerals Capsules |
| Game Changer[™] | Anti-Inflammatory, Analgesic Cream |

Business Update

- Supplied our first order of Nutraceuticals to Nigeria and French West Africa under its own brand name 
- Launched 6 products in UAE with 10 products under registration.
- Plans to have 33 products registered by end of Dec, 2022 in Middle East and Northern Africa (MENA) region.
- Launched Nutritional products in West & Central Africa with plans to introduce 11 products in West Africa by Fy2023
- The segment has launched its own fitness range of products in 2022.
- Contract Manufacturer for one of the Biggest Sports Nutrition Brand in UAE.
- Launch of Sports Nutrition products in India by Nov-2022.

Cosmeceuticals (or BnB)

Fredun is a pioneer in launching Emu Oil-infused product range in India, under its brand  or BnB. The Company offers a unique line of luxury personal care formulae with fully purified Emu Oil, providing their customers with the Emu Oil products of 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 acquired from Emu birds and then purified 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 Development at the Company's own facility.

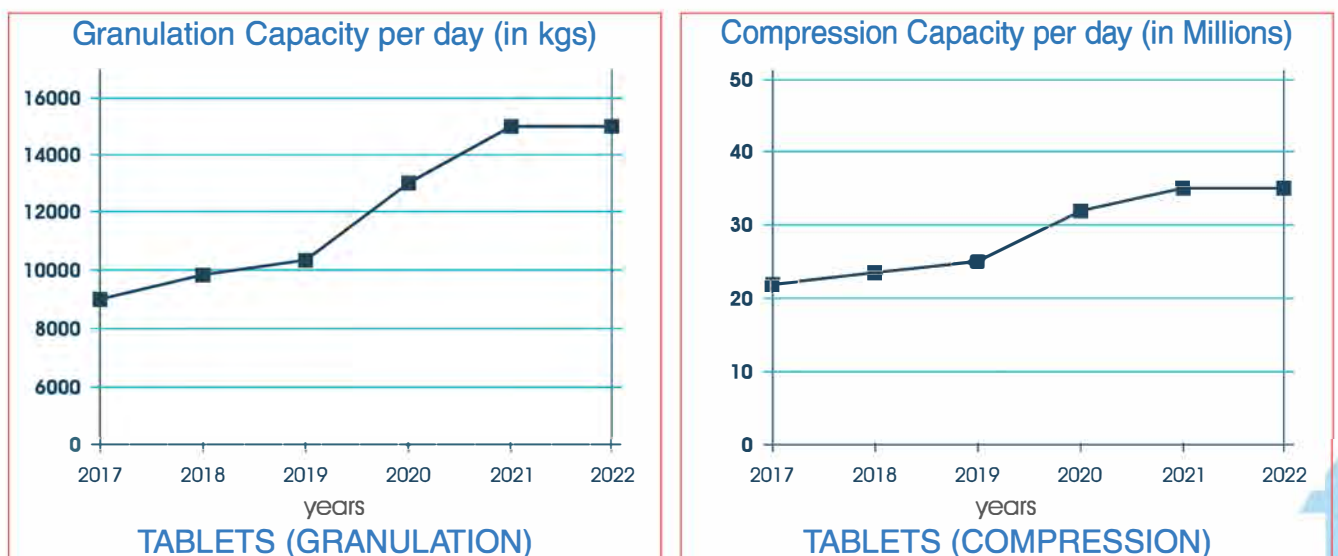
Launched in 2022, the products cater to skin care, hair care and body care. The Company is marketing the products mainly through e-commerce platforms and is targeting the skin and hair care segments. With on-going research for product diversification, BnB will scale up the launch of more products in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

Business Update

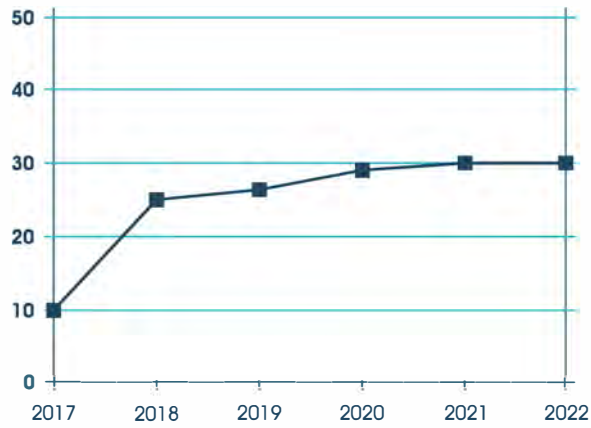
- Supplied our first order of Cosmeceuticals to Nigeria and French West Africa.
- The soft launch of products with dermatologists received positive feedback.
- The products are witnessing demand as the entire manufactured stock was sold out within 2 weeks of distribution.
- Plans are made to invest heavily in this division in FY2023 to make this product available across all platforms throughout India.
- Launch of affordable cosmeceuticals in India by Oct-2022, e.g. 12 products under the brand of  and 75 products under the sub brand **BEAUTYFRED**.

Manufacturing Capabilities

All the Company's products are manufactured at Palghar, Maharashtra. Currently, the unit has been augmenting its capacities and has recently expanded its storage and supply chain warehouse by 38,000 sq. feet. It is adding 2 more packing lines to its existing 19 packing lines by December 2022. The Company further initiated the construction of its specialized F&D/R&D Lab at Palghar in the second half of FY2023. This lab will cater to new product developments and will support the launch of 1000+ registrations which are in pipeline over the next 4 years. The Company commissioned a state-of-the-art Warehousing Facility totalling to 75,000 Sq. ft. Capacity.



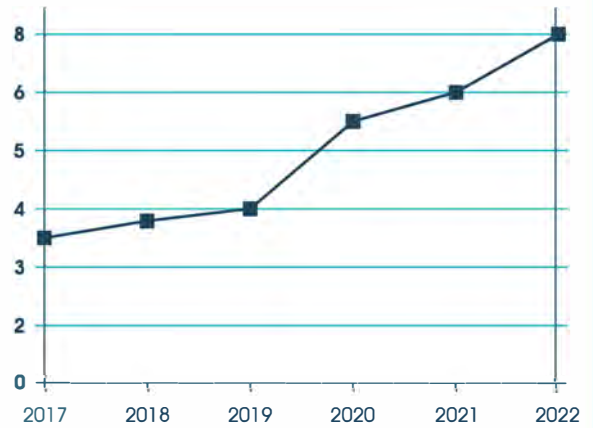
Coating Capacity per day (in Millions)



No. of years

TABLETS (COATING)

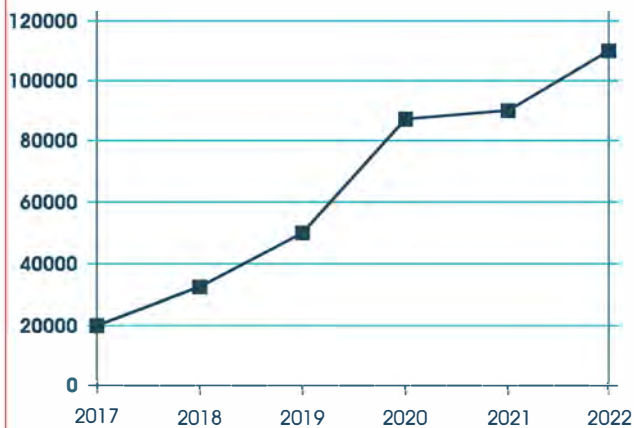
Capsules Capacity per day (in Millions)



No. of years

CAPSULES

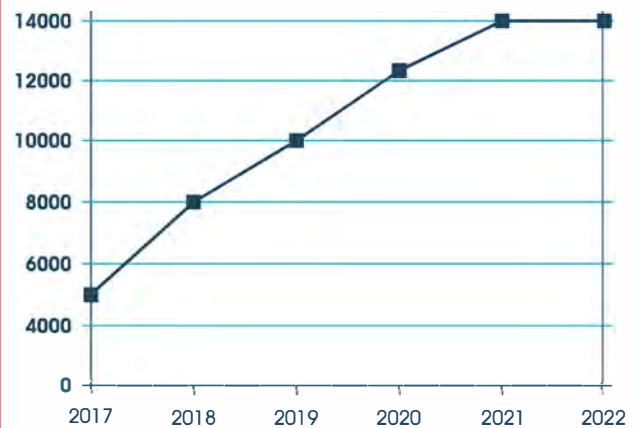
Dry Syrup Capacity per day (in Bottles)



No. of years

DRY SYRUP

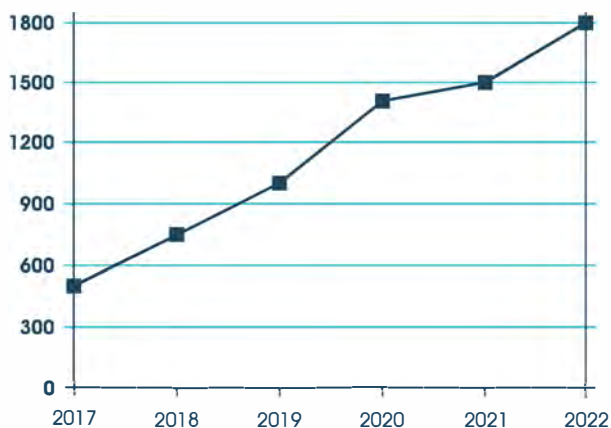
DC Granulation Capacity per day (in Kgs)



No. of years

DC GRANULES

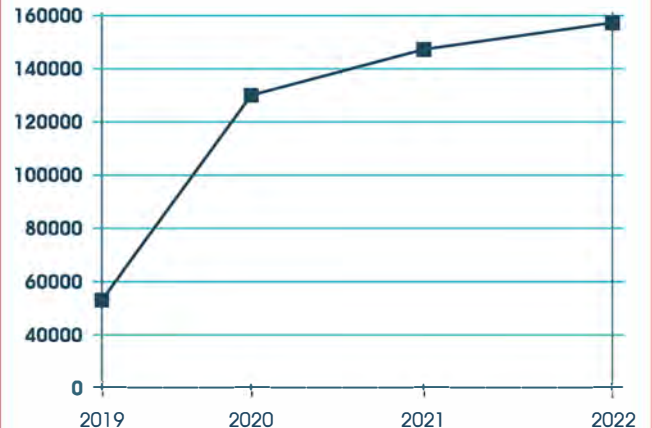
Pellets Capacity per day (in Kgs)



years

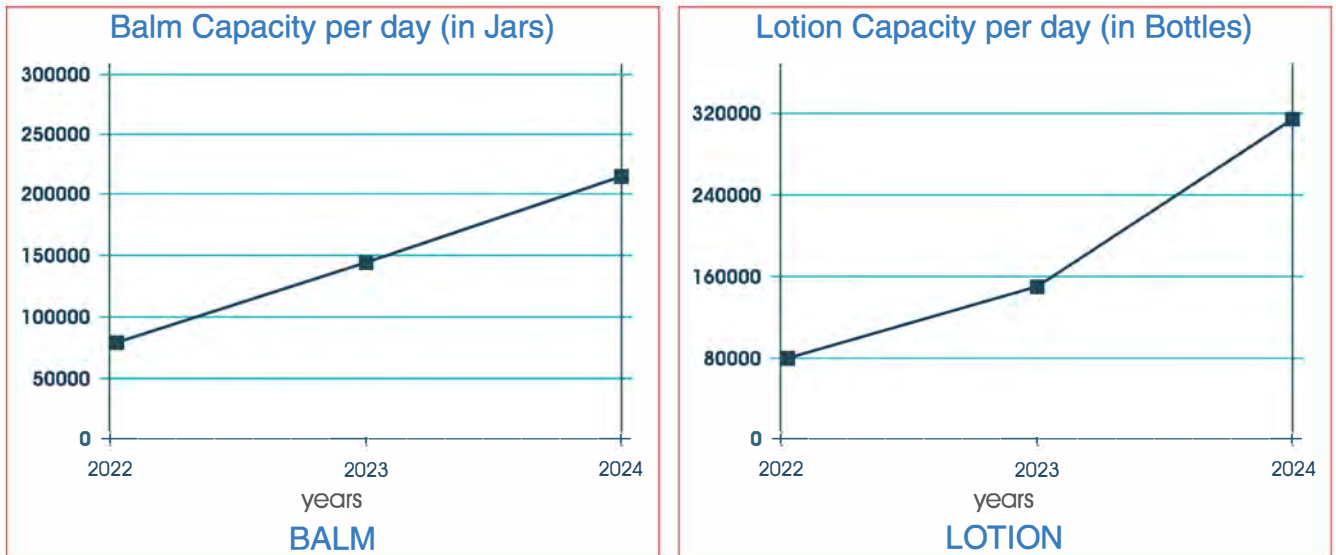
PELLETS

Topicals Capacity per day (in Tubes)



years

TOPICALS



Outlook

Fredun wants to scale up its existing business with geographical expansion and addition of newer products. The Company aims to improve productivity of current businesses through digital and non-digital initiatives with focus on system-oriented operations. **Fredun** wants to gradually transform from a B2B to B2C player led by entry in branded segments like Generics, Petcare products, Nutraceuticals and Cosmetics. With large part of capex utilised in the last few years and a >60% utilization, the Company aims to replicate the existing product portfolio through cost optimization and operating leverage. This will further ensure incremental growth with minimal spends which should aid margins and return ratios. As per management guidance, the sales are expected to increase by ~25% QoQ for the initial two quarters of FY2023, based on orders at hand and projected new product orders. Overall, the revenue is projected to grow at 25-27% in Fy2023.

Opportunities

To push the Atmanirbhar Bharat agenda and reduce dependency on the other countries, the Government of India has announced Production Linked Incentives (PLI), which has given a boost to many domestic companies to announce capital expenditure in the Active Pharmaceutical Ingredients (API) and pharmaceutical space. Going forward, this would ensure drug security by un-interrupted supply of quality drugs and reduction in imports on bulk drugs. As a dominos effect, this would create ample opportunities for mid to small scale companies as well.

Indian Pharma Industry is on healthy growth path and is expected to grow at 10-12% CAGR for next 5 years.

Risks and Concerns

The US generics market has been experiencing margin stagnation as a result of buyer consolidation and price declines. Margin reduction has been a result of increased competition, high regulatory standards, among other things.

On the Domestic front, the Government is trying to cap the prices of essential drugs with the help of Drug Price Control Order – DPCO. Currently, around 380 drugs and 900 formulations are under the National List of Essential Medicines (NLEM), on which the ceiling price is fixed, and yearly revision is allowed in line with Wholesale Price Index (WPI). Government bringing more drugs under the purview of (NLEM), would impact the profitability of companies.

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 will 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.

Human Resource

The Company considers its people to be its most valuable resource and has been working strategically to recruit, develop and utilize talent. 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, 2022 stood at 258 employees.

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 and 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.

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, 2022, 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 "Ind AS 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, 2022, 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)(l) 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

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

- i. 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.



- ii. 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.
- iii. 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.
- iv. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- v. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. 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.
- vii. 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.
- viii. 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:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
 - b. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- B. 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 SAVLA & ASSOCIATES
CHARTERED ACCOUNTANTS**

UDIN No: 22043901AJBENE1608.

Place: Mumbai

Date: May 16, 2022

DEEPAK G. SAVLA

(PARTNER)

Membership No.: 043901

ANNEXURE A TO THE AUDITORS REPORT

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 LTD.** (“the Company”) as of March 31, 2022 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 SAVLA & ASSOCIATES
CHARTERED ACCOUNTANTS**

FIRM REG. NO – 109361W

DEEPAK G. SAVLA

(PARTNER)

Membership No.: 043901

UDIN No: 22043901AJBENE1608.

Place: Mumbai

Date: May 16, 2022



ANNEXURE B TO THE AUDITORS REPORT

The Annexure as referred in paragraph 1 under 'Report on Legal and Regulatory Requirements' of our Independent Auditors Report to the members of the Company on the financial statements, for the year ended 31 March 2022, we report 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) The title deeds of the immovable properties are partially held by the company and partially mortgage. Details of the same are attached herewith marked as '**Annexure C**'
- (d) The company has not revalued its Property, Plant and Equipment (including the right of use assets) and intangible assets during the year
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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 of 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) 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 SAVLA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO – 109361W**

UDIN No: 22043901AJBENE1608.

