

# FREDUN PHARMACEUTICALS LIMITED

*Compassionate Healthcare*



CIN No : L24239MH1987PLC043662

Date: August 11, 2020

To

Bombay Stock Exchange Limited  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street- Fort , Mumbai – 400001.

**Ref: BSE Scrip Code – 539730**

**Sub: Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 along with the Auditors Report**

Dear Sir/Madam,

With reference to the BSE mail dated 10.08.2020 regarding Discrepancies in Financial Results, we have rectified the Audited Financial Results and we are sending the revised Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 along with the Auditors Report.

Thanking You,

For Fredun Pharmaceuticals Limited

  
Ankita Joshi

Company Secretary Cum Compliance Officer  
Membership No: ACS43193.



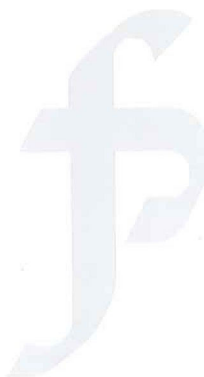
**Office Address:** Manoj Industrial Premises, G.D. Ambekar Marg, Wadala (W), Mumbai - 400 031, (INDIA)

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

**Factory Address:** 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



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Compassionate Healthcare



CIN No : L24239MH1987PLC043662

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

Rs. in Lakhs

	Quarter ended 31.03.2020		
	I- GAAP	transition to	IND -AS
<b>Income from Operations</b>			
Net Sales /IncomeFrom Operation (Net of GST)	2442.06	-	2442.06
Other Operating Income	88.28	-	88.28
Total income from operatoins (net)	2530.34	-	2530.34
<b>Expenses</b>			
a) Cost of Material Consumed	2406.01	-	2406.01
b) Cost of Material Consumed for R & D	17.95	-	17.95
c) Other R & D Expenses	3.39	-	3.39
progress and stock in trade	(1061.71)	-	(1061.71)
d) Manufacturing & Service Cost	138.55	-	138.55
e)Finance Costs	113.91	-	113.91
f) Employess benefits expenses	298.13	-	298.13
g) Depreciation and amortisation expenses	47.35	-	47.35
h)Provision for doubtful debts	0.00	-	0.00
i) Other Expenses	528.88	-	528.88
Total Expenditure	2492.46	-	2492.46
& tax (3-4)	37.88	-	37.88
Exceptional items / Prior Period Item	0.00	-	0.00
Profit/(Loss) from ordinary activities before tax (5-6)	37.88	-	37.88
Tax Expenses	59.27	-	59.27
Profit/(Loss) from continuing operations	(21.39)	-	(21.39)
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	(21.39)	-	(21.39)
Other comprehensive Income	0.00	-	0.00
Total Comprehensive Income for the period	(21.39)	-	(21.39)

PLACE: MUMBAI

DATE : 29.07.2020



FOR FREDUN PHARMACEUTICALS LIMITED

MANAGING DIRECTOR & CFO  
FREDUN N. MEDHORA  
DIN : 01745348

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Compassionate Healthcare



CIN No : L24239MH1987PLC043662

NOTES:-

- 1) The above results were taken on record by the Board Of Directors at the meeting held on 29.07.2020
- 2) Previous year's figures have been regrouped/rearranged wherever necessary.
- 3) During the quarter ended 31st Mar 2020 there are no investor's complaints pending & no investor's complaints were received by the company during this period.
- 4) Provision for deferred tax made on March 2020
- 5) The above result have already been approve by the Audit Committee of the board
- 7) 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.

8) Employee Benefit Expense

Particular	Quarter Ended			Year Ended	
	Audited 31.03.2020	Unaudited 31.12.2019	Audited 31.03.2019	Audited 31.03.2020	Audited 31.03.2019
Break – up of Employee Benefit					
Salary & Wages	236,11,930.00	174,13,882.00	235,00,716.00	701,05,314.00	595,14,066.00
Director Remuneration	12,30,000.00	12,30,000.00	12,30,000.00	49,20,000.00	49,20,000.00
Contribuonn to Provident and Other Funds	10,96,360.00	10,96,179.00	10,41,087.00	40,03,221.00	28,90,006.00
Share Base Payment to employees		0.00		0.00	0.00
Staff Welfare Expenses	7,89,781.00	7,66,366.00	33,78,465.00	21,27,555.00	42,49,603.00

