

# FREDUN PHARMACEUTICALS LIMITED

*Compassionate Healthcare*



CIN No : L24239MH1987PLC043662

To  
**BSE Ltd.**  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street - Fort,  
Mumbai – 400 001

August 13, 2019

**Ref.: BSE Scrip Code - 539730**

**Subject: Approved Un-Audited Financial Results for Quarter ended June 30, 2019**

Dear Sir / Madam,

We wish to inform you that the Board of Directors of Fredun Pharmaceuticals Limited (hereinafter referred to as “the Company”), at their Meeting held on Tuesday, August 13, 2019; had considered and approved the following items of Business:

1. In compliance to Regulation 33 of SEBI Listing Regulations, 2015; the Un-Audited Financial Results of the Company for the Quarter ended June 30, 2019; along with the Limited Review Report as issued by M/s. Savla & Associates; Statutory Auditors of the Company; copies of which are attached hereunder as Annexure A;
2. Further, during the Financial Year 2018-19; your Company had earned Profit Before Tax of Rs. 6.16 crores and thus the provisions of the Corporate Social Responsibility as enumerated under Section 135 read with Schedule VII of the Companies Act, 2013 and rules made thereunder are applicable to the Company for the Financial Year 2019-20.

The Board had considered the matter and approved the constitution of the Corporate Social Responsibility Committee of the Company; which shall in the due course will finalize the Company’s Policy on Corporate Social Responsibility and activities to be undertaken and the corpus to be spend as per the provisions of the Companies Act, 2013.

The Company’s Policy on Corporate Social Responsibility will be made available on the website of the Company at [www.fredungroup.com](http://www.fredungroup.com)

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

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

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3. The initiation of the Commercial Production of new Medical Formulations as detailed in *Annexure B*

The Meeting of the Board Commenced at 3:30 P.M. and concluded at 06:15 P.M.

Kindly oblige and take the same on your Records.

Thanking you,

For Fredun Pharmaceuticals Limited

*D Medhora*



**Dr. (Mrs.) Daulat Medhora**  
**Chairperson & Jt. Managing Director**  
**DIN: 01745277**

**Encl.: A/a**

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Annexure - A

## UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 30th June 2019

Rs. in Lakhs

PARTICULARS	Quarter Ended			Year Ended
	Unaudited	Audited	Unaudited	Audited
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
<b>1 Income from Operations</b>				
Net Sales /IncomeFrom Operation (Net of Excise Duty)	2821.60	3106.60	1624.90	9540.70
2 Other Operating Revenue	9.08	116.26	26.83	160.84
3 Other Income	1.73	0.00	0.00	38.76
4 Total income from operatoins (net)	2832.41	3222.86	1651.73	9740.30
<b>5 Expenses</b>				
a) Cost of Material Consumed	2173.70	2405.57	1342.95	6595.82
b) Purchases of stock -in-trade	0.00	0.00	0.00	0.00
c) Changes in inventories of finished goods, work-in-progress and stock in trade	(2.78)	(727.54)	(191.65)	(608.03)
d) Manufacturing & Service Cost	104.61	163.06	54.33	422.49
e) Finance Costs	129.15	180.48	33.61	309.62
f) Emploeyss benefits expenses	183.65	366.52	111.97	804.04
g) Depreciation and amortisation expenses	46.37	34.59	47.98	133.00
h) Provision for Doubtful Debts	0.00	0.00	198.54	0.00
i) Operating & Other Expense	174.37	510.66	116.94	1459.68
j) Payment to Auditor	0.00	7.50	0.00	7.50
Total expenses	2809.07	2940.84	1714.67	9124.12
6 Profit/(Loss) from ordinary activities before exceptional	23.34	282.02	(62.94)	616.18
7 Exceptional items / Prior Period Item	0.00	0.00	0.00	0.00
8 Profit/(Loss) from ordinary activities before tax (5-6)	23.34	282.02	(62.94)	616.18
9 Tax Expenses ( Current Tax )	0.00	171.89	0.00	171.89
Tax Expenses ( Deffered Tax )	0.00	1.71	0.00	1.71
10 Profit/(Loss) from continuing operations	23.34	111.84	(62.94)	446.00
11 Profit/(Loss) from discontinued operations	0.00	0.00	0.00	0.00
12 Tax Expense of discontinued operations	0.00	0.00	0.00	0.00
13 Profit/(Loss) from discontinued operations after tax	0.00	0.00	0.00	0.00
14 Profit/ (Loss) for the period	23.34	111.84	(62.94)	446.00
<b>15 Other comprehensive Income</b>				
A (i) Items that will not be re-classified to profit/ loss	0.00	0.00	0.00	0.00
(ii) Income tax relating to items that will not be re-	0.00	0.00	0.00	0.00
B (i) Items that will be re-classified to profit / loss	0.00	0.00	0.00	0.00
(ii) Income tax relating to items that will be re-classified	0.00	0.00	0.00	0.00
16 Paid up Equity Share Capital (Face Value of Rs-10/- each)	398.96	398.96	344.72	398.96
17 Reserves excluding Revaluation Reserves	0.00	0.00	0.00	3499.95
18 Earning per Share (EPS) (before & after extra ordinary items)				
- Basic/ Diluted Earning Per Share (Rs.)	0.59	2.80	0.00	11.17