Place: Mumbai

Date: May 16, 2022

**DEEPAK G. SAVLA
(PARTNER)**

Membership No.: 043901

BALANCE SHEET

Standalone Balance Sheet for the year ended 31st March, 2022

| | | Notes | As at 31 March, 2022 | As at 31 March, 2021 |
|--|---|-------|----------------------|----------------------|
| | | | (Amount in Lakhs) | (Amount in Lakhs) |
| NON-CURRENT ASSETS | | | | |
| a) | Property, Plant and Equipment | 3 | 3,228.24 | 3,032.47 |
| b) | Capital Work-in-Progress | | - | - |
| c) | Other Intangible Assets | 4 | 5.58 | 2.72 |
| d) | Financial assets | | | |
| | i) Investments | 5 | 0.28 | 0.28 |
| | ii) Loans | | - | - |
| | iii) Other Financial Assets | 6 | 74.81 | 68.27 |
| e) | Other Non-current Assets | 7 | 125.00 | 50.00 |
| Total non - current assets | | | 3,433.91 | 3,153.74 |
| CURRENT ASSETS | | | | |
| a) | Inventories | 8 | 4,646.02 | 6,757.45 |
| b) | Financial Assets | | | |
| | i) Investments | 9 | 5.80 | 5.80 |
| | ii) Trade and other receivables | 10 | 9,027.32 | 4,107.53 |
| | iii) Cash and Cash Equivalents | 11 | 193.78 | 99.45 |
| | iv) Bank Balance other than (iii) above | 12 | 13.40 | 13.36 |
| | iv) Loans | 13 | 8.93 | 72.60 |
| | v) Other Financial Assets | 14 | 77.42 | 81.06 |
| c) | Other Current Assets | 15 | 1,292.29 | 1,870.84 |
| Total current assets | | | 15,264.96 | 13,008.10 |
| TOTAL ASSESTS | | | 18,698.87 | 16,161.85 |
| II EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| a) | Equity share capital | 16 | 443.26 | 398.96 |
| b) | Other equity | 17 | 6,362.80 | 3,908.06 |
| Total Equity | | | 6,806.06 | 4,307.02 |
| LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| a) | Financial liabilities | | | |
| | i) Borrowings | 18 | 4,203.94 | 2,911.08 |
| b) | Provisions | 19 | 170.71 | 160.45 |
| c) | Other non - current liabilities | | - | - |
| d) | Deferred Tax Liability | | 143.12 | 137.71 |
| Total non current - liabilities | | | 4,517.77 | 3,209.24 |

| | Notes | As at 31 March, 2022 | As at 31 March, 2021 |
|--|-------|----------------------|----------------------|
| Current Liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 20 | 1,072.50 | 1,052.95 |
| ii) Trade and other payable | 21 | 4,861.67 | 5,996.06 |
| iii) Other financial liabilities | 22 | 2.56 | 2.47 |
| b) Provisions | | | |
| c) Other current liabilities | 23 | 1,159.25 | 1,481.56 |
| d) Current tax liabilities (net) | 24 | 279.06 | 112.55 |
| | | | |
| Total current liabilities | | 7,375.04 | 8,645.59 |
| | | | |
| TOTAL EQUITY & LIABILITIES | | 18,698.87 | 16,161.85 |
| | | | |
| 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 | 1 | | |
| The above Balance Sheet should be read in conjunction with the accompanying notes. | | | |

As per our attached report of even date.

For Savla & Associates
Chartered Accountants
Firm Registration No - 109361W

Deepak G. Savla
Partner
Membership No - 043901
UDIN No. :22043901AJBENE1608

Place - Mumbai
Date :- May 16, 2022

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

Ms. Jinkal Shah
Company Secretary and Compliance officer



STATEMENT OF PROFIT AND LOSS

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

| | Notes | As at 31 March, 2022 | As at 31 March, 2021 |
|--|-------|----------------------|----------------------|
| | | (Amount in Lakhs) | (Amount in Lakhs) |
| Revenue from Operations | 25 | 22,173.69 | 13,155.19 |
| Other Operating Revenue | 26 | 272.26 | 234.15 |
| Other income | 27 | 162.99 | 139.66 |
| Total Income | | 22,608.94 | 13,528.99 |
| II Expenses | | | |
| Cost of materials consumed | 28 | 17,645.32 | 10,060.41 |
| Cost of materials consumed for R & D | 29 | 66.12 | 47.39 |
| Changes in inventories of raw materials, packing materials, stock in trade and wip | 30 | -0.58 | 116.82 |
| Manufacturing & Service Cost | 31 | 715.21 | 477.02 |
| Employee benefit Exp. | 32 | 1,065.61 | 865.61 |
| Finance Cost | 33 | 466.86 | 416.21 |
| Depreciation and amortisation expense | 34 | 215.67 | 200.37 |
| Operating and other expenses | 35 | 1,564.73 | 898.13 |
| Payment to Auditors | | 10.00 | 10.00 |
| Impairment loss / (reversal) | | | |
| Total Expenses | | 21,748.95 | 13,091.96 |
| III Profit before exceptional items and tax | | 859.99 | 437.03 |
| Exceptional Items | | - | 116.37 |
| IV Profit before tax from continuing operations | | 859.99 | 320.66 |
| V Tax Expenses: | | | |
| Current Tax | | 221.05 | 75.55 |
| Deferred Tax | | 5.41 | 43.64 |
| VI Profit for the year from continuing operations | | 633.53 | 201.47 |
| VII Profit before tax from discontinued operations | | - | - |
| VIII Tax expenses of discontinued operations | | - | - |
| IX Profit for the year from discontinued operations | | - | - |
| X Net Profit for the year | | 633.53 | 201.47 |
| XI Other Comprehensive Income | | | |
| A Items that will not be classified to profit and loss | | | |
| i) Re measurement of post - employment benefit obligations | | -2.25 | -0.24 |
| 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 | | - | - |
| XII Total Comprehensive Income for the year | | 631.28 | 201.23 |

| | Notes | As at 31 March, 2022 | As at 31 March, 2021 |
|--|-----------|----------------------|----------------------|
| | | (Amount in Lakhs) | (Amount in Lakhs) |
| XIII Earning per equity share (Face value of Rs. 10/- each) | 36 | | |
| Earning per equity share of continuing operations | | 11.28 | 5.05 |
| Basic and diluted (in Rs.) | | | |
| Earning per equity share of discontinued operations | | - | - |
| Basic and diluted (in Rs.) | | | |
| Earning per equity share of continuing and discontinued operations | | 11.28 | 5.05 |
| Basic and diluted (in Rs.) | | | |
| Significant accounting policies | 2 | | |
| The accompanying notes form an integral part of these Financial Statements | | | |

As per our attached report of even date.

For Savla & Associates
Chartered Accountants
Firm Registration No - 109361W

Deepak G. Savla
Partner
Membership No - 043901
UDIN No. :22043901AJBENE1608

Place - Mumbai
Date :- May 16, 2022

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

Ms. Jinkal Shah
Company Secretary and Compliance officer



FIXED ASSET

Noted Financial Statement for the year ended 31st March, 2022

| Note - 3 | | | | |
|--|--------------------------|--------------------------|----------------------------|----------------------------|
| Property, plant and equipment | | | | |
| Description | Freehold Land | Buildings | Plant and Machinery | Computer / Hardware |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Block | | | | |
| Balance as at 01 April, 2020 | 52.35 | 1,927.84 | 981.34 | 23.47 |
| Additions | - | - | 117.64 | 5.46 |
| Disposals | - | - | - | - |
| Balance as at 31 March, 2021 | 52.35 | 1,927.84 | 1,098.98 | 28.93 |
| Gross Block | | | | |
| Balance as at 01 April, 2021 | 52.35 | 1,927.84 | 1,098.98 | 28.93 |
| Additions | - | 92.60 | 82.31 | 33.35 |
| Disposals | - | - | - | - |
| Balance as at 31 March, 2022 | 52.35 | 2,020.44 | 1,181.29 | 62.28 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2020 | - | 123.62 | 171.68 | 16.71 |
| Depreciation for the year | - | 67.99 | 56.87 | 3.80 |
| Balance as at 31 March, 2021 | - | 191.61 | 228.55 | 20.51 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2021 | - | 191.61 | 228.55 | 20.51 |
| Depreciation for the year | - | 69.43 | 60.96 | 9.07 |
| Balance as at 31 March, 2022 | - | 261.04 | 289.51 | 29.58 |
| Net Block value as at 31 March 2021 | | | | |
| | 52.35 | 1,736.23 | 870.43 | 8.42 |
| Net Block value as at 31 March 2022 | | | | |
| | 52.35 | 1,759.39 | 891.78 | 32.70 |



FIXED ASSET

Noted Financial Statement for the year ended 31st March, 2022

| Note - 3 | | | | |
|--|-------------------------------|--------------------------|----------------------------|--------------------------------|
| Property, plant and equipment | | | | |
| Description | Furniture and fixtures | Factory Equipment | Electrical Fittings | Electrical Installation |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Block | | | | |
| Balance as at 01 April, 2020 | 123.67 | 23.70 | 24.70 | 240.82 |
| Additions | - | 1.25 | - | - |
| Disposals | - | - | - | - |
| Balance as at 31 March, 2021 | 123.67 | 24.95 | 24.70 | 240.82 |
| Gross Block | | | | |
| Balance as at 01 April, 2021 | 123.67 | 24.95 | 24.70 | 240.82 |
| Additions | 85.75 | 28.94 | 30.95 | - |
| Disposals | - | - | - | - |
| Balance as at 31 March, 2022 | 209.42 | 53.89 | 55.65 | 240.82 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2020 | 47.96 | 6.25 | 9.86 | 103.40 |
| Depreciation for the year | 13.43 | 4.41 | 2.58 | 25.17 |
| Balance as at 31 March, 2021 | 61.39 | 10.66 | 12.44 | 128.57 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2021 | 61.39 | 10.66 | 12.44 | 128.57 |
| Depreciation for the year | 15.38 | 5.32 | 5.52 | 24.72 |
| Balance as at 31 March, 2022 | 76.76 | 15.97 | 17.96 | 153.28 |
| Net Block value as at 31 March 2021 | | | | |
| | 62.28 | 14.29 | 12.26 | 112.25 |
| Net Block value as at 31 March 2022 | | | | |
| | 132.65 | 37.91 | 37.69 | 87.54 |



FIXED ASSET

Noted Financial Statement for the year ended 31st March, 2022

| Note - 3 | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Property, plant and equipment | | | | |
| Description | Lab Glassware | Motor Car | Office Premises | Office Equipment |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Block | | | | |
| Balance as at 01 April, 2020 | 52.29 | 95.46 | 79.72 | 3.33 |
| Additions | - | 10.77 | - | 1.33 |
| Disposals | - | - | - | - |
| Balance as at 31 March, 2021 | 52.29 | 106.22 | 79.72 | 4.67 |
| Gross Block | | | | |
| Balance as at 01 April, 2021 | 52.29 | 106.22 | 79.72 | 4.67 |
| Additions | 0.96 | 38.45 | - | 10.91 |
| Disposals | - | 14.30 | - | - |
| Balance as at 31 March, 2022 | 53.25 | 130.36 | 79.72 | 15.57 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2020 | 15.92 | 36.82 | 15.34 | 2.09 |
| Depreciation for the year | 5.12 | 12.18 | 4.05 | 0.84 |
| Balance as at 31 March, 2021 | 21.04 | 49.00 | 19.39 | 2.93 |
| Accumulated Depreciation | | | | |
| Balance as at 01 April, 2021 | 21.04 | 49.00 | 19.39 | 2.93 |
| Depreciation for the year | 5.19 | 9.85 | 4.05 | 1.44 |
| Balance as at 31 March, 2022 | 26.22 | 58.85 | 23.45 | 4.37 |
| Net Block value as at 31 March 2021 | | | | |
| | 31.25 | 57.22 | 60.33 | 1.73 |
| Net Block value as at 31 March 2022 | | | | |
| | 27.02 | 71.52 | 56.27 | 11.20 |

FIXED ASSET

Noted Financial Statement for the year ended 31st March, 2022

| Note - 3 | | |
|--|---------------------------|--------------------------|
| Property, plant and equipment | | |
| Description | Electronic Devices | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Block | | |
| Balance as at 01 April, 2020 | 16.32 | 3,644.99 |
| Additions | 1.51 | 137.96 |
| Disposals | - | - |
| Balance as at 31 March, 2021 | 17.83 | 3,782.96 |
| Gross Block | | |
| Balance as at 01 April, 2021 | 17.83 | 3,782.96 |
| Additions | 19.19 | 423.40 |
| Disposals | - | 14.30 |
| Balance as at 31 March, 2022 | 37.02 | 4,192.05 |
| Accumulated Depreciation | | |
| Balance as at 01 April, 2020 | 2.69 | 552.33 |
| Depreciation for the year | 1.71 | 198.15 |
| Balance as at 31 March, 2021 | 4.40 | 750.48 |
| Accumulated Depreciation | | |
| Balance as at 01 April, 2021 | 4.40 | 750.48 |
| Depreciation for the year | 2.41 | 213.32 |
| Balance as at 31 March, 2022 | 6.81 | 963.81 |
| Net Block value as at 31 March 2021 | 13.43 | 3,032.47 |
| Net Block value as at 31 March 2022 | 30.21 | 3,228.24 |



FIXED ASSET

Noted Financial Statement for the year ended 31st March, 2022

| Note - 4 | | |
|-------------------------------------|--------------------------|--------------------------|
| Other Intangible Assets | | |
| Description | Computer Software | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Block | | |
| Balance as at 01 April, 2020 | 15.68 | 15.68 |
| Additions | 0.82 | 0.82 |
| Disposals | - | - |
| Balance as at 31 March, 2021 | 16.50 | 16.50 |
| Gross Block | | |
| Balance as at 01 April, 2021 | 16.50 | 16.50 |
| Additions | 5.21 | 5.21 |
| Disposals | - | - |
| Balance as at 31 March, 2022 | 21.71 | 21.71 |
| Accumulated Depreciation | | |
| Balance as at 01 April, 2020 | 11.56 | 11.56 |
| Depreciation for the year | 2.22 | 2.22 |
| Balance as at 31 March, 2021 | 13.78 | 13.78 |
| Accumulated Depreciation | | |
| Balance as at 01 April, 2021 | 13.78 | 13.78 |
| Depreciation for the year | 2.35 | 2.35 |
| Balance as at 31 March, 2022 | 16.13 | 16.13 |
| Net Block value as at 31 March 2021 | 2.72 | 2.72 |
| Net Block value as at 31 March 2022 | 5.58 | 5.58 |



CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March, 2022

| | F.Y. 2021-2022 | | F.Y. 2020-2021 | |
|--|----------------|-----------------|----------------|-----------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| NET PROFIT AFTER TAXATION | | 631.28 | | 201.23 |
| <u>ADJUSTMENTS FOR :</u> | | | | |
| DEPRECIATION | 215.67 | | 200.37 | |
| INTEREST PAID | 466.86 | | 416.21 | |
| INTEREST RECEIVED | 0.55 | | 2.27 | |
| CREDITORS WRITTEN BACK | 98.42 | | 127.24 | |
| | | 781.50 | | 746.09 |
| | | 1,412.78 | | 947.32 |
| <u>ADJUSTMENT TO OPERATING PROFIT</u> | | | | |
| PRIOR PERIOD ADJUSTMENTS | | | | - |
| DEFERRED TAX LIABILITY | | 5.41 | | 43.64 |
| ADJUSTMENT FOR PROPOSED DIVIDEND TAX | | - | | - |
| ADJUSTMENT FOR TAX PROVISION | | 221.05 | | 75.55 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 1,639.24 | | 1,066.51 |
| <u>EFFECTS OF CHANGES IN WORKING CAPITAL ITEMS</u> | | | | |
| <u>INCREASE / DECREASE IN :-</u> | | | | |
| INVENTORY | 2,111.43 | | -1,711.29 | |
| INVESTMENTS | - | | -0.90 | |
| TRADE RECEIVABLES | -4,919.79 | | -210.12 | |
| LOANS & ADVANCES | 63.66 | | -57.22 | |
| OTHER CURRENT ASSETS | 578.55 | | -413.42 | |
| OTHER FINANCIAL ASSETS | 3.65 | | 124.09 | |
| OTHER FINANCIAL ASSETS | -6.54 | | -9.86 | |
| TRADE PAYABLES | -1,134.39 | | 1,373.74 | |
| OTHER CURRENT LIABILITIES | -322.31 | | 104.31 | |
| OTHER NON CURRENT ASSETS | -75.00 | | - | |
| OTHER NON CURRENT INVESTMENTS | - | | - | |
| SHORT TERM PROVISION | - | | - | |
| PROVISION FOR TAX | -54.54 | | -219.87 | |
| RESERVES & SURPLUS | 1,867.76 | | -26.34 | |
| SHARE PREMIUM (RESERVES & SURPLUS) | - | -1,887.52 | - | -1,046.88 |
| | | -248.28 | | 19.64 |



| | F. Y. 2021-2022 | | F. Y. 2020-2021 | |
|---|-----------------|----------------|-----------------|----------------|
| INCREASE / DECREASE IN :- | | | | |
| LONG TERM LOANS & ADVANCES | | | - | |
| LONG TERM PROVISIONS | 10.26 | | -2.64 | |
| | | 10.26 | | -2.64 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | | -238.02 | | 16.99 |
| EFFECTS OF CHANGES IN NON CURRENT ITEMS | | | | |
| OTHER NON CURRENT ASSETS | | - | | - |
| NET ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES | | -238.02 | | 16.99 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| PURCHASE OF FIXED ASSETS | -427.23 | | -138.79 | |
| SALE OF FIXED ASSETS | 14.30 | | - | |
| CAPITAL WORK IN PROGRESS | - | | - | |
| | | -412.93 | | -138.79 |
| | | -650.95 | | -121.79 |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| INCREASE / DECREASE IN ISSUE OF SHARE CAPITAL | - | | - | |
| INCREASE / DECREASE IN LONG TERM BORROWINGS | 1,292.86 | | 1,761.50 | |
| INCREASE / DECREASE IN SHORT TERM BORROWINGS | 19.65 | | -1,287.08 | |
| INTEREST RECEIVED | -0.55 | | -2.27 | |
| INTEREST PAID | -466.86 | | -416.21 | |
| CREDITORS WRITTEN BACK | -98.42 | | -127.24 | |
| | | 746.68 | | -71.30 |
| NET INCREASE / DECREASE IN CASH | | 95.72 | | -193.09 |
| OPENING CASH & BANK BALANCE | | 112.82 | | 305.91 |
| CLOSING CASH & BANK BALANCE | | 208.54 | | 112.82 |

For Savla & Associates
Chartered Accountants
Firm Registration No - 109361W

Deepak G. Savla
Partner
Membership No - 043901
UDIN No. :22043901AJBENE1608

Place - Mumbai
Date :- May 16, 2022

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.