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

Particular	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Gain / Loss on Account of Foreign Exchange Fluctuation ( Add in Other Income )	8,29,402.00	12,47,979.00	0.00	23,06,894.00	0.00
Loss on Account of Foreign Exchange ( Record In Indirect Expenses )	0.00	0.00	16,11,688.00	0.00	-19,63,048.00



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# FREDUN PHARMACEUTICALS LIMITED

Compassionate Healthcare



CIN No : L24239MH1987PLC043662

## STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at 31.03.2020	As at 31.03.2019
<b>A EQUITY &amp; LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
a) Equity Share Capital	398.96	398.96
b) Other Equity	3733.17	3499.96
<b>Sub-total - Shareholders' Funds</b>	4132.13	3898.92
2 Share application money pending allotment	-	-
<b>3 Non Current Liabilities</b>		
a) Borrowings	1149.58	1063.91
b) Provisions	163.09	108.35
c) Other non- Current liabilities	0.00	0.00
d) Deferred Tax Liabilities (Net)	94.06	79.18
<b>Sub-total - Non Current Liabilities</b>	1406.73	1251.44
<b>4 Current Liabilities</b>		
a) Financial Liabilities		
1) Borrowings	2340.64	863.19
2) Trade Payables	4418.85	3370.44
3) Other Financial Liabilities	1.86	23.55
b) Other Current Liabilities	759.28	869.96
c) Short term provisions	0.00	0.00
d) Current tax liabilities ( Net)	256.87	213.44
<b>Sub-total - Current Liabilities</b>	7777.50	5340.58
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13316.36</b>	<b>10490.94</b>
<b>B ASSETS</b>		
<b>1) Non-current assets</b>		
(a) Property , Plant and equipment	3092.66	3132.63
(b) Capital work in Progress	0.00	0.00
(c) Financial Assets	0.00	0.00
1) Loans	0.00	0.00
2) Other financial assets	58.41	56.38
3) Other Intangible Assets	4.12	2.74
(d) Non - Current Investment	0.27	0.27
(e) Other non current assets	50.00	47.00
<b>Sub-total - Non-current assets</b>	3205.46	3239.02
<b>2) Current assets</b>		
(a) Inventories	5046.17	4078.00
(b) Financial assets	0.00	0.00
(1) Investments	4.90	0.30
(2) Trade and other receivable	3279.44	1778.21
(3) Cash and cash equivalents	275.26	92.89
(4) Bank Balance Other Than 3 above	30.64	53.78
(5) Loans	15.37	12.85
(6) Other financial assets	1.69	4.02
(c) Other current Assets	1457.43	1231.87
<b>Sub-total - Current assets</b>	10110.90	7251.92
<b>TOTAL - ASSETS</b>	<b>13316.36</b>	<b>10490.94</b>

PLACE : MUMBAI  
DATE : 29.07.2020



FOR FREDUN PHARMACEUTICALS LIMITED

MANAGING DIRECTOR & CFO

FREDUN N. MEDHORA  
DIN : 01745348

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# FREDUN PHARMACEUTICALS LIMITED