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A	1) Public Shareholding				
	Number of shares	1913524	1913524	1574024	1913524
	Percentage of shareholding	47.96	47.96	45.96	47.96
	2) Promoters and promotor group shareholding				
	a) Pledged/Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of total shareholding of Promoters and Prompter Group)	-	-	-	-
	- Percentage of shares (as a % of total share capital of the Company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	2076110	2076110	1851110	2076110
	- Percentage of shares (as a % of total shareholding of Promoters and Prompter Group)	100%	100%	100%	100%
	- Percentage of shares (as a % of total share capital of the Company)	52.04	52.04	54.04	52.04

**NOTES:-**

- The above results were taken on record by the Board Of Directors at the meeting held on 13.08.2019
- Previous year's figures have been regrouped/rearranged wherever necessary.
- During the quarter ended 30th June 2019 there are no investors complaints pending & no investors complaints were received by the Company during this period.
- Provision for Deferred tax will be made on March 2020
- The above result have already been approved by the Audit Committee of the board
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2017, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2016.

**7) Employee Benefit Expense**

Particular	Quarter Ended			Year Ended
	Unaudited 30.06.2019	Audited 31.03.2019	Unaudited 30.06.2018	Audited 31.03.2019
Break – up of Employee Benefit				
Salary & Wages	163,99,305.00	255,31,214.00	99,67,005.00	671,73,098.00
Director Remuneration	12,30,000.00	12,30,000.00	12,30,000.00	49,20,000.00
Contribuionn to Provident and Other Funds	5,95,773.00	16,14,203.00	12,71,746.00	40,60,379.00
Share Base Payment to employees				0.00
Staff Welfare Expenses	3,70,518.00	31,22,600.00	1,75,506.00	42,49,603.00

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8) Gain/ Loss on account of Foreign Exchange Fluctuation (Included in other Income)

Particular	Quarter Ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
Gain / Loss on Account of Foreign Exchange Fluctuation ( Add in Other Income )	-3,20,492.00	-16,11,689.00	6,66,168.00	-19,63,048.00
Loss on Account of Foreign Exchange ( Record In Indirect Expenses )	0.00	0.00	0.00	0.00