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

Ms. Jinkal Shah
Company Secretary and Compliance officer

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 | As at 31 March, 2021 |
|--|----------------------|----------------------|
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Note - 5 | | |
| Investments: Non-Current | | |
| Investments at Fair Value Through Other Comprehensive Income | | |
| Unquoted | | |
| 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 |
| Total | 0.28 | 0.28 |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 0.28 | 0.28 |
| Aggregate amount of impairment in the value of investments | - | - |
| | | |
| Note - 6 | | |
| Other financial assets | | |
| Unsecured, considered good unless otherwise stated | | |
| Security Deposits | | |
| Considered good | 74.81 | 68.27 |
| Considered doubtful | - | - |
| Less:- Allowance for doubtful deposits | - | - |
| Total | 74.81 | 68.27 |
| | | |
| | - | - |
| Note - 7 | | |
| Other Non Current assets | | |
| Capital advances | 125.00 | 50.00 |
| Total | 125.00 | 50.00 |
| | | |
| Note - 8 | | |
| Inventories | | |
| (Valued at lower of cost and net realisable value) | | |
| Raw materials | 2,139.81 | 3,635.92 |
| Packing materials | 906.48 | 1,522.38 |
| Work in progress | 1,272.40 | 749.82 |
| Finished product | 327.33 | 849.33 |
| Total | 4,646.02 | 6,757.45 |
| | | |
| Note - 9 | | |
| Investments | | |
| (Investments carried at fair value through profit and loss) | | |
| Investment in mutual funds (unquoted) | | |
| 2666.359 units (31 March, 2021: 2666.359 Units) of Invesco-India Multicap Fund | 1.20 | 1.20 |
| 219.557 units (31 March, 2021: 219.557 Units) of Franklin India Equity Fund | 1.20 | 1.20 |
| 3453.647 units (31 March, 2021: 3453.647 Units) of Kotak Emerging Equity | 1.30 | 1.30 |
| 2693.168 units (31 March, 2021: 2693.168 Units) of Nippon-India (Formerly Known as Reliance-Small Cap Fund) | 1.00 | 1.00 |
| 1502.004 units (31 March, 2021: 1502.004 Units) of Sundaram-Small Cap Fund | 1.10 | 1.10 |
| Total | 5.80 | 5.80 |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 5.80 | 5.80 |
| Aggregate amount of impairment in the value of investments | - | - |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 (Amount in Lakhs) | As at 31 March, 2021 (Amount in Lakhs) | | | | |
|--|--|---|----------------------------------|----------------------------------|--|----------------------------|
| Note - 5 | | | | | | |
| Investments: Non-Current | | | | | | |
| Investments at Fair Value Through Other Comprehensive Income | | | | | | |
| Unquoted | | | | | | |
| Note - 10 | | | | | | |
| Trade receivables | | | | | | |
| Unsecured, considered good | | | | | | |
| Trade Receivable | 9,027.32 | 4,107.53 | | | | |
| Less:- Allowance for doubtful debts | - | - | | | | |
| Less:- Impaired Credit | - | - | | | | |
| Total | 9,027.32 | 4,107.53 | | | | |
| Trade Receivables ageing schedule | | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months (Amount in Lakhs) | 6 months - 1 year (Amount in Lakhs) | 1 - 2 years (Amount in Lakhs) | 2 - 3 years (Amount in Lakhs) | More than 3 years (Amount in Lakhs) | Total (Amount in Lakhs) |
| Undisputed Trade receivables - considered good March-2022 | 8,332.87 | 352.67 | 172.26 | 155.14 | 14.38 | 9,027.32 |
| Undisputed Trade receivables - considered good March-2021 | 3,900.17 | 27.13 | 180.23 | 0.00 | 0.00 | 4,107.53 |
| Undisputed Trade receivables - considered doubtful March-2022 | - | - | - | - | - | - |
| Undisputed Trade receivables - considered doubtful March-2021 | - | - | - | - | - | - |
| Disputed Trade receivables - considered good March-2022 | - | - | - | - | - | - |
| Disputed Trade receivables - considered good March-2021 | - | - | - | - | - | - |
| Disputed Trade receivables - considered doubtful March-2022 | - | - | - | - | - | - |
| Disputed Trade receivables - considered doubtful March-2021 | - | - | - | - | - | - |
| (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. | | | | | | |
| Note - 11 | | | | | | |
| Cash and Cash Equivalents | | | | | | |
| Cash | 54.64 | 38.02 | | | | |
| Balance with Banks | | | | | | |
| In current accounts | 139.14 | 61.44 | | | | |
| Total | 193.78 | 99.45 | | | | |
| 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. | | | | | | |
| 11.2 There are no repatriation restrictions with regards to cash and cash equivalents | | | | | | |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 (Amount in Lakhs) | As at 31 March, 2021 (Amount in Lakhs) |
|--|---|---|
| Note - 12 - Bank balance other than cash and cash equivalents | | |
| Earmarked Balances | 2.56 | 2.47 |
| Bank Deposits (With Original Maturity more than three months) | 10.84 | 10.90 |
| Total | 13.40 | 13.36 |
| Note - 13 | | |
| Loans (Short term) | | |
| Loans to Employees | 8.93 | 72.60 |
| Total | 8.93 | 72.60 |
| Note - 14 | | |
| Other Financial Assets | | |
| Other receivables | | |
| Advance to Creditors | 75.83 | 79.28 |
| From others | 1.59 | 1.79 |
| Total | 77.42 | 81.06 |
| Note - 15 | | |
| Other Current Assets | | |
| Others | 56.82 | 34.15 |
| Balance with Government Authorities: | 1,235.47 | 1,836.70 |
| Total | 1,292.29 | 1,870.84 |



Notes to Financial Statements for the year ended 31st March, 2022

| Note (a): Equity Share Capital (Refer note - 16) | | | | |
|--|-------------------|--------------------|-------------------|-------------------|
| Particulars | | | | |
| As at 01 April, 2020 | 398.96 | | | |
| Changes in equity share capital during the year | - | | | |
| As at 31 March, 2021 | 398.96 | | | |
| As at 01 April, 2021 | 398.96 | | | |
| Changes in equity share capital during the year | 44.30 | | | |
| As at 31 March, 2022 | 443.26 | | | |
| Note (b): Other equity (Refer note - 17) | | | | |
| Particulars | Capital Reserve | Securities Premium | Retained Earnings | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Balance as at 01 April, 2020 | - | 2,715.50 | 1,017.66 | 3,733.17 |
| Profit for the year | - | - | 201.47 | 201.47 |
| Premium for the year | - | - | - | - |
| Other comprehensive income for the year | - | - | 0.24 | 0.24 |
| Total comprehensive income for the year | - | - | - | - |
| Dividend on Equity Shares | - | - | -26.81 | -26.81 |
| Forfeited shares amount treated as income for the year | | | | |
| Balance as at 31 March, 2021 | - | 2,715.50 | 1,192.55 | 3,908.06 |
| Profit for the year | - | - | 633.53 | 633.53 |
| Other comprehensive income for the year | - | - | 2.25 | 2.25 |
| Add Back the Excess Provision | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - |
| Dividend on Equity Shares | - | - | -27.93 | -27.93 |
| Share Premium | | 1,825.65 | | 1,825.65 |
| Forfeited shares amount treated as income for the year | | | | - |
| Balance as at 31 March, 2022 | - | 4,541.15 | 1,800.40 | 6,341.55 |
| Nature and purpose of reserves :- | | | | |
| 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

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 Savla & Associates
Chartered Accountants
Firm Registration No - 109361W

Deepak G. Savla
Partner
Membership No - 043901
UDIN No. :22043901AJBENE1608

Place - Mumbai
Date :- May 16, 2022

**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

Ms. Jinkal Shah
Company Secretary and Compliance officer



Notes to Financial Statements for the year ended 31st March, 2022

Note - 16

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | (Amount in Lakhs) | | (Amount in Lakhs) | |
| Equity share capital | | | | |
| Authorized Capital | | | | |
| 1,00,00,000 (31 March, 2021 1,00,00,000) equity shares of Rs. 10 each | | 1,000.00 | | 1,000.00 |
| Issued subscribed and fully paid-up share capital | | | | |
| 44,32,643 (31 March, 2021 - 39,89,634) equity shares of Rs. 10 each | | 443.26 | | 398.96 |
| | | 443.26 | | 398.96 |
| (a) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period | | | | |
| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
| | Number | Amount | Number | Amount |
| | (Number in Lakhs) | (Amount in Lakhs) | (Number in Lakhs) | (Amount in Lakhs) |
| Number of equity shares at the beginning of the year | 39.90 | 398.96 | 39.90 | 398.96 |
| Add - Further Issue (Equity shares) | 4.43 | 44.30 | - | - |
| Number of equity shares at the end of the year | 44.33 | 443.26 | 39.90 | 398.96 |
| (b) Terms / rights attached to equity shares | | | | |
| <p>The company has a single class of equity shares. 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 any amount 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, 2022 | | As at 31 March, 2021 | |
| | Number | Percentage | Number | Percentage |
| | (Number in Lakhs) | | (Number in Lakhs) | |
| Dr. (Mrs) Daulat N. Medhora | 13.93 | 31.42% | 13,40,710 | 33.60% |
| Mr. Nariman B. Medhora | 7.20 | 16.24% | 5,75,300 | 14.42% |
| Mr. Nikhil Vora | 3.40 | 7.67% | 2,33,333 | 5.85% |

Note - 17

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|-----------------------------------|----------------------|-----------------|----------------------|-----------------|
| | (Amount in Lakhs) | | (Amount in Lakhs) | |
| Other Equity | | | | |
| Reserves and Surplus | | | | |
| Securities premium account | | | | |
| Opening Balance | | 2,715.50 | | 2,715.50 |
| Additions | | 1,825.65 | | - |
| Closing Balance | | 4,541.15 | | 2,715.50 |
| Retained earnings | | 1,800.40 | | 1,192.55 |
| Share Warrant Issued | | 21.25 | | - |
| Total | | 6,362.80 | | 3,908.06 |

Note -18

| | | | | |
|---|--|-----------------|--|-----------------|
| Borrowings: Non-current | | | | |
| Term loan | | | | |
| a) from banks | | 4,203.94 | | 2,911.08 |
| b) from other parties | | - | | - |
| Total | | 4,203.94 | | 2,911.08 |
| 18.1 Term loans are secured against plant and machinery, stock and car. | | | | |
| 18.2 Average interest rate on loans is 18% p.a. | | | | |



Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | | | |
|--|--|--------------------|----------------------|-------------------|-------------------|-------------------|
| | (Amount in Lakhs) | | (Amount in Lakhs) | | | |
| Note - 19 | | | | | | |
| Long term provisions | | | | | | |
| Long Term Loan | | | | | | |
| Provisions for employee benefits:- | | | | | | |
| Provisions for Gratuity | | 101.85 | | 100.10 | | |
| Provisions for Gratuity (F & F Payable) | | -1.59 | | - | | |
| Provisions for Compensated Absences | | 70.45 | | 60.35 | | |
| Total | | 170.71 | | 160.45 | | |
| Note - 20 | | | | | | |
| Borrowings: Current | | | | | | |
| Loans repayable on demand | | | | | | |
| a) from banks | | 318.46 | | 756.90 | | |
| b) from other parties | | 580.10 | | 98.50 | | |
| c) from related parties | | 173.94 | | 197.56 | | |
| Total | | 1,072.50 | | 1,052.95 | | |
| 20.1 Loan from related Party has been paid at par to the Market Lending Rate and which shall be repayable on demand. Details are given in note - Related party disclosures | | | | | | |
| Note - 21 | | | | | | |
| Total outstanding dues of micro and small enterprise (Refer Note - 43) | | - | | - | | |
| Total outstanding dues of creditors other than micro and small enterprise | | 4,861.67 | | 5,996.06 | | |
| Total | | 4,861.67 | | 5,996.06 | | |
| Trade payables as on March, 2022 & March, 2021 | | | | | | |
| | Outstanding for the following periods from the due date of the payment | | | | | |
| | Not Due | Less than One year | 1-2 years | 2-3 Years | More than 3 years | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Total outstanding dues of micro and small enterprise - March-2022 (Refer Note - 43) | - | - | - | - | - | - |
| Total outstanding dues of micro and small enterprise - March-2021 (Refer Note - 43) | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro and small enterprise March-2022 | 2444.48 | 2223.94 | 90.78 | 48.70 | 53.76 | 4,861.67 |
| Total outstanding dues of creditors other than micro and small enterprise March-2021 | 5274.50 | 348.65 | 161.17 | 197.33 | 14.41 | 5,996.06 |
| Disputed Dues - Total outstanding dues of micro and small enterprise -March-2022 | - | - | - | - | - | - |
| Disputed Dues - Total outstanding dues of micro and small enterprise March-2021 | - | - | - | - | - | - |
| Disputed Dues - Total outstanding dues of creditors other than micro and small enterprise March-2022 | - | - | - | - | - | - |
| Disputed Dues - Total outstanding dues of creditors other than micro and small enterprise - March-2021 | - | - | - | - | - | - |
| Total | | | | | | |
| 21.1 The Trade payable has been pledged against the Cash Credit from Bank. | | | | | | |
| Note -22 | | | | | | |
| Other Financial liabilities: Current | | | | | | |
| Current maturities of long-term debt | | | | | | |
| Unpaid dividends | | | | 2.56 | | 2.47 |
| Total | | | | 2.56 | | 2.47 |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 (Amount in Lakhs) | As at 31 March, 2021 (Amount in Lakhs) |
|---|---|--|
| Note - 23 | | |
| Other current liabilities | | |
| Advance from customers | 91.21 | 513.83 |
| Statutory dues Payable | 65.53 | 26.87 |
| Employee benefits Payable | 178.97 | 178.40 |
| Other provisions | 34.12 | 141.69 |
| Loans repayable on demand | 789.42 | 620.77 |
| Total | 1,159.25 | 1,481.56 |
| Note - 24 | | |
| Current tax liabilities | | |
| Provision for tax | 279.06 | 112.55 |
| Total | 279.06 | 112.55 |
| Note - 25 | | |
| Revenue from operations | | |
| Sale of goods | 22,173.69 | 13,147.99 |
| Other operating revenue | 0.00 | 7.20 |
| Total | 22,173.69 | 13,155.19 |
| Note - 26 | | |
| Other operating revenue:- | | |
| Rent Received | 0.00 | 7.70 |
| Other Income | 272.26 | 226.45 |
| Total | 272.26 | 234.15 |
| Note - 27 | | |
| Other Income | | |
| Interest on:- | | |
| Interest Income | 0.55 | 2.27 |
| Discount Received | 3.10 | 0.27 |
| Dividend Income | 0.05 | 0.00 |
| Misc. Other Income | 41.24 | 6.63 |
| Net gain / loss on account of foreign exchange fluctuations | 118.05 | 5.54 |
| Provision for Doubtful Debts Recovered | 0.00 | 7.39 |
| Insurance Claim Received | 0.00 | 116.37 |
| Mai Claim Reimbursement | 0.00 | 1.00 |
| Interest on Income Tax Refund | 0.00 | 0.20 |
| Total | 162.99 | 139.66 |
| Note - 28 | | |
| Cost of material consumed | | |
| Material Consumed | 17,645.32 | 10,060.41 |
| Total | 17,645.32 | 10,060.41 |
| Note - 29 | | |
| Material Consumed for R & D | | |
| Material Consumed | 66.12 | 47.39 |
| Total | 66.12 | 47.39 |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 (Amount in Lakhs) | As at 31 March, 2021 (Amount in Lakhs) |
|--|---|--|
| Note - 30 | | |
| Changes in inventories of finished goods, stock-in-trade and work in progress | | |
| Opening stock | | |
| Finished goods / stock in trade | 849.33 | 788.45 |
| Work in progress | 749.82 | 927.51 |
| Closing stock | | |
| Finished goods / stock in trade | 327.33 | 849.33 |
| Work in progress | 1,272.40 | 749.82 |
| Total | -0.58 | 116.82 |
| Note - 31 | | |
| Manufacturing & Service Cost | | |
| Clearing & Forwarding Exp Inward | 1.99 | 1.84 |
| Electricity Expenses Factory | 333.65 | 282.33 |
| Factory Expenses | 6.00 | 9.49 |
| Freight Inward | 13.43 | 6.94 |
| Lab Chemical Expenses | 10.93 | 9.79 |
| Labour Charges Expenses | 168.70 | 16.21 |
| Light Diesel Oil Purchase | 2.83 | 7.01 |
| Laboratory Items | 3.38 | 1.55 |
| Other R & D Exp. | 6.20 | 4.14 |
| Machinery Spares & Toos Exp. | 29.56 | 53.00 |
| Repairs & Maintenance Expenses | 88.14 | 61.35 |
| Service Charges | 5.21 | 0.39 |
| Testing & Analytical Expenses | 38.94 | 17.76 |
| Loading & Unloading Expenses | 6.25 | 5.21 |
| Total | 715.21 | 477.02 |
| Note - 32 | | |
| Employee benefit expenses | | |
| Gratuity | 16.21 | 17.17 |
| Labour Welfare Fund Employers Contribution | 0.38 | 0.00 |
| Bonus Expense | 43.14 | 36.95 |
| Medical Expenses | 3.89 | 8.30 |
| P F Administration Charges | 1.84 | 1.82 |
| ESIC | 10.05 | 9.40 |
| P F Employers Contribution | 45.68 | 40.17 |
| Salary Wages and Bonus | 912.22 | 726.09 |
| Staff Welfare | 32.21 | 25.71 |
| Total | 1,065.61 | 865.61 |
| Note - 33 | | |
| Finance Cost | | |
| Bank Charges | 11.87 | 12.07 |
| Bank Interest | 334.33 | 314.13 |
| Interest Expense | 97.65 | 69.84 |
| Other Finance Charges | 23.01 | 20.17 |
| Total | 466.86 | 416.21 |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 (Amount in Lakhs) | As at 31 March, 2021 (Amount in Lakhs) |
|---|---|--|
| Note - 34 | | |
| Depreciation and amortisation expense | | |
| Depreciation and amortisation expense | 215.67 | 200.37 |
| Total | 215.67 | 200.37 |
| Note - 35 | | |
| Operating and other expenses | | |
| Air Freight | 56.56 | 72.68 |
| Advertisement Expenses | 18.33 | 3.17 |
| Advance Authorizatiion Charges | 2.65 | 0.00 |
| Business Promotion expenses | 20.84 | 4.23 |
| Bad-Debts Written off | 31.41 | 0.00 |
| Computer Software Expenses | 0.87 | 0.41 |
| Computer Expenses | 1.82 | 7.15 |
| Conveyance Expenses | 13.85 | 20.97 |
| Courier Charges | 9.97 | 3.55 |
| Catering Service | 1.39 | 0.00 |
| Clearing & Forwarding Exp Outward | 93.82 | 42.43 |
| Commission expenses | 26.95 | 6.70 |
| Credit Card Charges | 4.46 | 0.00 |
| Directors Sitting Fees | 1.40 | 0.68 |
| Donation Expenses | 7.55 | 0.16 |
| Detaintion Charges | 4.52 | 0.00 |
| ECGC INSURANCE Expenses | 4.17 | 12.23 |
| Electricity Expenses | 12.19 | 4.35 |
| Electrical Fitting Exp. | 2.84 | 34.25 |
| Electrical Tools & Spares | 16.38 | 4.49 |
| Furniture Exp. | 2.92 | 4.69 |
| Fire Protection Fees | 1.50 | 0.00 |
| GMP Charges | 0.00 | 19.25 |
| Hire Charges | 3.56 | 3.83 |
| Ineligible GST Input credit | 151.53 | 0.00 |
| Interest on Late Payment of GST | 0.00 | 14.00 |
| Interest on Late Payment of TDS | 6.35 | 6.70 |
| Interest on Late Payment of TCS | 0.71 | 0.02 |
| Interest on Late Payment of ESIC | 0.03 | 0.00 |
| Late Fees for Late filing of Employees Professional Tax | 0.01 | 0.10 |
| Late filing Fees on GST | 0.01 | 0.06 |
| Internet Rental Charges | 3.19 | 1.03 |
| Inspection Charges | 4.67 | 0.05 |
| Listing Fees | 4.80 | 3.00 |
| License Renewal Fees | 4.78 | 5.99 |
| Legalization Charges | 0.69 | 1.02 |
| Loss by Flood | 0.00 | 134.22 |
| Membership & Subscription | 1.09 | 1.21 |
| Miscellaneous Expenses | 7.43 | 6.99 |
| Market Research Exp. | 0.85 | 3.03 |
| Motor Car Expenses | 20.05 | 1.79 |
| MEIS Authorization charges | 3.04 | 2.53 |
| Nagar Parishad Palghar | 3.14 | 7.88 |
| Printing & Stationery Expenses | 20.74 | 13.32 |
| Product Design Charges | 0.00 | 49.79 |
| Professional Fees | 142.35 | 106.32 |
| PTEC Paid | 0.03 | 0.00 |

Notes to Financial Statements for the year ended 31st March, 2022

| Particulars | As at 31 March, 2022 | As at 31 March, 2021 |
|--|-------------------------|-------------------------|
| | (Amount in Lakhs) | (Amount in Lakhs) |
| ROC Expenses | 0.06 | 0.39 |
| Rates , Taxes And Fees | 14.00 | 6.36 |
| Rent Expenses | 209.92 | 144.85 |
| Security Charges Expenses | 34.78 | 34.14 |
| Telephone expenses | 5.56 | 6.47 |
| Travelling Expenses | 61.88 | 16.45 |
| Office Expenses | 13.90 | 43.17 |
| Other Charges | 4.67 | 0.00 |
| Insurance Charges | 39.75 | 27.00 |
| Sales Promotion expenses | 6.61 | 8.26 |
| Freight Outward expenses | 36.74 | 53.72 |
| Sea Freight | 333.20 | 49.20 |
| Sundry Debtors Written off | 7.09 | 0.00 |
| VAT Assessment Dues (Earlier Year) | 76.44 | 0.00 |
| Penalty on GST | 0.00 | 3.90 |
| Penalty on MLWF | 0.08 | 0.00 |
| Product Registration | 4.54 | 8.68 |
| Round off | 0.00 | 0.63 |
| Issuer Annual Bill -CDSL | 0.09 | 0.09 |
| CSR Activity Expense | 0.00 | 7.54 |
| Total | 1,564.73 | 1,015.13 |
| Notes:- | | |
| i) Payment to Auditors | | |
| Audit fees | 6.00 | 6.00 |
| Taxation matters | 2.00 | 2.00 |
| Other matters | 1.00 | 1.00 |
| Certification Charges | 1.00 | 1.00 |
| Total | 10.00 | 10.00 |
| Note - 36 | | |
| Earnings per equity share | | |
| Calculation of weighted average number of equity shares | | |
| Number of equity shares outstanding at the beginning of year | 39.90 | 39.90 |
| Number of equity shares outstanding at the end of the year | 44.33 | 39.90 |
| Weighted average number of equity shares outstanding during the year | 56.17 | 39.90 |
| Earnings per equity share of continuing operations (of Rs. 10/- each) | | |
| Profit after tax of continuing operations | 633.53 | 201.47 |
| Basic and diluted (in Rs.) | 11.28 | 5.05 |

Notes to Financial Statements for the year ended 31st March, 2022

Note - 37

A. Accounting classification and fair values

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

| 31 Mar 22 | Carrying Value | | | Fair Value | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Financial Assets | | | | | | | | |
| Security deposits | - | - | 74.81 | - | - | - | - | - |
| Investments | 5.80 | - | - | - | 5.80 | - | - | 5.80 |
| Trade and other Receivable | - | - | 9,027.32 | - | - | - | - | - |
| Cash and cash equivalents | - | - | 193.78 | - | - | - | - | - |
| Other bank balance | - | - | 13.40 | - | - | - | - | - |
| Loans | - | - | 8.93 | - | - | - | - | - |
| Other financial assets | - | - | 77.42 | - | - | - | - | - |
| | | | | - | | | | - |

| Financial Liabilities | - | - | - | - | - | - | - | - |
|--------------------------|---|---|----------|---|---|---|---|---|
| Long terms loans | - | - | 4,203.94 | - | - | - | - | - |
| Short terms loans | - | - | 1,072.50 | - | - | - | - | - |
| Trade and other payables | - | - | 4,861.67 | - | - | - | - | - |

| 31 Mar 21 | Carrying Value | | | Fair Value | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) | (Amount in Lakhs) |
| Financial Assets | | | | | | | | |
| Security deposits | - | - | 68.27 | - | - | - | - | - |
| Investments | 5.80 | - | - | - | 5.80 | - | - | 5.80 |
| Trade and other Receivable | - | - | 4,107.53 | - | - | - | - | - |
| Cash and cash equivalents | - | - | 99.45 | - | - | - | - | - |
| Other bank balance | - | - | 13.36 | - | - | - | - | - |
| Loans | - | - | 72.60 | - | - | - | - | - |
| Other financial assets | - | - | 81.06 | - | - | - | - | - |
| | | | | | | | | |
| Financial Liabilities | | | | | | | | |
| Long terms loans | - | - | 2,911.08 | - | - | - | - | - |
| Short terms loans | - | - | 1,052.95 | - | - | - | - | - |
| Trade and other payables | - | - | 5,996.06 | - | - | - | - | - |



Notes to Financial Statements for the year ended 31st March, 2022

Note - 38

Financial instruments - 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

1. Credit risk
2. Liquidity risk and
3. Market risk

I. 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, 2022 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.



Notes to Financial Statements for the year ended 31st March, 2022

Cash and cash equivalents

As on 31 March, 2022 the company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs.193.77 (31 March, 2021 Rs.99.45). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

ii. 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

As on 31 March, 2022 the company has working capital of Rs.7889.91 (As on 31 March, 2021 Rs. 4362.51) including cash and cash equivalents and other bank balances of Rs. 207.17 (As on 31 March, 2021 Rs. 112.81). Working capital is calculated as current assets less current liabilities.

iii. 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

A. 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, 2021, 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 | Exposure to USD expressed in Rupees in Lakhs | |
|--|--|----------------------|
| | As at 31 March, 2022 | As at 31 March, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Trade receivable | 1,998.04 | 1,412.22 |
| Trade Payable | - | 135.59 |
| Net exposure to foreign currency risk | 1,998.04 | 1,276.63 |

Notes to Financial Statements for the year ended 31st March, 2022

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.

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, 2022)

Key Management Personnel :

- i) Mr. Nariman B. Medhora
- ii) Mrs. Dr. Daulat N. Medhora
- iii) Mr. Fredun N. Medhora

B. Business Organisation controlled by Key Management Personnel or their relatives :

- i) Fredna Enterprise
- ii) Fredun Healthcare Private Limited

Details of transactions entered into with the related parties for the relevant financial year

| Name | Transaction | For the Year Ended March-31,2022 (Amount in Lakhs) | For the Year Ended March-31,2021 (Amount in Lakhs) |
|-----------------------------------|-----------------------|--|--|
| Dr. Mrs Daulat N. Medhora | Director Remuneration | 12.00 | 12.00 |
| | Rent | 0.96 | 0.92 |
| | Interest on Loan | 21.61 | 1.85 |
| Mr. Nariman B. Medhora | Director Remuneration | 2.20 | 13.20 |
| | Rent | 2.13 | 1.94 |
| | Interest on Loan | 3.94 | 0.24 |
| Mr. Fredun N. Medhora | Director Remuneration | 39.00 | 24.00 |
| | Rent | 2.83 | 2.65 |
| | Interest on Loan | 2.58 | 0.26 |
| Fredun Healthcare Private Limited | Purchase | 4,600.38 | 3,549.78 |
| | Sales | 88.26 | - |
| Fredna Enterprises | Rent | 115.20 | 115.20 |
| | Sales | 1.54 | 0.73 |
| | Purchase | 19.33 | 325.62 |

Notes to Financial Statements for the year ended 31st March, 2022

Balances Outstanding as at March-31-2022 with related parties were as follows :

| Name | Transaction | For the Year Ended March-31,2022 | For the Year Ended March-31,2021 |
|-----------------------------------|-----------------------|-------------------------------------|-------------------------------------|
| | | (Amount in Lakhs) | (Amount in Lakhs) |
| Dr. Mrs Daulat N. Medhora | Director Remuneration | 22.15 | 11.48 |
| | Rent | 3.86 | 2.91 |
| | Directors Loan | 56.74 | 134.25 |
| Mr. Nariman B. Medhora | Director Remuneration | - | 12.84 |
| | Rent | 4.92 | 3.00 |
| | Directors Loan | 66.79 | 18.34 |
| | | - | - |
| Mr. Fredun N. Medhora | Director Remuneration | 0.33 | 13.15 |
| | Rent | 2.22 | 2.52 |
| | Directors Loan | 50.41 | 44.96 |
| Fredun Healthcare Private Limited | Payable | 806.49 | 1769.59 |
| | Receivables | 0.04 | - |
| Fredna Enterprises | Payable | - | 14.79 |
| | Rent Deposit Given | 27.75 | 27.75 |

Note - 40

Segment reporting

Chief Operating Decision maker (CODM) reviews the company as Single Pharmaceutical formulation Segment. Information with respect to Geographical areas are as below:

| Particulars | 31 Mar 22 | | 31 Mar 21 | |
|-------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
| | Domestic (Amount in Lakhs) | Export (Amount in Lakhs) | Domestic (Amount in Lakhs) | Export (Amount in Lakhs) |
| Revenue from operations | 14,812.75 | 7,360.93 | 8,730.02 | 4,417.97 |
| Total | 14,812.75 | 7,360.93 | 8,730.02 | 4,417.97 |
| Particulars | 31 Mar 22 | | 31 Mar 21 | |
| | Domestic (Amount in Lakhs) | Imports (Amount in Lakhs) | Domestic (Amount in Lakhs) | Imports (Amount in Lakhs) |
| Purchase | 15,521.39 | 78.04 | 11,400.94 | 74.43 |
| Total | 15,521.39 | 78.04 | 11,400.94 | 74.43 |

* 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.



Notes to Financial Statements for the year ended 31st March, 2022

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

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The company has not received any memorandum (as required to be filed by the suppliers with notified authority under Micro, Small and Medium Enterprises Development Act, 2006) from suppliers claiming as micro or small enterprises, hence no disclosures have been made.