Compassionate Healthcare



CIN No : L24239MH1987PLC043662

AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31.03.2020

Rs. In Lakhs

PARTICULARS	Quarter Ended			Year Ended	
	Audited	Unaudited	Audited	Audited	Audited
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
<b>1 Income from Operations</b>					
Net Sales / Income From Operation (Net of GST)	2442.06	2622.93	3106.60	11029.86	9540.72
2 Other Operating Income	88.28	162.75	116.26	298.99	199.31
3 Total income from operations (net)	2530.34	2785.68	3222.86	11328.85	9740.03
<b>4 Expenses</b>					
a) Cost of Material Consumed	2406.01	2149.10	2405.57	8518.42	6595.82
b) Cost of Material Consumed for R & D	17.95	26.15	0.00	67.22	0.00
c) Other R & D Expenses	3.39	4.82	0.00	0.00	0.00
d) Changes in inventories of finished goods, work-in-progress and stock in trade	(1061.71)	(143.94)	(727.54)	(504.27)	(608.04)
e) Manufacturing & Service Cost	138.55	82.64	0.00	528.89	418.18
f) Finance Costs	113.91	97.73	180.48	441.39	309.62
g) Employess benefits expenses	298.13	186.44	366.52	894.77	804.03
h) Depreciation and amortisation expenses	47.35	47.55	34.59	187.87	133.01
i) Other Expenses	528.88	233.37	681.22	945.10	1471.23
Total expenses	2492.46	2683.86	2940.84	11079.39	9123.85
& tax (3-4)	37.88	101.82	282.02	249.46	616.18
6 Exceptional items / Prior Period Item	0.00	0.00	0.00	0.00	0.00
7 Profit/(Loss) from ordinary activities before tax (5-6)	37.88	101.82	282.02	249.46	616.18
8 Tax Expenses	59.27	0.00	170.18	59.27	170.18
9 Profit/(Loss) from continuing operations	(21.39)	101.82	111.84	190.19	446.00
10 Profit/(Loss) from discontinued operations	0.00	0.00	0.00	0.00	0.00
11 Tax Expense of discontinued operations	0.00	0.00	0.00	0.00	0.00
12 Profit/(Loss) from discontinued operations after tax	0.00	0.00	0.00	0.00	0.00
13 Profit/ (Loss) for the period	(21.39)	101.82	111.84	190.19	446.00
14 Other comprehensive Income					
A (i) Items that will not be re-classified to profit/ loss classified to profit/ loss	0.00	0.00	0.00	0.00	0.00
B (i) Items that will be re-classified to profit / loss profit/ loss	0.00	0.00	0.00	0.00	0.00
15 Paid up Equity Share Capital (Face Value of Rs-10/- each)	398.96	398.96	398.96	398.96	398.96
16 Reserves excluding Revaluation Reserves	0.00	0.00	0.00	3733.16	3499.95
17 Earning per Share (EPS) (before & after extra ordinary items)					
- Basic/ Diluted Earning Per Share (Rs.)	(0.54)	2.55	2.80	4.77	11.59
A 1) Public Shareholding					
Number of shares	1913524	1913524	1913524	1913524	1913524
Percentage of shareholding	47.96	47.96	47.96	47.96	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	2076110	2076110	2076110
- Percentage of shares (as a % of total shareholding of Promoters and Prompter Group)	100%	100%	100%	100%	100%
the Company)	52.04	52.04	52.04	52.04	52.04

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FREDUN PHARMACEUTICALS LIMITED			
Standalone Balance Sheet for the year ended 31 March, 2020			
	Notes	As at 31 March, 2020	As at 31 March, 2019
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a)	Property, Plant and Equipment	30,92,66,071.32	31,32,63,659.73
b)	Capital Work-in-Progress	-	-
c)	Other Intangible Assets	4,12,281.79	2,74,077.55
d)	Financial assets		
	i) Investments	27,600.00	27,600.00
	ii) Loans	-	-
	iii) Other Financial Assets	58,41,237.53	56,37,926.46
e)	Other Non-current Assets	50,00,000.00	47,00,000.00
	<b>Total non - current assets</b>	<b>32,05,47,190.64</b>	<b>32,39,03,263.74</b>
<b>CURRENT ASSETS</b>			
a)	Inventories	50,46,16,744.00	40,78,00,520.00
b)	Financial Assets		
	i) Investments	4,90,000.00	30,000.00
	ii) Trade and other receivables	32,79,43,995.54	17,78,20,947.49
	iii) Cash and Cash Equivalents	2,75,26,127.55	92,88,720.05
	iv) Bank Balance other than (iii) above	30,64,450.42	53,78,544.77
	iv) Loans	15,37,503.30	12,84,876.41
	v) Other Financial Assets	1,68,948.35	4,01,873.34
c)	Other Current Assets	14,57,42,772.72	12,31,86,755.56
	<b>Total current assets</b>	<b>1,01,10,90,541.88</b>	<b>72,51,92,237.62</b>
	<b>TOTAL ASSETS</b>	<b>1,33,16,37,732.52</b>	<b>1,04,90,95,501.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a)	Equity share capital	3,98,96,346.00	3,98,96,346.00
b)	Other equity	37,33,16,851.80	34,99,95,743.31
	<b>Total Equity</b>	<b>41,32,13,197.80</b>	<b>38,98,92,089.31</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
a)	Financial liabilities		
	i) Borrowings	11,49,58,423.25	10,63,90,789.38
b)	Provisions	1,63,09,257.00	1,08,35,440.00
c)	Other non - current liabilities	-	-
d)	Deferred Tax Liability	94,06,562.00	79,18,416.00
	<b>Total non current - liabilities</b>	<b>14,06,74,242.25</b>	<b>12,51,44,645.38</b>
<b>Current Liabilities</b>			
a)	Financial liabilities		
	i) Borrowings	23,40,63,992.35	8,63,18,736.95
	ii) Trade and other payable	44,18,84,561.36	33,70,44,204.98
	iii) Other financial liabilities	1,85,831.42	23,54,732.19
b)	Provisions		
c)	Other current liabilities	7,59,28,549.34	8,69,96,634.55
d)	Current tax liabilities (net)	2,56,87,358.00	2,13,44,458.00
	<b>Total current liabilities</b>	<b>77,77,50,292.47</b>	<b>53,40,58,766.67</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,33,16,37,732.52</b>	<b>1,04,90,95,501.36</b>
	Significant accounting policies	2	
	The accompanying notes form an integral part of these Financial Statements		
	Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	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. :20043901AAAACS1805