9) Reconciliation of Net Profit between Previous GAAP and IND AS

	Quarter ended 30.06.2019			Rs. in Lakhs
	I- GAAP	transition to IND AS	IND -AS	
<b>Income from Operations</b>				
Net Sales /IncomeFrom Operation (Net of Excise Duty)	2821.60	-	2821.60	
Other Operating Income	9.08	-	9.08	
Other Income	1.73	-	1.73	
Total income from operatoins (net)	2832.41	-	2832.41	
<b>Expenses</b>				
a) Cost of Material Consumed	2173.70	-	2173.70	
b) Purchases of stock -in-trade	0.00	-	0.00	
c) Changes in inventories of finished goods, work-in-	(2.78)	-	(2.78)	
d) Manufacturing & Service Cost	104.61	-	104.61	
d)Finance Costs	129.15	-	129.15	
e) Employess benefits expenses	183.65	-	183.65	
f) Depreciation and amortisation expenses	46.37	-	46.37	
g) Provision for Doubtful Debts	0.00	-	0.00	
h) Operating & Other Expenses	174.37	-	174.37	
Total Expenditure	2809.07	-	2809.07	
Profit/(Loss) from ordinary activities before exceptional	23.34	-	23.34	
Exceptional items / Prior Period Item	0.00	-	0.00	
Profit/(Loss) from ordinary activities before tax (5-6)	23.34	-	23.34	
Tax Expenses	0.00	-	0.00	
Profit/(Loss) from continuing operations	23.34	-	23.34	
Profit/(Loss) from discontinued operations	0.00	-	0.00	
Tax Expense of discontinued operations	0.00	-	0.00	
Profit/(Loss) from discontinued operations after tax	0.00	-	0.00	
Profit/ (Loss) for the period	23.34	-	23.34	
Other comprehensive Income	0.00	-	0.00	
Total Comprehensive Income for the period	23.34	-	23.34	

PLACE: MUMBAI

DATE : 13.08.2019

FOR FREDUN PHARMACEUTICALS LIMITED

JOINT MANAGING DIRECTOR

Dr ( Mrs. ) Daulat N Medhora

DIN : 01745277



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# Savla & Associates

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CHARTERED ACCOUNTANTS

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8/196, Guru Sevak Kutir, Station Road

Wadala (W), MUMBAI - 400 031.

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PHONE : 24102526, 24112526

FAX : 24132121

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## LIMITED REVIEW REPORT

**TO THE BOARD OF DIRECTORS OF  
FREDUN PHARMACEUTICALS LTD**

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

1. We have reviewed the accompanying Statement of Unaudited standalone Financial Result of **FREDUN PHARMACEUTICALS LTD** for the Quarter ended June 30, 2019 except for the disclosures regarding 'Public Shareholding' and Promoter Group Shareholding which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this Financial Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personal and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention except the dividend tax payable by the company has not been paid by company that causes us to believe that the accompanying Statement, prepared in accordance with the Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**FOR SAVLA & ASSOCIATES**  
Chartered Accountants  
(Firm Registration No.109361W)



**KINJAL SAWLA**  
(Partner)

Membership No. : 134603

UDIN No - 19134603AAAAAA7728

Place - Mumbai  
Date – 13<sup>th</sup> August, 2019





## Annexure B

### Details on the initiation of new Formulations Development

1. Your Company spent Rs. 73 lakhs worth of materials on new formulations development.
2. We are enhancing our current formulations to improve efficiency in existing production cycle. We have deployed a dedicated team for the same at the cost of approximately Rs. 7 lakhs per month. This team consists of highly experienced professionals who had worked with the MNC's before joining Fredun Pharmaceuticals Limited. There will be an additional operational cost of Rs. 3 lakhs per month to facilitate the team and activities.
3. This activity will continue atleast for the next 7 quarters before we create a fully functional formulations development division to continue there activities on a permanent basis.
4. We are currently working on our Nephrology and our Anti-Malarial product range.
5. In the upcoming quarters we shall be engaging in robust formulations development activities to better our profitability from the year 2023 onwards by increasing spending today.
6. We are constantly researching on ways to improve our profitability and transitioning from low cost, low value, high volume products to a mix of high value, high volume, niche products.
7. Our plan as a Company is to chart a growth plan for the next decade. We have constantly upgraded our facilities and our capacities over the last 6 years. We have added new product lines and enhanced formulations to create a foundation for the future. Now our focus will be to invest heavily in enhancing our efficiencies to secure our future.

For Fredun Pharmaceuticals Limited

*D Medhora*

**Dr. (Mrs.) Daulat Medhora**  
**Chairperson & Jt. Managing Director**  
**DIN: 01745277**



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