44. Contingent Liabilities

The company does not have any contingent liability as at 31st March, 2022

45. Capital Commitments

The company does not have any capital commitments as at 31st March, 2022

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 | | |
|---|------------------------------|------------------------------|
| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| RENT EXPENSE | 209.92 | 144.85 |
| Total rental expense relating to Operating Leases | 209.92 | 144.85 |
| 47. Earnings Per Share (EPS) | | |
| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| A. Basic Earnings Per Share | | |
| i. Net Profit attributable to Equity Shareholders | 633.53 | 201.47 |
| ii. Weighted average number of Equity Shares Outstanding (Nos.) | 56.17 | 39.90 |
| Basic and Diluted EPS (Rs) (i)/(ii) | 11.28 | 5.05 |



Notes to Financial Statements for the year ended 31st March, 2022

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

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

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|---------------------------------|------------------------------|------------------------------|
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Gross Debt | 11,892.81 | 11,854.83 |
| Less: Cash and cash equivalents | 193.78 | 99.45 |
| Net debt | 11,699.03 | 11,755.37 |
| Total Equity | 6,806.06 | 4,307.02 |
| Net debt to equity ratio | 1.72 | 2.73 |

Note No. 49

Employee Benefit Obligations

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---------------------|----------------------|--------------|----------------------|--------------|
| | Current | Non Current | Current | Non Current |
| | (Amount in Lakhs) | | (Amount in Lakhs) | |
| Gratuity (unfunded) | 11.20 | 90.65 | 11.46 | 88.64 |
| Total | 11.20 | 90.65 | 11.46 | 88.64 |

(i) Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs. 74.71 (March 31, 2021 Rs. 60.35) is presented as current, 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 .



Notes to Financial Statements for the year ended 31st March, 2022

(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.45.68 (March 31, 2021 Rs. 40.17).

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:

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|--|--|
| | Present Value of Obligation (Amount in Lakhs) | Present Value of Obligation (Amount in Lakhs) |
| As at 1st April | | |
| Interest Expense/(Income) | | |
| Current Service Cost | 16.21 | 17.17 |
| Total Amount recognized in Profit and Loss | 16.21 | 17.17 |
| Total amount recognised in Other Comprehensive Income | -2.25 | -0.24 |
| Total | 13.96 | 16.94 |

The significant actuarial assumptions were as follows:

| Total | As at 31 March, 2022 | As at 31 March, 2021 |
|------------------------|----------------------|----------------------|
| Discount rate | 6.57% | 6.82% |
| Attrition rate | 2.00% | 2.00% |
| Salary escalation rate | 5.00% | 5.00% |

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.



Notes to Financial Statements for the year ended 31st March, 2022

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.

Note No.50

| Taxation | | |
|--|------------------------------|------------------------------|
| a) Income Tax Expense | | |
| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Current Tax | | |
| Current tax for the year | 221.05 | 75.55 |
| Adjustment to current tax of prior periods | - | - |
| Utilisation of MAT credit | - | - |
| Total Current Tax Expenses | 221.05 | 75.55 |
| Deferred Tax | | |
| Decrease /(Increase) in Deferred Tax Assets | - | - |
| Increase / (Decrease) in Deferred Tax Liabilities | 5.41 | 43.64 |
| Total Deferred Tax Expenses/(Benefits) | 5.41 | 43.64 |
| Income Tax Expense | 226.46 | 119.19 |
| Income Tax Expense Charged/(Credited) to : | | |
| Profit and Loss account | | |
| Current Tax Expenses | 221.05 | 75.55 |
| Deferred Tax Expenses | 5.41 | 43.64 |
| | 226.46 | 119.19 |
| Other Comprehensive Income | | |
| Items that will not be reclassified to Profit and Loss | | |
| Current Tax Expenses | | |
| Loss on Remeasurement of Defined Benefit Plan | - | - |
| | - | - |
| Total | 226.46 | 119.19 |



Notes to Financial Statements for the year ended 31st March, 2022

| b) Reconciliation of tax expense and accounting profit multiplied by tax rate applicable in India : | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Profit from Operations Before Income Tax Expense | 859.99 | 320.66 |
| Corporate Tax Rate as per Income Tax Act, 1961 | 25.16% | 27.82% |
| Tax on Accounting profit | 221.05 | 75.55 |
| Tax on Income Exempt From Tax: | | |
| Dividend Income | - | - |
| Tax on Expenses not Tax Deductible: | | |
| Contribution to unapproved gratuity fund | 4.08 | 4.78 |
| Donation | 1.90 | 0.04 |
| Other Items | (1.37) | 7.88 |
| Income subject to different tax rates | | |
| Excess of Accounting Profit over Taxable Profits for Capital Gains | - | - |
| Effect of different tax rate on Deferred Tax | - | - |
| Effect of previously unrecognised Unabsorbed Depreciation and losses used to reduce Tax Expense | - | - |
| Entitlement of Unrecognised MAT Credit arising in the Current year | - | - |
| Tax effect of profit of current year on which no deferred tax is recognised | - | - |
| Excess Provision | - | - |
| Income tax expense | 225.65 | 88.25 |
| Effective tax rate | 26.24% | 27.52% |
| c) Deferred Tax Asset (Net) | | |
| The balance comprises temporary differences attributable to : | | |
| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
| | (Amount in Lakhs) | (Amount in Lakhs) |
| Deferred Tax Asset: | | |
| 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 | - | - |
| Total Deferred Tax Assets | - | - |
| Deferred Tax Liabilities: | | |
| Property Plant and Equipment and Intangible Assets | 5.41 | 43.64 |
| Financial Assets at Fair Value Through Profit and Loss | | |
| Others | | |
| Total Deferred Tax Liabilities | 5.41 | 43.64 |

Notes to Financial Statements for the year ended 31st March, 2022

| Movement in Deferred Tax Assets | | | | | |
|--------------------------------------|---|------------------------------|--|-------------|--------------------------------|
| Particulars | Tax losses | Defined Benefits Obligations | MAT Credit Entitlement | Other Items | Total Deferred Tax Assets |
| As at April 1, 2021 | - | - | - | - | - |
| (Charged)/credited : | | | | | |
| to Profit and loss | - | - | - | - | - |
| to other comprehensive income | - | - | - | - | - |
| As at March 31, 2022 | - | - | - | - | - |
| Movement in Deferred Tax Liabilities | | | | | |
| Particulars | Property, Plant and Equipment and Intangible Assets | | Financial assets at Fair Value through Profit and Loss | | Total Deferred Tax Liabilities |
| | (Amount in Lakhs) | | (Amount in Lakhs) | | (Amount in Lakhs) |
| As at April 1, 2021 | | | | | |
| (Charged)/credited : | | | | | |
| to Profit and loss | | 5.41 | | - | 5.41 |
| to other comprehensive income | | - | | - | - |
| | | - | | | |
| As at March 31, 2022 | | 5.41 | | - | 5.41 |



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1. Background of the Company

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, nutraceutical's, and other healthcare products along with Animal Healthcare products also through its group Companies **FREDUN HEALTHCARE PVT. LTD. & FREDNA ENTERPRISES**. With products ranging from allopathic formulations to on field diagnostic kits, Company's main aim is to be a holistic healthcare provider.

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 to Revaluation Surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the Statement of 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 to 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 the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the 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) 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.

g) 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

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Auditors report on Quarterly and Annual Financial Results Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Board of Directors

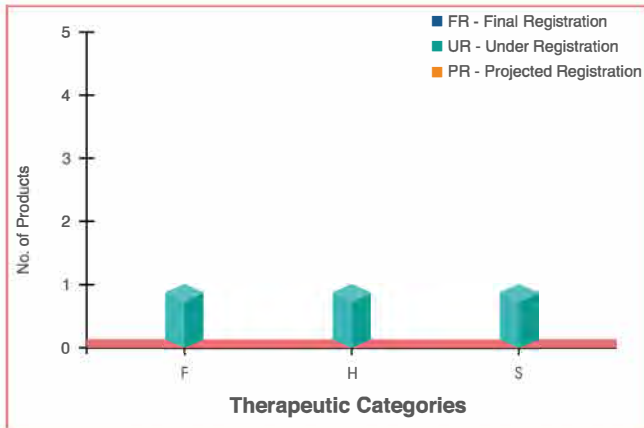
Fredun Pharmaceuticals Limited, 26, Manoj Industrial Estate, Wadala, Mumbai -31

1. We have audited the accompanying financial results of Fredun Pharmaceuticals Ltd., (“the Company”) for the quarter and year ended March 31, 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the financial statements, which are the responsibility of the company’s management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with Indian Accounting Standard notified under section 133 of the Companies Act, 2013 read Rule 7 of the Companies (Accounts) Rules, 2014 and other Accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter as well as year ended March 31, 2022

For SAVLA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No – 109361W
Deepak G. Savla
(PARTNER)
Membership No.: 043901

Place: Mumbai
Date: May 16, 2022

PRODUCT REGISTRATIONS

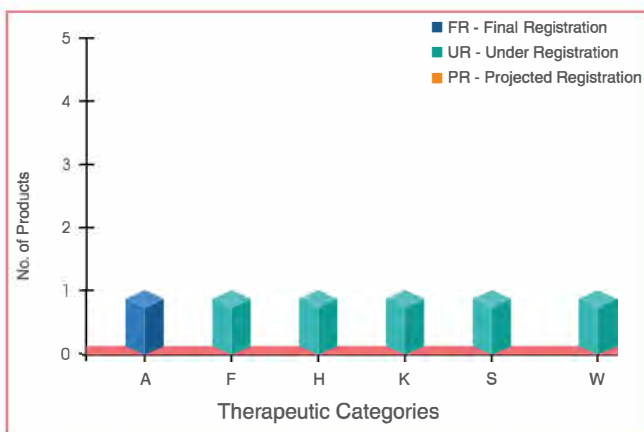


ARMENIA

Category

- F - ANTACID / ANTIULCER / ANTIEMETIC
- H - ANTIFUNGAL
- S - IMPOTENCE DRUGS

| | FR | UR | PR |
|--------------|----------|----------|----------|
| F | - | 1 | - |
| H | - | 1 | - |
| S | - | 1 | - |
| TOTAL | - | 3 | - |

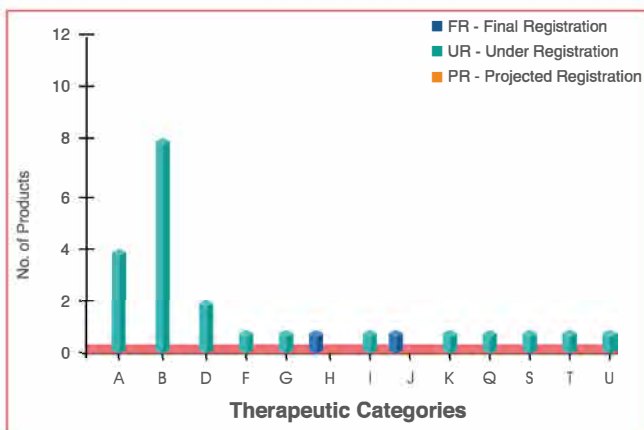


AZERBAIJAN

Category

- A - ANTI-BACTERIAL
- F - ANTACID / ANTIULCER / ANTIEMETIC
- H - ANTIFUNGAL
- K - ANTIHYPERTENSIVE
- S - IMPOTENCE DRUGS
- W - ALPHA-BLOCKER

| | FR | UR | PR |
|--------------|----------|----------|----------|
| A | 1 | - | - |
| F | - | 1 | - |
| H | - | 1 | - |
| K | - | 1 | - |
| S | - | 1 | - |
| W | - | 1 | - |
| TOTAL | 1 | 5 | - |



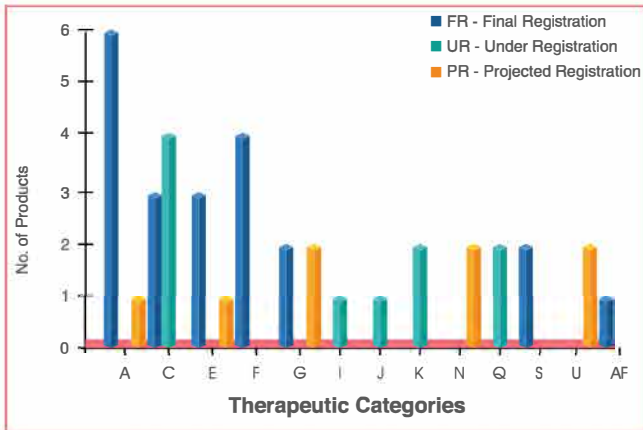
BENIN

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- D - ANTHELMINTIC
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- H - ANTIFUNGAL
- I - ANTICOAGULANTS
- J - ANTI INFLAMMATORY
- K - ANTIHYPERTENSIVE
- Q - CARDIOVASCULAR
- S - IMPOTENCE DRUGS
- T - ANTI OBESITY
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS

| | FR | UR | PR |
|--------------|----------|-----------|----------|
| A | - | 4 | - |
| B | - | 8 | - |
| D | - | 2 | - |
| F | - | 1 | - |
| G | - | 1 | - |
| H | 1 | - | - |
| I | - | 1 | - |
| J | 1 | - | - |
| K | - | 1 | - |
| Q | - | 1 | - |
| S | - | 1 | - |
| T | - | 1 | - |
| U | - | 1 | - |
| TOTAL | 2 | 22 | - |

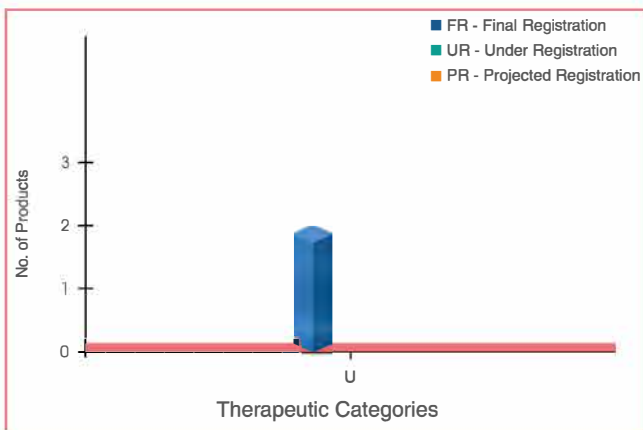




CAMBODIA

Category

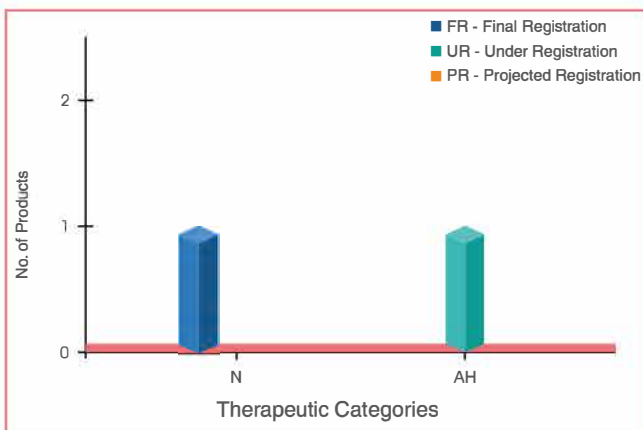
| Category | FR | UR | PR |
|--|-----------|-----------|----------|
| A - ANTI-BACTERIAL | 6 | - | 1 |
| C - ANTI-DIABETIC | 3 | 4 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | 3 | - | 1 |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 4 | - | - |
| G - ANALGESICS / NSAID | 2 | - | 2 |
| I - ANTICOAGULANTS | - | 1 | - |
| J - ANTI INFLAMMATORY | - | 1 | - |
| K - ANTIHYPERTENSIVE | - | 2 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | - | - | 2 |
| Q - CARDIOVASCULAR | - | 2 | - |
| S - IMPOTENCE DRUGS | 2 | - | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | - | - | 2 |
| AF - CALCIUM TABLETS | 1 | - | - |
| TOTAL | 21 | 10 | 8 |



COSTARICA

Category

| Category | FR | UR | PR |
|--|----------|----------|----------|
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | 1 | - | - |
| TOTAL | 1 | - | - |

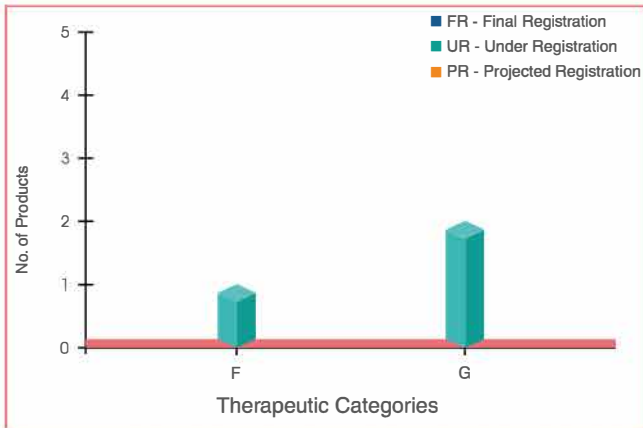


D.R. CONGO

Category

| Category | FR | UR | PR |
|------------------------------------|----------|----------|----------|
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | 1 | - | - |
| AH - DIETARY SUPPLEMENT | - | 1 | - |
| TOTAL | 1 | 1 | - |