Place - Mumbai  
Date :- 29th July 2020.



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



FREDUN PHARMACEUTICALS LIMITED			
Standalone Statement of Profit and Loss for the year ended 31 March, 2020			
	Notes	As at 31 March, 2020	As at 31 March, 2019
<b>I Revenue</b>			
Revenue from Operations	25	1,10,29,85,701.22	95,40,72,440.31
Other Operating Revenue	26	2,47,27,889.49	1,60,84,435.75
Other income	27	51,71,307.88	38,47,030.41
<b>Total Income</b>		<b>1,13,28,84,898.59</b>	<b>97,40,03,906.47</b>
<b>II Expenses</b>			
Cost of materials consumed	28	85,18,41,702.71	65,95,82,135.35
Cost of materials consumed for R & D	29	67,22,396.00	-
Changes in inventories of raw materials, packing materials, stock in trade and work in progress	30	-5,04,27,405.00	-6,08,03,821.80
Manufacturing & Service Cost	31	5,28,88,651.99	4,18,18,381.80
Employee benefit Exp.	32	8,94,76,744.02	8,04,03,080.66
Finance Cost	33	4,41,38,636.69	3,09,62,289.15
Depreciation and amortisation expense	34	1,87,87,338.70	1,33,00,917.00
Operating and other expenses	35	9,40,10,103.53	14,63,72,643.68
Payment to Auditors		5,00,000.00	7,50,000.00
Impairment loss / (reversal)			
<b>Total Expenses</b>		<b>1,10,79,38,168.64</b>	<b>91,23,85,625.84</b>
<b>III Profit before exceptional items and tax</b>		<b>2,49,46,729.95</b>	<b>6,16,18,280.63</b>
Exceptional Items		-	-
<b>IV Profit before tax from continuing operations</b>		<b>2,49,46,729.95</b>	<b>6,16,18,280.63</b>
<b>V Tax Expenses:</b>			
Current Tax		44,39,400.00	1,71,89,000.00
Deferred Tax		-14,88,146.00	1,71,178.00
<b>VI Profit for the year from continuing operations</b>		<b>1,90,19,183.95</b>	<b>4,46,00,458.63</b>
<b>VII Profit before tax from discontinued operations</b>		-	-
<b>VIII Tax expenses of discontinued operations</b>		-	-
<b>IX Profit for the year from discontinued operations</b>		-	-
<b>X Net Profit for the year</b>		<b>1,90,19,183.95</b>	<b>4,46,00,458.63</b>
<b>XI Other Comprehensive Income</b>			
<b>A Items that will not be classified to profit and loss</b>			
i) Re measurement of post - employment benefit obligations		-	-
ii) Income tax related to items that will not be reclassified to profit and loss		-	-
<b>B Items that will be reclassified to profit and loss</b>		-	-
<b>XII Total Comprehensive Income for the year</b>		-	-
<b>XIII Earning per equity share (Face value of Rs. 10/- each)</b>	36		
Earning per equity share of continuing operations		4.77	11.59
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		4.77	11.59
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 - 043901  
Deepak G. Savla  
Partner  
Membership No - 043901  
UDIN No. :20043901AAAACS1805

Place - Mumbai  
Date :- 29th July 2020.