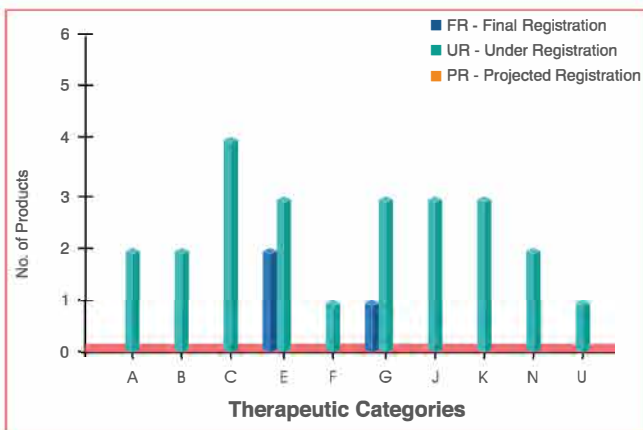


GEORGIA

Category

- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID

| | FR | UR | PR |
|--------------|----------|----------|----------|
| F | - | 1 | - |
| G | - | 2 | - |
| TOTAL | - | 3 | - |

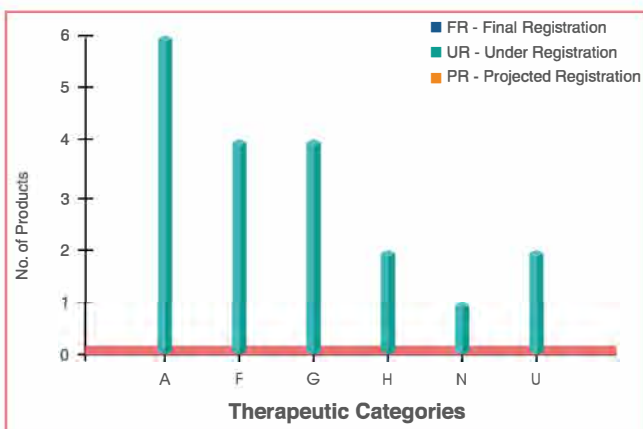


GHANA

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- C - ANTI-DIABETIC
- E - ANTIHISTAMINES / ANTIALLERGIC
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- J - ANTI INFLAMMATORY
- K - ANTIHYPERTENSIVE
- N - ANTICONVULSANTS/ANTI-EPILEPTIC
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS

| | FR | UR | PR |
|--------------|----------|-----------|----------|
| A | - | 2 | - |
| B | - | 2 | - |
| C | - | 4 | - |
| E | 2 | 3 | - |
| F | - | 1 | - |
| G | 1 | 3 | - |
| J | - | 3 | - |
| K | - | 3 | - |
| N | - | 2 | - |
| U | - | 1 | - |
| TOTAL | 3 | 24 | - |

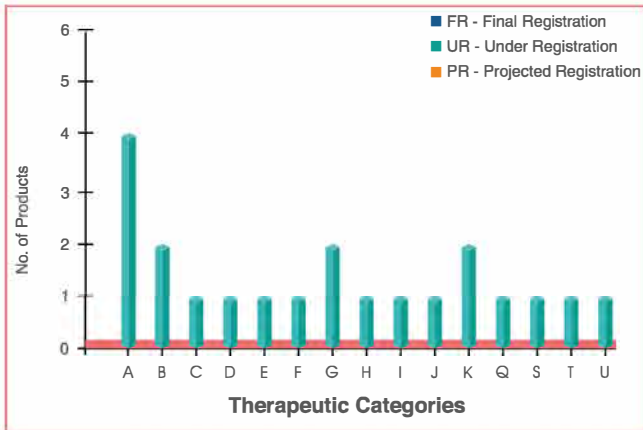


IRAQ

Category

- A - ANTI-BACTERIAL
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- H - ANTIFUNGAL
- N - ANTICONVULSANTS/ANTI-EPILEPTIC
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS

| | FR | UR | PR |
|--------------|----------|-----------|----------|
| A | - | 6 | - |
| F | - | 4 | - |
| G | - | 4 | - |
| H | - | 2 | - |
| N | - | 1 | - |
| U | - | 2 | - |
| TOTAL | - | 19 | - |

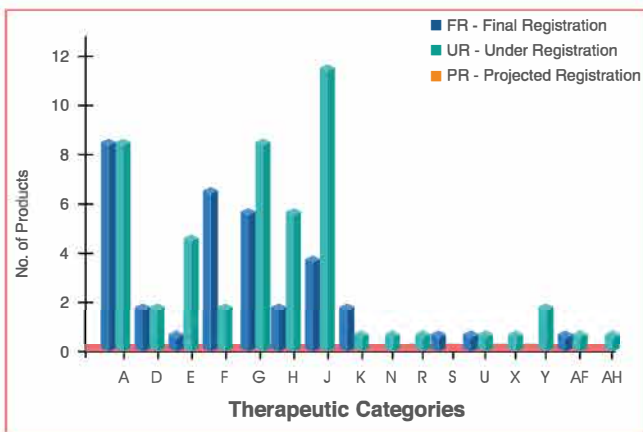


IVORY COAST

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | - | 4 | - |
| B - ANTI-MALARIAL | - | 2 | - |
| C - ANTI-DIABETIC | - | 1 | - |
| D - ANTHELMINTIC | - | 1 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | - | 1 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | - | 1 | - |
| G - ANALGESICS / NSAID | - | 2 | - |
| H - ANTIFUNGAL | - | 1 | - |
| I - ANTICOAGULANTS | - | 1 | - |
| J - ANTI INFLAMMATORY | - | 1 | - |
| K - ANTIHYPERTENSIVE | - | 2 | - |
| Q - CARDIOVASCULAR | - | 1 | - |
| S - IMPOTENCE DRUGS | - | 1 | - |
| T - ANTI OBESITY | - | 1 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | - | 1 | - |

TOTAL - 21 -

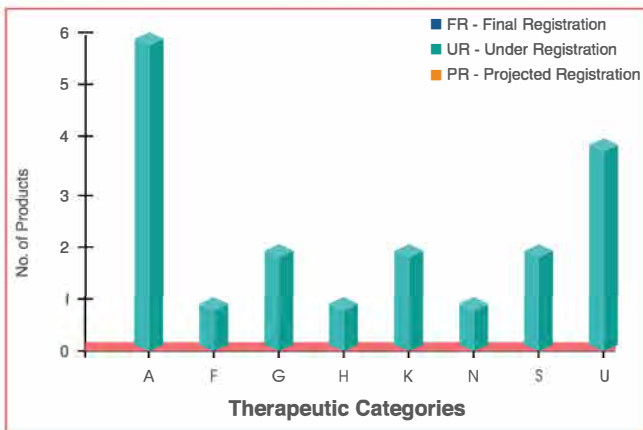


KENYA

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | 9 | 9 | - |
| D - ANTHELMINTIC | 2 | 2 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | 1 | 5 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 7 | 2 | - |
| G - ANALGESICS / NSAID | 6 | 9 | - |
| H - ANTIFUNGAL | 2 | 6 | - |
| J - ANTI INFLAMMATORY | 4 | 12 | - |
| K - ANTIHYPERTENSIVE | 2 | 1 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | - | 1 | - |
| R - LAXATIVE | - | 1 | - |
| S - IMPOTENCE DRUGS | 1 | - | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | 1 | 1 | - |
| X - PSYCHOTROPICS / ANTI - PSYCHOTICS | - | 1 | - |
| Y - NEPHROLOGY | - | 2 | - |
| AF - CALCIUM TABLETS | 1 | 1 | - |
| AH - DIETARY SUPPLYMENT | 1 | - | - |

TOTAL 37 53 -



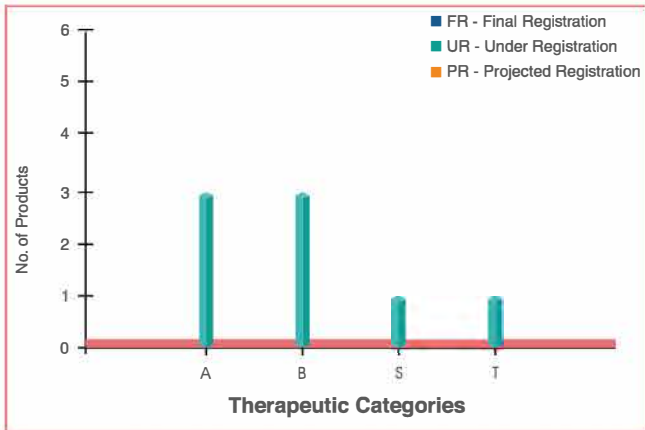
KYRGYZSTAN

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | - | 6 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | - | 1 | - |
| G - ANALGESICS / NSAID | - | 2 | - |
| H - ANTIFUNGAL | - | 1 | - |
| K - ANTIHYPERTENSIVE | - | 2 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | - | 1 | - |
| S - IMPOTENCE DRUGS | - | 2 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | - | 4 | - |

TOTAL - 19 -





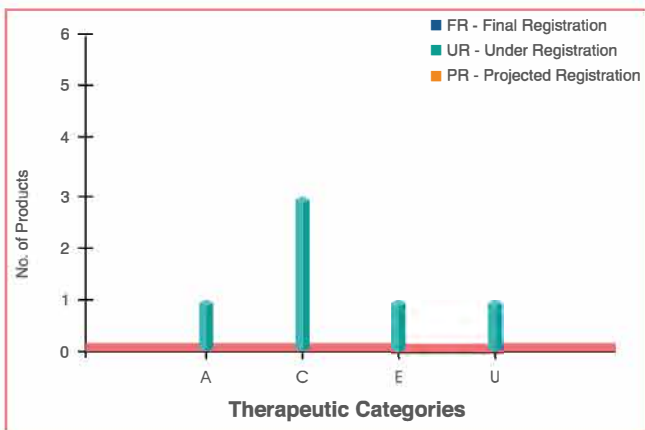
MALI

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- S - IMPOTENCE DRUGS
- T - ANTI OBESITY

| FR | UR | PR |
|----|----|----|
| - | 3 | - |

| FR | UR | PR |
|----|----|----|
| - | 8 | - |



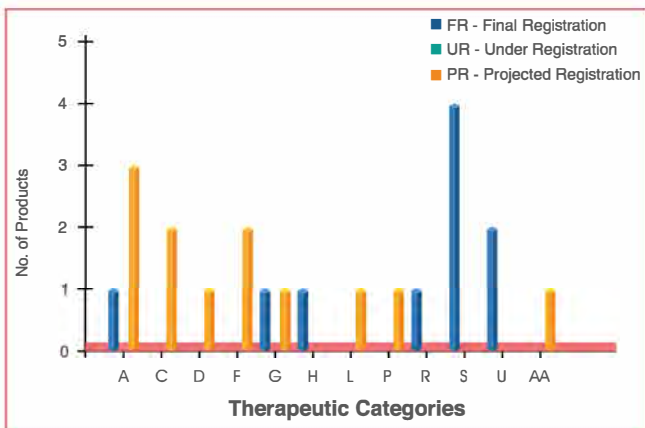
MAURITIUS

Category

- A - ANTI-BACTERIAL
- C - ANTI-DIABETIC
- E - ANTIHISTAMINES / ANTIALLERGIC
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS

| FR | UR | PR |
|----|----|----|
| - | 1 | - |

| FR | UR | PR |
|----|----|----|
| - | 6 | - |



MOZAMBIQUE

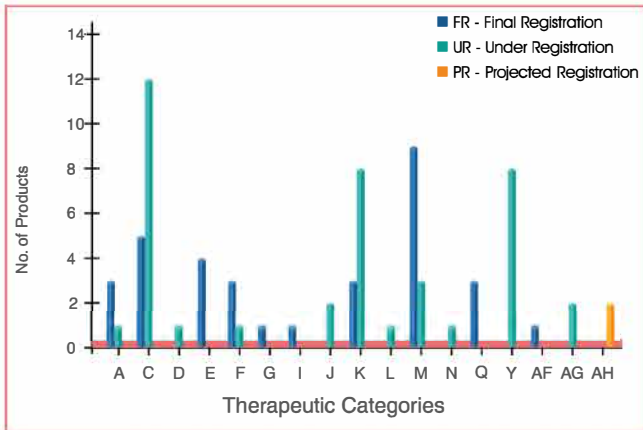
Category

- A - ANTI-BACTERIAL
- C - ANTI-DIABETIC
- D - ANTHELMINTIC
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- H - ANTIFUNGAL
- L - ANTIVIRAL
- P - DIURETIC
- R - LAXATIVE
- S - IMPOTENCE DRUGS
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS
- AA - BRONCHODILATORS & ANTI -ASTHMA DRUGS

| FR | UR | PR |
|----|----|----|
| 1 | - | 3 |

| FR | UR | PR |
|----|----|----|
| 10 | - | 12 |



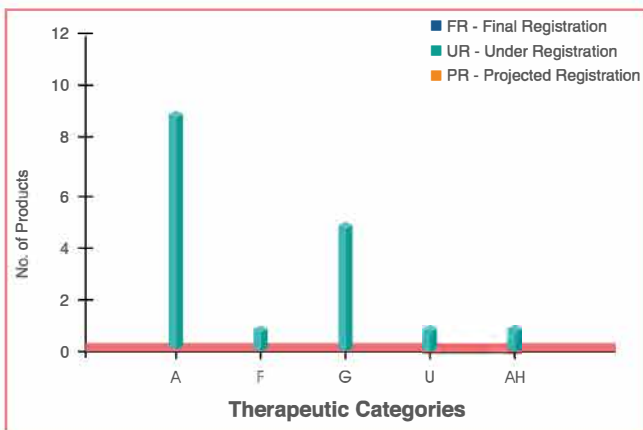


MYANMAR

Category

| Category | FR | UR | PR |
|--------------------------------------|----|----|----|
| A - ANTI-BACTERIAL | 3 | 1 | - |
| C - ANTI-DIABETIC | 5 | 12 | - |
| D - ANTHELMINTIC | - | 1 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | 4 | - | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 3 | 1 | - |
| G - ANALGESICS / NSAID | 1 | - | - |
| I - ANTICOAGULANTS | 1 | - | - |
| J - ANTI INFLAMMATORY | - | 2 | - |
| K - ANTIHYPERTENSIVE | 3 | 8 | - |
| L - ANTIVIRAL | - | 1 | - |
| M - ANTI-RETROVIRAL / ANTI HIV | 9 | 3 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | - | 1 | - |
| Q - CARDIOVASCULAR | 3 | - | - |
| Y - NEPHROLOGY | - | 8 | - |
| AF - CALCIUM TABLETS | 1 | - | - |
| AG - FARNESOID X-RECEPTOR AGONIST | - | 2 | - |
| AH - DIETARY SUPPLYMENT | - | - | 2 |

TOTAL **33 40 2**

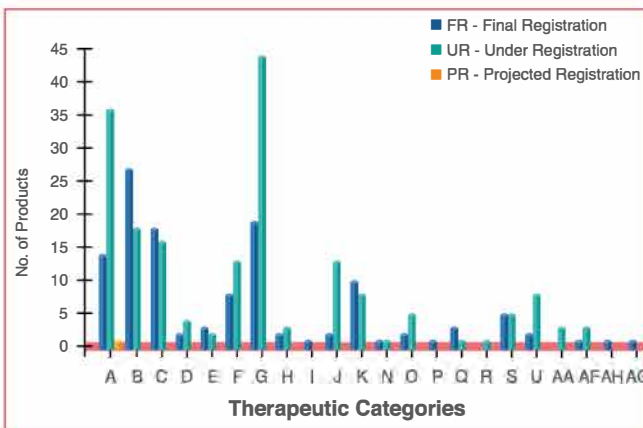


NIGER

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | - | 9 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | - | 1 | - |
| G - ANALGESICS / NSAID | - | 5 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | - | 1 | - |
| AH - DIETARY SUPPLYMENT | - | 1 | - |