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



**FREDUN PHARMACEUTICALS LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020.**

	F.Y. 2019-2020	F.Y. 2018-2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAXATION	2,34,58,583.95	6,17,89,458.63
<b>ADJUSTMENTS FOR :</b>		
DEPRECIATION	1,87,87,338.70	1,33,00,917.00
INTEREST PAID	4,41,38,636.69	3,09,62,289.15
INTEREST RECEIVED	(6,77,023.50)	(4,94,547.33)
CREDITORS WRITTEN BACK	10,13,636.51	(55,63,845.83)
	6,32,62,588.40	3,82,04,812.99
	8,67,21,172.35	9,99,94,271.62
<b>ADJUSTMENT TO OPERATING PROFIT</b>		
PRIOR PERIOD ADJUSTMENTS		-
DEFERRED TAX LIABILITY	14,88,146.00	(1,71,178.00)
ADJUSTMENT FOR PROPOSED DIVIDEND TAX	-	-
ADJUSTMENT FOR TAX PROVISION	(44,39,400.00)	(1,71,89,000.00)
	8,37,69,918.35	8,26,34,093.62
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
<b>EFFECTS OF CHANGES IN WORKING CAPITAL ITEMS</b>		
<b>DECREASE / DECREASE IN :-</b>		
INVENTORY	(9,68,16,224.00)	(22,35,46,690.14)
INVESTMENTS	(4,60,000.00)	(30,000.00)
TRADE RECEIVABLES	(15,01,23,048.05)	(2,52,28,509.27)
LOANS & ADVANCES	(2,52,626.89)	(4,28,063.80)
OTHER CURRENT ASSETS	(2,25,56,017.16)	(3,83,20,555.32)
OTHER FINANCIAL ASSETS	2,32,924.99	7,72,97,775.39
OTHER FINANCIAL ASSETS	(2,03,311.07)	(21,15,134.46)
TRADE PAYABLES	10,48,40,356.38	(5,21,64,776.65)
OTHER CURRENT LIABILITIES	(1,10,68,085.21)	7,36,71,547.42
OTHER NON CURRENT LIABILITIES		
OTHER NON CURRENT INVESTMENTS	-	(25,000.00)
SHORT TERM PROVISION	-	(1,60,19,717.56)
PROVISION FOR TAX	43,42,900.00	84,79,420.00
RESERVES & SURPLUS	(2,33,21,108.49)	(33,47,937.87)
SHARE PREMIUM (RESERVES & SURPLUS)	-	12,13,67,500.00
	(11,16,14,321.15)	22,23,951.36
<b>INCREASE / DECREASE IN :-</b>		
LONG TERM LOANS & ADVANCES		-
LONG TERM PROVISIONS	54,73,817.00	1,08,35,440.00
	54,73,817.00	1,08,35,440.00
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(10,61,40,504.15)	1,30,59,391.36
<b>EFFECTS OF CHANGES IN NON CURRENT ITEMS</b>		
<b>OTHER NON CURRENT ASSETS</b>	(3,00,000.00)	(47,00,000.00)
<b>NET ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES</b>	(10,64,40,504.15)	83,59,391.36





**EFFECTS OF CHANGES IN NON CURRENT ITEMS****OTHER NON CURRENT ASSETS**

(3,00,000.00)

(47,00,000.00)

**NET ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES**

(10,64,40,504.15)

83,59,391.36

**B) CASH FLOW FROM INVESTING ACTIVITIES**

PURCHASE OF FIXED ASSETS

(1,49,27,954.53)

(16,40,14,641.16)

CAPITAL WORK IN PROGRESS

11,14,97,653.19

(1,49,27,954.53)

(5,25,16,987.97)

(12,13,68,458.68)

(4,41,57,596.61)

**C) CASH FLOW FROM FINANCING ACTIVITIES**

INCREASE / DECREASE IN ISSUE OF SHARE CAPITAL

56,45,000.00

INCREASE / DECREASE IN LONG TERM BORROWINGS

85,67,633.87

7,38,77,365.05

INCREASE / DECREASE IN SHORT TERM BORROWINGS

17,31,99,387.66

(1,03,26,488.51)

INTEREST RECEIVED

6,77,023.50

4,94,547.33

INTEREST PAID

(4,41,38,636.69)

(3,09,62,289.15)

CREDITORS WRITTEN BACK

(10,13,636.51)

55,63,845.83

13,72,91,771.83

4,42,91,980.55

**NET INCREASE / DECREASE IN CASH**

1,59,23,313.15

1,34,383.94

OPENING CASH &amp; BANK BALANCE

1,46,67,264.82

1,45,32,880.88

CLOSING CASH &amp; BANK BALANCE

3,05,90,577.97

1,46,67,264.82

For Savla &amp; Associates

Chartered Accountants

Firm Registration No - 109361W



Deepak G. Savla

Partner

Membership No - 043901

UDIN No. :20043901AAAACS1805

Place - Mumbai

Date :- 29th July 2020.