TOTAL **- 17 -**

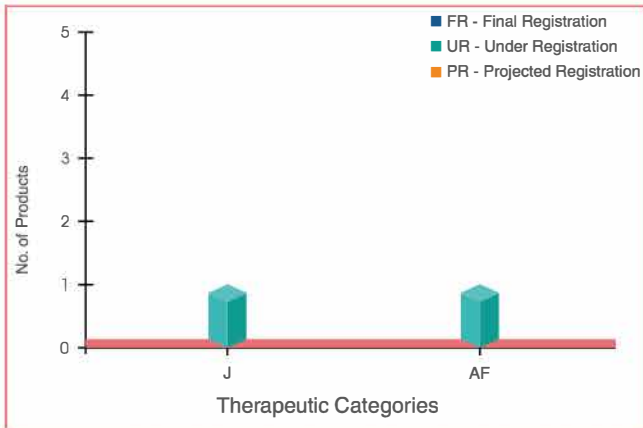


NIGERIA

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | 14 | 36 | 1 |
| B - ANTI-MALARIAL | 27 | 18 | - |
| C - ANTI-DIABETIC | 18 | 16 | - |
| D - ANTHELMINTIC | 2 | 4 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | 3 | 2 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 8 | 13 | - |
| G - ANALGESICS / NSAID | 19 | 44 | - |
| H - ANTIFUNGAL | 2 | 3 | - |
| I - ANTICOAGULANTS | 1 | - | - |
| J - ANTI INFLAMMATORY | 2 | 13 | - |
| K - ANTIHYPERTENSIVE | 10 | 8 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | 1 | 1 | - |
| O - ANTIDIARRHOEAL | 2 | 5 | - |
| P - DIURETIC | 1 | - | - |
| Q - CARDIOVASCULAR | 3 | 1 | - |
| R - LAXATIVE | - | 1 | - |
| S - IMPOTENCE DRUGS | 5 | 5 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | 2 | 8 | - |
| AA - BRONCHODILATORS & ANTI -ASTHMA DRUGS | - | 3 | - |
| AF - CALCIUM TABLETS | 1 | 3 | - |
| AH - DIETARY SUPPLYMENT | 1 | - | - |
| AG - FARNESOID X-RECEPTOR AGONIST | 1 | - | - |

TOTAL **123 184 1**



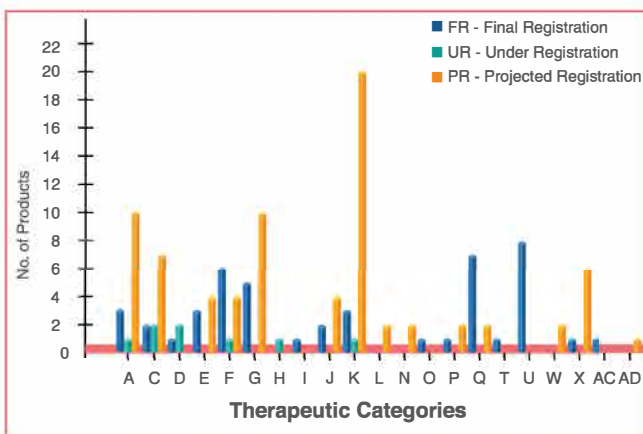
OMAN

Category

- J - ANTI INFLAMMATORY
- AF - CALCIUM TABLETS

| FR | UR | PR |
|----|----|----|
| - | 1 | - |
| - | 1 | - |

| TOTAL | FR | UR | PR |
|-------|----|----|----|
| | 2 | 2 | 0 |



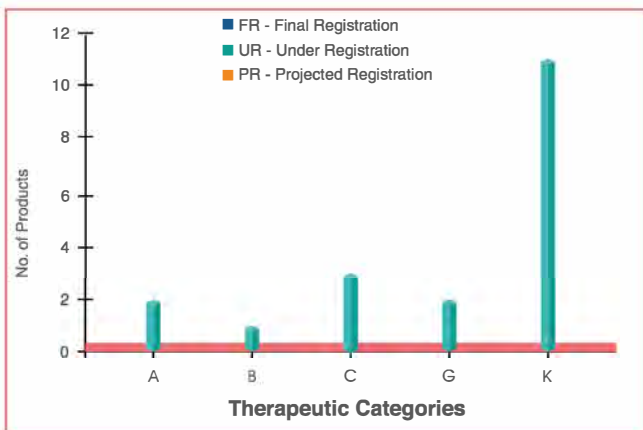
PHILIPPINES

Category

- A - ANTI-BACTERIAL
- C - ANTI-DIABETIC
- D - ANTHELMINTIC
- E - ANTIHISTAMINES / ANTIALLERGIC
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- H - ANTIFUNGAL
- I - ANTICOAGULANTS
- J - ANTI INFLAMMATORY
- K - ANTIHYPERTENSIVE
- L - ANTIVIRAL
- N - ANTICONVULSANTS/ANTI-EPILEPTIC
- O - ANTIDIARRHOEAL
- P - DIURETIC
- Q - CARDIOVASCULAR
- T - ANTI OBESITY
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS
- W - ALPHA-BLOCKER
- X - PSYCHOTROPICS / ANTI - PSYCHOTICS
- AC - ANTISPASMODIC
- AD - ANTIFIBRINOLYTIC DRUGS

| FR | UR | PR |
|----|----|----|
| 3 | 1 | 10 |
| 2 | 2 | 7 |
| 1 | 2 | - |
| 3 | - | 4 |
| 6 | 1 | 4 |
| 5 | - | 10 |
| - | 1 | - |
| 1 | - | - |
| 2 | - | 4 |
| 3 | 1 | 20 |
| - | - | 2 |
| - | - | 2 |
| 1 | - | - |
| 1 | - | 2 |
| 7 | - | 2 |
| 1 | - | - |
| 8 | - | - |
| - | - | 2 |
| 1 | - | 6 |
| 1 | - | - |
| - | - | 1 |

| TOTAL | FR | UR | PR |
|-------|----|----|----|
| | 46 | 8 | 76 |



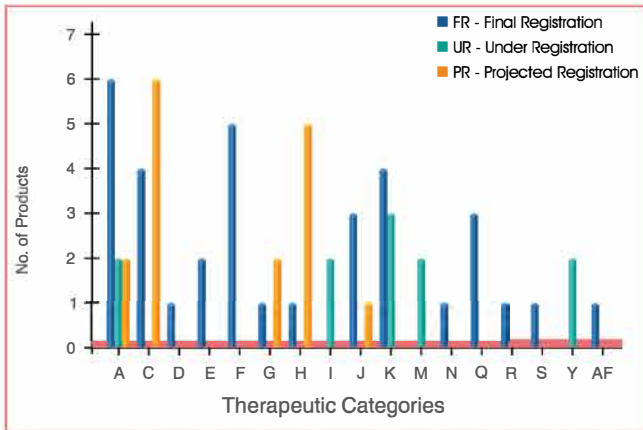
RAWANDA

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- C - ANTI-DIABETIC
- G - ANALGESICS / NSAID
- K - ANTIHYPERTENSIVE

| FR | UR | PR |
|----|----|----|
| - | 2 | - |
| - | 1 | - |
| - | 3 | - |
| - | 2 | - |
| - | 11 | - |

| TOTAL | FR | UR | PR |
|-------|----|----|----|
| | 0 | 19 | 0 |

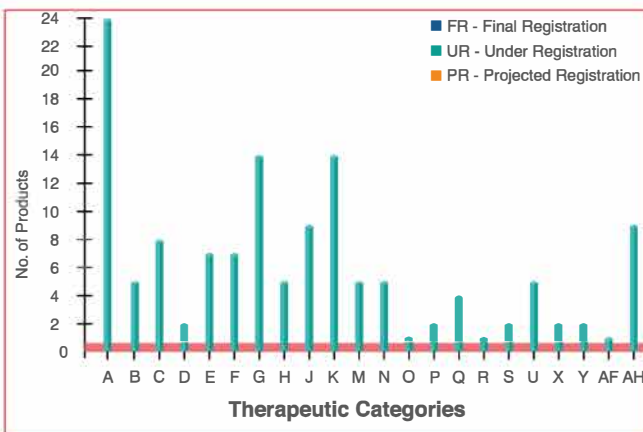


SRILANKA

Category

| Category | FR | UR | PR |
|--------------------------------------|----|----|----|
| A - ANTI-BACTERIAL | 6 | 2 | 2 |
| C - ANTI-DIABETIC | 4 | - | 6 |
| D - ANTHELMINTIC | 1 | - | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | 2 | - | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 5 | - | - |
| G - ANALGESICS / NSAID | 1 | - | 2 |
| H - ANTIFUNGAL | 1 | - | 5 |
| I - ANTICOAGULANTS | - | 2 | - |
| J - ANTI INFLAMATORY | 3 | - | 1 |
| K - ANTIHYPERTENSIVE | 4 | 3 | - |
| M - ANTI-RETROVIRAL / ANTI HIV | - | 2 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | 1 | - | - |
| Q - CARDIOVASCULAR | 3 | - | - |
| R - LAXATIVE | 1 | - | - |
| S - IMPOTENCE DRUGS | 1 | - | - |
| Y - NEPHROLOGY | - | 2 | - |
| AF - CALCIUM TABLETS | 1 | - | - |

TOTAL **34 11 16**

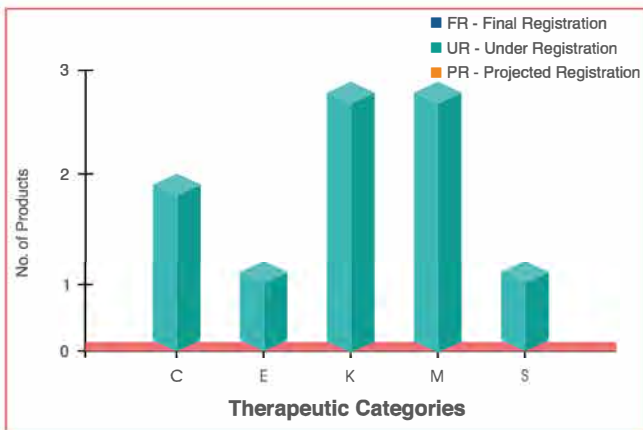


SUDAN

Category

| Category | FR | UR | PR |
|--|----|----|----|
| A - ANTI-BACTERIAL | - | 24 | - |
| B - ANTI-MALARIAL | - | 5 | - |
| C - ANTI-DIABETIC | - | 8 | - |
| D - ANTHELMINTIC | - | 2 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | - | 7 | - |
| F - ANTACID / ANTIULCER / ANTIEMETIC | - | 7 | - |
| G - ANALGESICS / NSAID | - | 14 | - |
| H - ANTIFUNGAL | - | 5 | - |
| J - ANTI INFLAMATORY | - | 9 | - |
| K - ANTIHYPERTENSIVE | - | 14 | - |
| M - ANTI-RETROVIRAL / ANTI HIV | - | 5 | - |
| N - ANTICONVULSANTS/ANTI-EPILEPTIC | - | 5 | - |
| O - ANTIARRHOEAL | - | 1 | - |
| P - DIURETIC | - | 2 | - |
| Q - CARDIOVASCULAR | - | 4 | - |
| R - LAXATIVE | - | 1 | - |
| S - IMPOTENCE DRUGS | - | 2 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | - | 5 | - |
| X - PSYCHOTROPICS / ANTI - PSYCHOTICS | - | 2 | - |
| Y - NEPHROLOGY | - | 2 | - |
| AF - CALCIUM TABLETS | - | 1 | - |
| AH - DIETARY SUPPLYMENT | - | 9 | - |

TOTAL **- 134 -**



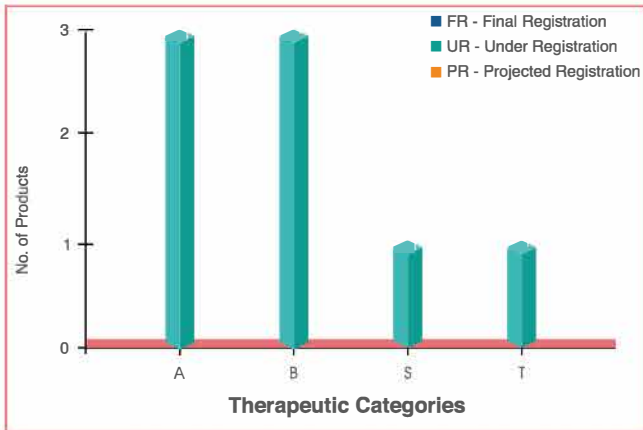
TAJIKISTAN

Category

| Category | FR | UR | PR |
|-----------------------------------|----|----|----|
| C - ANTI-DIABETIC | - | 2 | - |
| E - ANTIHISTAMINES / ANTIALLERGIC | - | 1 | - |
| K - ANTIHYPERTENSIVE | - | 3 | - |
| M - ANTI-RETROVIRAL / ANTI HIV | - | 3 | - |
| S - IMPOTENCE DRUGS | - | 1 | - |

TOTAL **- 10 -**





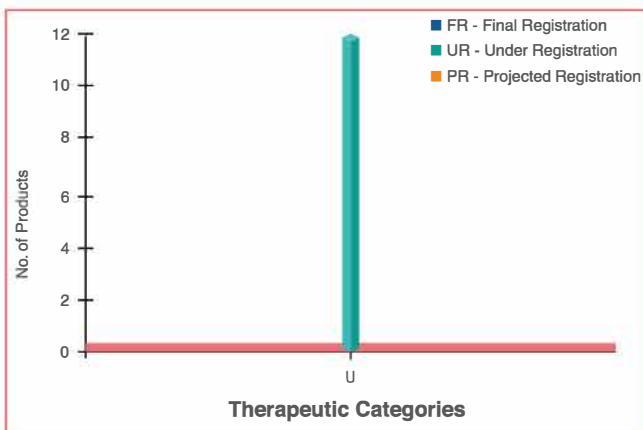
TOGO

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- S - IMPOTENCE DRUGS
- T - ANTI OBESITY

| FR | UR | PR |
|----|----|----|
| - | 3 | - |
| - | 3 | - |
| - | 1 | - |
| - | 1 | - |

| | | | |
|-------|---|---|---|
| TOTAL | - | 8 | - |
|-------|---|---|---|



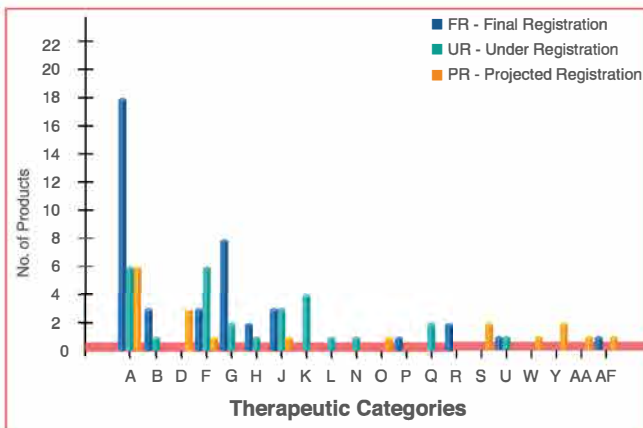
UAE

Category

- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS

| FR | UR | PR |
|----|----|----|
| - | 12 | - |

| | | | |
|-------|---|----|---|
| TOTAL | - | 12 | - |
|-------|---|----|---|



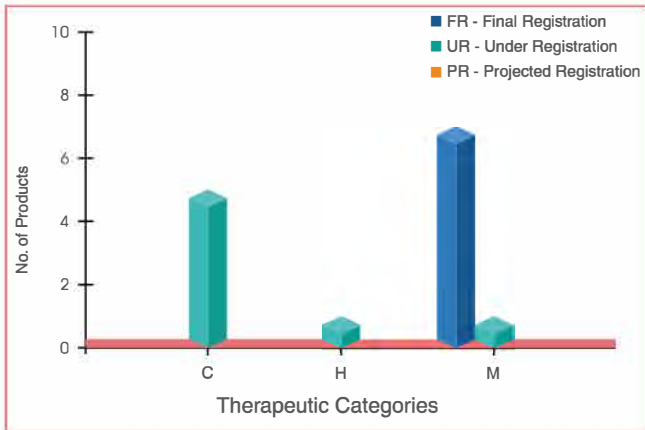
UGANDA

Category

- A - ANTI-BACTERIAL
- B - ANTI-MALARIAL
- D - ANTHELMINTIC
- F - ANTACID / ANTIULCER / ANTIEMETIC
- G - ANALGESICS / NSAID
- H - ANTIFUNGAL
- J - ANTI INFLAMMATORY
- K - ANTIHYPERTENSIVE
- L - ANTIVIRAL
- N - ANTICONVULSANTS/ANTI-EPILEPTIC
- O - ANTIDIARRHOEAL
- P - DIURETIC
- Q - CARDIOVASCULAR
- R - LAXATIVE
- S - IMPOTENCE DRUGS
- U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS
- W - ALPHA-BLOCKER
- Y - NEPHROLOGY
- AA - BRONCHODILATORS & ANTI -ASTHMA DRUGS
- AF - CALCIUM TABLETS

| FR | UR | PR |
|----|----|----|
| 18 | 6 | 6 |
| 3 | 1 | - |
| - | - | 3 |
| 3 | 6 | 1 |
| 8 | 2 | - |
| 2 | 1 | - |
| 3 | 3 | 1 |
| - | 4 | - |
| - | 1 | - |
| - | 1 | - |
| - | - | 1 |
| 1 | - | - |
| - | 2 | - |
| 2 | - | - |
| - | - | 2 |
| 1 | 1 | - |
| - | - | 1 |
| - | - | 2 |
| - | - | 1 |
| 1 | - | 1 |

| | | | |
|-------|----|----|----|
| TOTAL | 42 | 28 | 19 |
|-------|----|----|----|

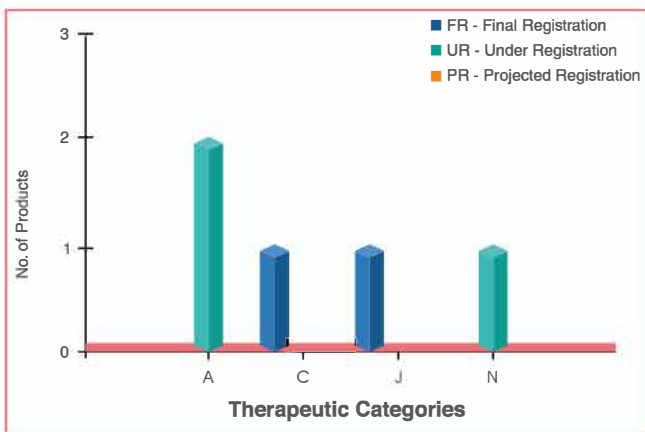


UZBEKISTAN

Category

- C - ANTI-DIABETIC
- H - ANTIFUNGAL
- M - ANTI-RETROVIRAL / ANTI HIV

| | FR | UR | PR |
|--------------|----------|----------|----------|
| C | - | 5 | - |
| H | - | 1 | - |
| M | 7 | 1 | - |
| TOTAL | 7 | 7 | - |