For and on behalf of

CIN No - L24239MH1987PLC043662

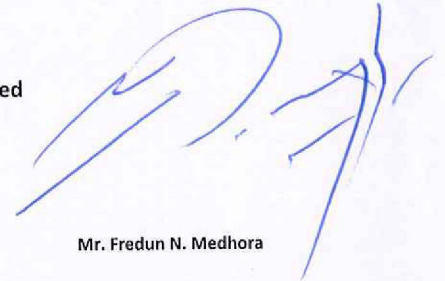
For Fredun Pharmaceuticals Limited



Dr. (Mrs) Daulat N. Medhora

Joint Managing Director

DIN : 01745277



Mr. Fredun N. Medhora

Managing Director &amp; CFO

DIN : 01745348

**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.

Previous year figures have been regrouped & recast, wherever necessary, to conform to the current year's classification.



Note – 38: C: Other Risk - Impact of COVID – 19:

The effects of Covid-19 were immediately seen for us in the last quarter of 19-20

- As the country is dependent on China for its API supply and China did not open up after mid Jan 2020, the API prices started to rise in India.
- This caused the company to hold procurement for many products which were rendered commercially nonviable at that moment due the high API rates
- Later on due to the export ban imposed on molecules which are generally used as container fillers, a list of other exports which were ready goods were also dropped.
- This lowered the sales of the third quarter by almost 39-43% percent
- Our last quarter profitability was also hampered due to high cost of Raw Materials and the manufacturing unit being in complete shut down for 9 days in March 2020

Effect in the financial year 20-21

- The company was able to start limited operations around the 30th of March 2020 after a total shut down from the 22nd of March.
- The company was able to run with bare essentials in the month of April with its peak output at around 10% of the installed capacity.
- All Salaries were paid on time
  - Change in dollar rate has no adverse effects on the company
  - All Employees were timely covered under appropriate law.
- This was achieved even after most villages were still under partial or complete lockdown till 21st April.
- The strength of the workers increased to around 20% by the last week of April .
- The purchases were bare minimum as well during this quarter as all API prices remained unsuitable for procurement for orders at Hand
- The worker strength had increased to around 25% by second week of May.
- The cost of Labour was 22% higher due to the extensive transportation costs and also additional benefits given to those reporting for duty during lockdown.
- The company also took care of all its employees and not a single employee was let go.



- The company did not face any liquidity issues during the first three months of the lock-down as it had sufficient cashflows to maintain operations and contingency expenses. However, the company does foresee a strain in liquidity over the second quarter and first 45 days of the third quarter as revenue was drastically reduced in the first quarter. The company however has made appropriate arrangements and stringently planned it's outflows to wade through this period.

- The revenues of the company has reduced by over 70% from our estimates of the first quarter due to inability to export ready goods and manufacture new goods due to labour and cost of API

- The company still is sure of the next three quarters and will achieve a higher growth compared to the last year even with a weak first quarter and a fairly stable second quarter

- The attendance is still at 50% at the plant however as of last week of July the plant is now operational at 60% capacity.

- We aim to reach 80% capacity by August end and optimum utilisation by September provided no further arbitrary lockdown of villages and towns around the location of the plant.

- As our partner companies across the world had also gone in a lockdown their requirements will come in staggered lots to avoid over stocking at their ends

- The availability of API for our formulations was not an issue as of July 2020 however the pricing still remained higher than usual.

- The export ban was lifted on a few products in June therefore our dispatches which were held up will now be dispatched in staggered lots as requirements from buying countries have changed in terms of priorities.

- The company is also focused right now on businesses which improve cash flow cycles and will avoid transactions which entail reduction in existing liquidity

- The company has continued to pay of all its debts on time and appropriately.

- The company does not foresee any delay in its target of achieving 143 new registrations of products in this calendar year .

- The company foresees a hit on its profitability for the next two quarters due to the cost of the production going up and the cost of the materials still at the higher end of the spectrum. However post December it will see its profitability increase in comparison to the first two quarters.

- The company foresees no immediate expenses on capital expenditure of more than Rs. 3 crores, but it does intend to continue procurement of machinery as per plan

- There is no cancellation of any order from any buyer across all continents. However, the company will decide on the execution of orders based on relevant market conditions in the country of procurement.