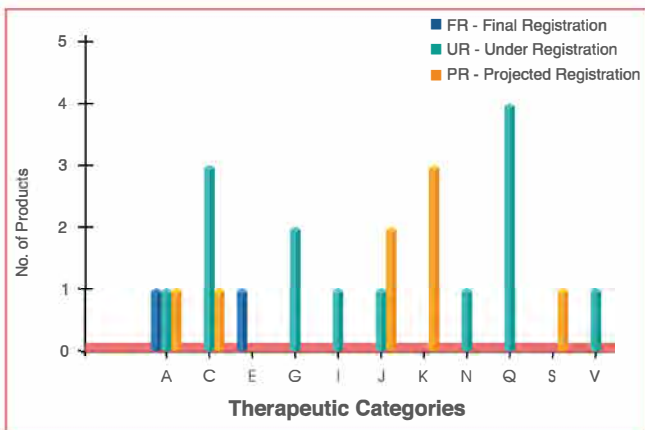


VENEZUELA

Category

- A - ANTI-BACTERIAL
- C - ANTI-DIABETIC
- J - ANTI INFLAMMATORY
- N - ANTICONVULSANTS/ANTI-EPILEPTIC

| | FR | UR | PR |
|--------------|----------|----------|----------|
| A | - | 2 | - |
| C | 1 | - | - |
| J | 1 | - | - |
| N | - | 1 | - |
| TOTAL | 2 | 3 | - |

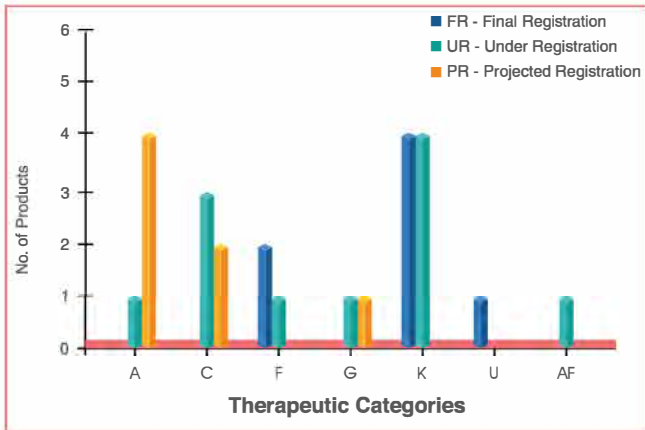


VIETNAM

Category

- A - ANTI-BACTERIAL
- C - ANTI-DIABETIC
- E - ANTIHISTAMINES / ANTIALLERGIC
- G - ANALGESICS / NSAID
- I - ANTICOAGULANTS
- J - ANTI INFLAMMATORY
- K - ANTIHYPERTENSIVE
- N - ANTICONVULSANTS/ANTI-EPILEPTIC
- Q - CARDIOVASCULAR
- S - IMPOTENCE DRUGS
- V - BONE MODULATING DRUGS

| | FR | UR | PR |
|--------------|----------|-----------|----------|
| A | 1 | 1 | 1 |
| C | - | 3 | 1 |
| E | 1 | - | - |
| G | - | 2 | - |
| I | - | 1 | - |
| J | - | 1 | 2 |
| K | - | - | 3 |
| N | - | 1 | - |
| Q | - | 4 | - |
| S | - | - | 1 |
| V | - | 1 | - |
| TOTAL | 2 | 14 | 8 |



ZAMBIA

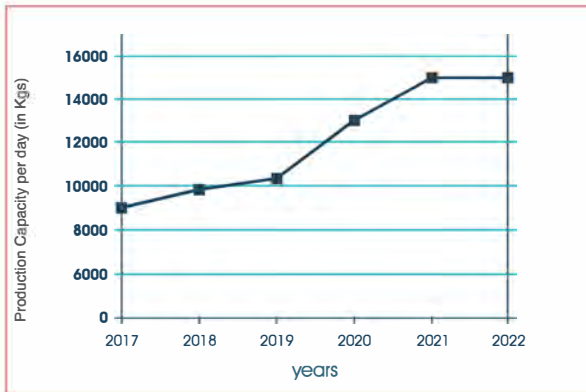
Category

| | | | |
|--|---|---|---|
| A - ANTI-BACTERIAL | - | 1 | 4 |
| C - ANTI-DIABETIC | - | 3 | 2 |
| F - ANTACID / ANTIULCER / ANTIEMETIC | 2 | 1 | - |
| G - ANALGESICS / NSAID | - | 1 | 1 |
| K - ANTIHYPERTENSIVE | 4 | 4 | - |
| U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS | 1 | - | - |
| AF - CALCIUM TABLETS | - | 1 | - |

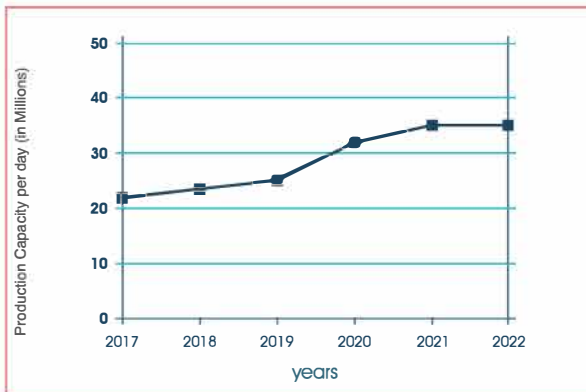
| FR | UR | PR |
|----|----|----|
|----|----|----|

| | | | |
|-------|---|----|---|
| TOTAL | 7 | 11 | 7 |
|-------|---|----|---|

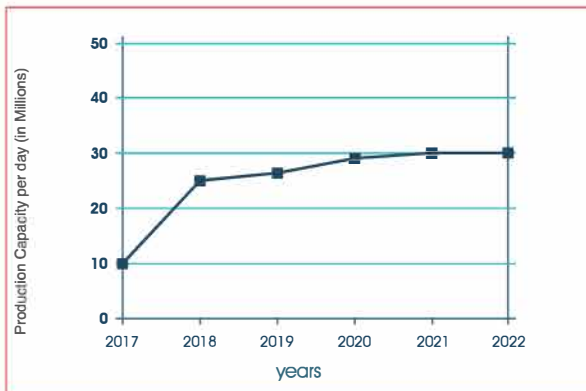
PRODUCTION CAPACITY



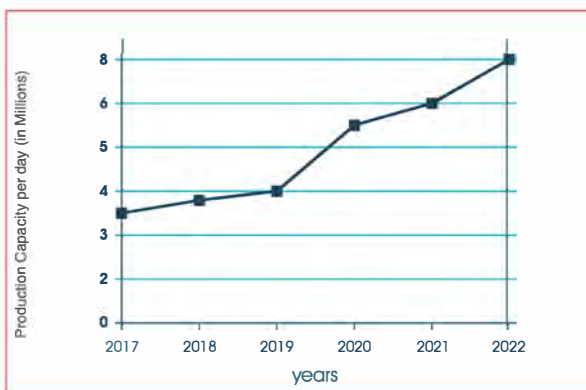
TABLETS (GRANULATION)



TABLETS (COMPRESSION)



TABLETS (COATING)



CAPSULES

Granulation Capacity per day (in kgs)

| Years | Capacity (in kgs) |
|-------|-------------------|
| 2017 | 9000 |
| 2018 | 9800 |
| 2019 | 10500 |
| 2020 | 13000 |
| 2021 | 15000 |
| 2022 | 15000 |

Compression Capacity per day (in Millions)

| Years | Capacity (in millions) |
|-------|------------------------|
| 2017 | 22.0 |
| 2018 | 23.0 |
| 2019 | 25.0 |
| 2020 | 32.0 |
| 2021 | 35.0 |
| 2022 | 35.0 |

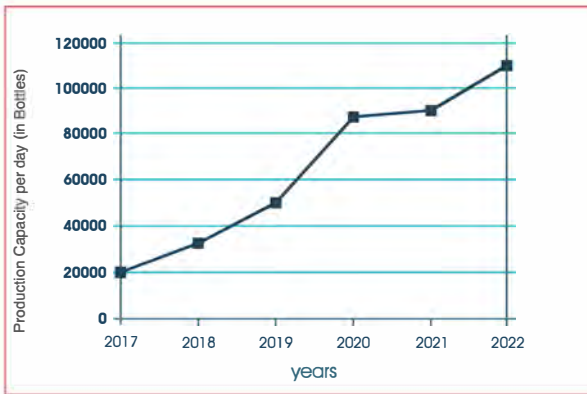
Coating Capacity per day (in Millions)

| Years | Capacity (in millions) |
|-------|------------------------|
| 2017 | 10.0 |
| 2018 | 25.0 |
| 2019 | 27.0 |
| 2020 | 29.0 |
| 2021 | 30.0 |
| 2022 | 30.0 |

Capsules Capacity per day (in Millions)

| Years | Capacity (in millions) |
|-------|------------------------|
| 2017 | 3.5 |
| 2018 | 3.8 |
| 2019 | 4.0 |
| 2020 | 5.5 |
| 2021 | 6.0 |
| 2022 | 8.0 |

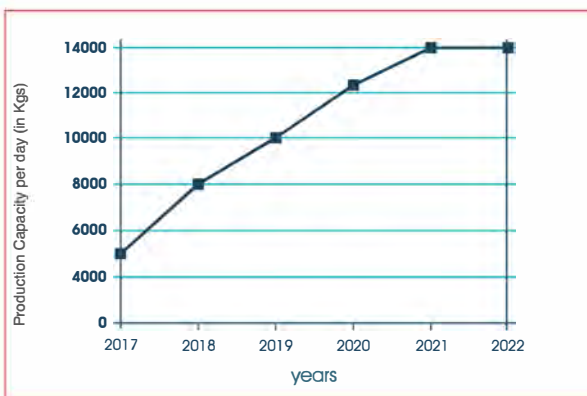




DRY SYRUP

Dry Syrup Capacity per day (in Bottles)

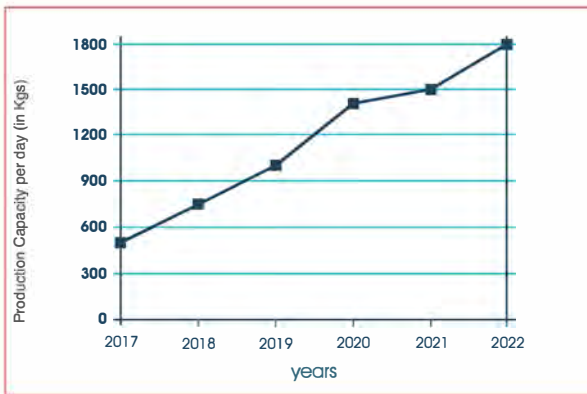
| Years | Capacity (in bottles) |
|-------|-----------------------|
| 2017 | 20000 |
| 2018 | 35000 |
| 2019 | 50000 |
| 2020 | 85000 |
| 2021 | 90000 |
| 2022 | 110000 |



DC GRANULES

DC Granulation Capacity per day (in Kgs)

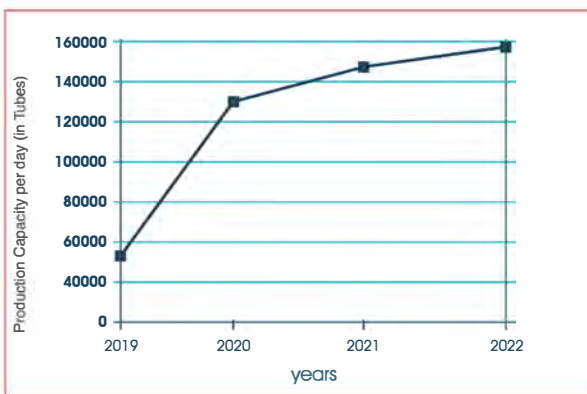
| Years | Capacity (in kgs) |
|-------|-------------------|
| 2017 | 5000 |
| 2018 | 8000 |
| 2019 | 10000 |
| 2020 | 12500 |
| 2021 | 14000 |
| 2022 | 14000 |



PELLETS

Pellets Capacity per day (in Kgs)

| Years | Capacity (in kgs) |
|-------|-------------------|
| 2017 | 500 |
| 2018 | 750 |
| 2019 | 1000 |
| 2020 | 1400 |
| 2021 | 1500 |
| 2022 | 1800 |

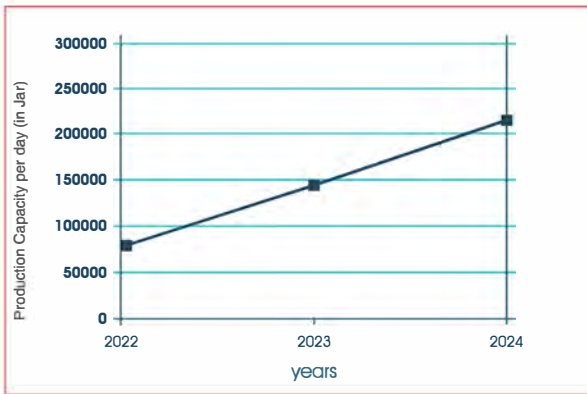


TOPICALS

Topicals Capacity per day (in Tubes)

| Years | Capacity (in tubes) |
|-------|---------------------|
| 2019 | 55000 |
| 2020 | 130000 |
| 2021 | 145000 |
| 2022 | 154000 |

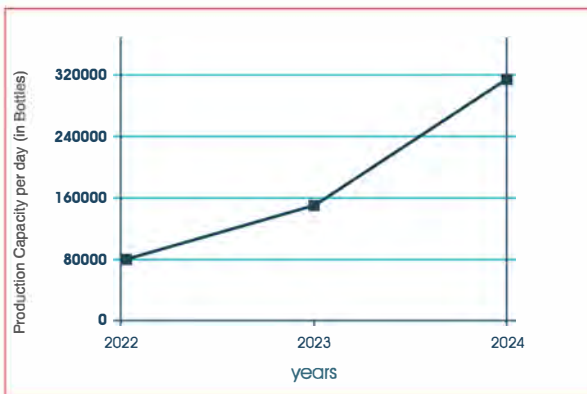




Balm

Balm Capacity per day (in Jars)

| Years | Capacity (in bottles) |
|-------|-----------------------|
| 2022 | 86000 |
| 2023 | 145000 (Projected) |
| 2024 | 220000 (Projected) |



Lotion

Lotion Capacity per day (in Bottles)

| Years | Capacity (in kgs) |
|-------|--------------------|
| 2022 | 80000 |
| 2023 | 152000 (Projected) |
| 2024 | 318000 (Projected) |

BOOK-POST



If undelivered please return to:
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Manoj Industrial Premises, G.D. Ambekar Marg,
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