- Facility augmentation started in January this year to further increase our coating capacity to 13 million tablets a day is on track and shall be completed by September 2020

- The launch of latest molecules of anti-diabetic range, cardiac range and renal disorders is on track and shall not be postponed. We are hoping for registrations by end of this calendar year.

- The company also received it's WHO cGMP certification for its new plants of pellets and ointments in the first quarter of this financial year. This will now allow fast track registrations in various countries for the same.

- We are further going to strengthen our RnD Team and continue our expenditure on formulation development

- We are planning further registrations of over 433 products in the next 27 months. We are planning to add six new countries for first time registrations and we are sure of first supply by November 2021.

- Our in-roads into the anti-diabetic market will get stronger with the new molecules being registered in our existing markets as well.

#### Outset

- Covid-19 has changed the way we do business not in terms of execution but in terms of planning.

- Businesses have to be more cautious in terms of understanding cash flows and we at FPL are aware of this reality.



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# Savla & Associates

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CHARTERED ACCOUNTANTS

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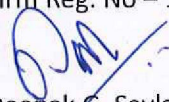
**Auditors report on Quarterly and Annual Financial Results Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

The Board of Directors

Fredun Pharmaceuticals Ltd., 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, 2020, 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, 2020

**For SAVLA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No – 109361W

  
Deepak G. Savla  
(PARTNER)  
Membership No.: 043901

Place: Mumbai

Date: 29<sup>th</sup> July, 2020



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## 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, 2020, 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, 2020, 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.



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### 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.



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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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls





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- 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.



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# Savla & Associates

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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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.



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# Savla & Associates

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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.

UDIN No – 20043901AAAACS1805

Place: Mumbai

Date: 29<sup>th</sup> July, 2020

For SAVLA & ASSOCIATES  
CHARTERED ACCOUNTANTS

DEEPAK G. SAVLA  
(PARTNER)

Membership No.: 043901



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# Savla & Associates

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## **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, 2020 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



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# Savla & Associates

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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



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reporting were operating effectively as at 31 March 2020, 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

Place: Mumbai

Date: 29<sup>th</sup> July, 2020



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# Savla & Associates

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## Annexure B to 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 2020, 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'

(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) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) Loans Granted

The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon

- (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.



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- (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) 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.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across instance of material fraud or on the company by its officers or employees, noticed or





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# Savla & Associates

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CHARTERED ACCOUNTANTS

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Wadala (W), MUMBAI - 400 031.

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reported during the year, nor have we been informed of any such instances by the management.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
- (xii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xii) of the Companies (Auditors Reports) Order, 2013 are not applicable to the company.
- (xiii) According to the information and explanations given by the management and based on our examination of records of the company, transaction entered into by the company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable.
- The details of related party transaction have been disclosed in the financial statement as required under Indian Accounting Standards (Ind AS) 24, Related party Disclosures specified under section 133 of the Act, read with relevant rules issued thereunder
- (xiv) Based on our audit procedures and on the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) 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 entered into any non-cash transactions with directors or persons connected with him.



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- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SAVLA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG. NO – 109361W



DEEPAK G. SAVLA  
(PARTNER)

Membership No.: 043901

Place: Mumbai

Date: 29<sup>th</sup> July, 2020



# Savla & Associates

CHARTERED ACCOUNTANTS

8/196, Guru Sevak Kutir, Station Road

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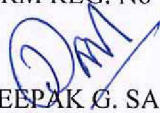
FAX : 24132121

## Annexure C to the Auditors Report

### Details of Fixed Assets mortgage against Loan

Sr. no.	Asset Name	Value	Charge Holder
1	Mortgage of Plant & Machinery lying at 2,3,4,14, 15, 16 Zoroastrian Industrial Estate, Veeor , Palghar - 401 404	6,32,00,000	The Saraswat Co-op. Bank Ltd
2	Factory Land & Building located at 14,15, 16 at Zoroastrian Industrial Estate , Veeor , Palghar -401 404	12,36,00,000	The Saraswat Co-op. Bank Ltd
3	Office Premises - 26-Manoj Industrial Premises Co-op. Society Ltd. Dr.G.D.Ambekar Marg Wadala , Mumbai - 400 031	2,22,00,000.00	The Saraswat Co-op. Bank Ltd

For SAVLA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG. No – 109361W

  
DEEPAK G. SAVLA  
(PARTNER)

Membership No. : 043901

Place : Mumbai

Date : 29<sup>th</sup> July, 2020

