



FREDUN PHARMACEUTICALS LIMITED



**32nd ANNUAL REPORT
2018 - 2019**

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Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

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CORPORATE INFORMATION

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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	Whole Time Director
Dr. Aspi Raimalwala	Non-Executive Independent Director
Dr. Chandrakant Shah	Non-Executive Independent Director
Dr. Rohinton Kanga	Non-Executive Independent Director
Ms. Priyanka Chaturvedi	Company Secretary Cum Compliance Officer

REGISTERED & CORPORATE OFFICE

26, Manoj Industrial Premises,
G. D. Ambekar Marg, Wadala,
Mumbai – 400 031
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,
Veer, Palghar (East) – 401 404
District – Palghar
Tel. No.: +91 7045957829 / 30

STATUTORY AUDITORS

M/s. Savia & Associates Chartered Accountants

SECRETARIAL AUDITORS

M/s. Rajendra & Co. Practising Company Secretaries

REGISTRAR & SHARE TRANSFER AGENTS

Practising Company Secretaries
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.
Shamrao Vitthal Co-op Bank Ltd.
Indusind Bank Ltd.

MESSAGE FROM THE MANAGING DIRECTOR

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

Message from the Managing Director

Dear Partners,

It's a strange world where people who put in their hard-earned money on pure belief and trust are called investors and those who associate for profit are called Partners.

No here.

We strongly believe that all those who have believed in us are our partners. You believed in the potential and we delivered.



Coming a long way in times of unparalleled changes we have not only increased our capabilities but also foraged into different segments to cater various market requirements.

Looking ahead we are investing heavily in developing the latest molecules in various therapeutic classes and innovative formulations that improve efficacy of existing products.

Geographically also we are adding new countries and registering our brands to fuel the growth for the future.

With almost 300+ registrations in various countries coming through in the next two years we are prepared for the growth in revenue.

It is a tough journey however it is a pleasurable one and I genuinely believe we have a long ever-changing destination that requires us to adapt and amplify ourselves for the better.

With my warmest Regards,

Fredun Medhora

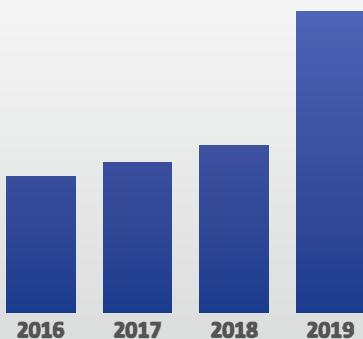
Managing Director

KEY PERFORMANCE INDICATORS

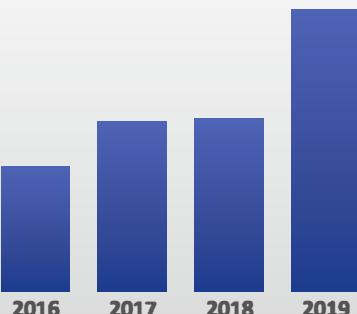
Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

Key Performance Indicators Growing Stronger

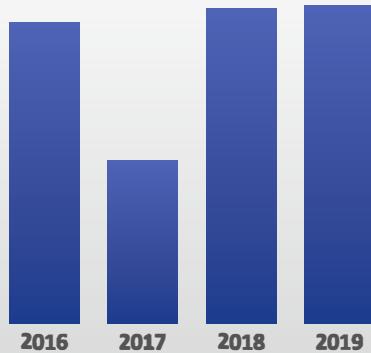
EBITDA



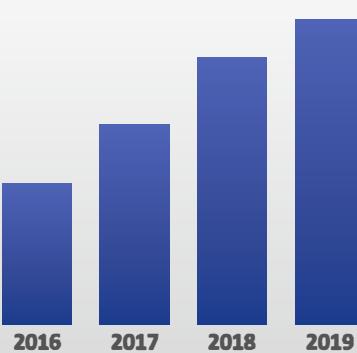
Turnover



Cash & Cash



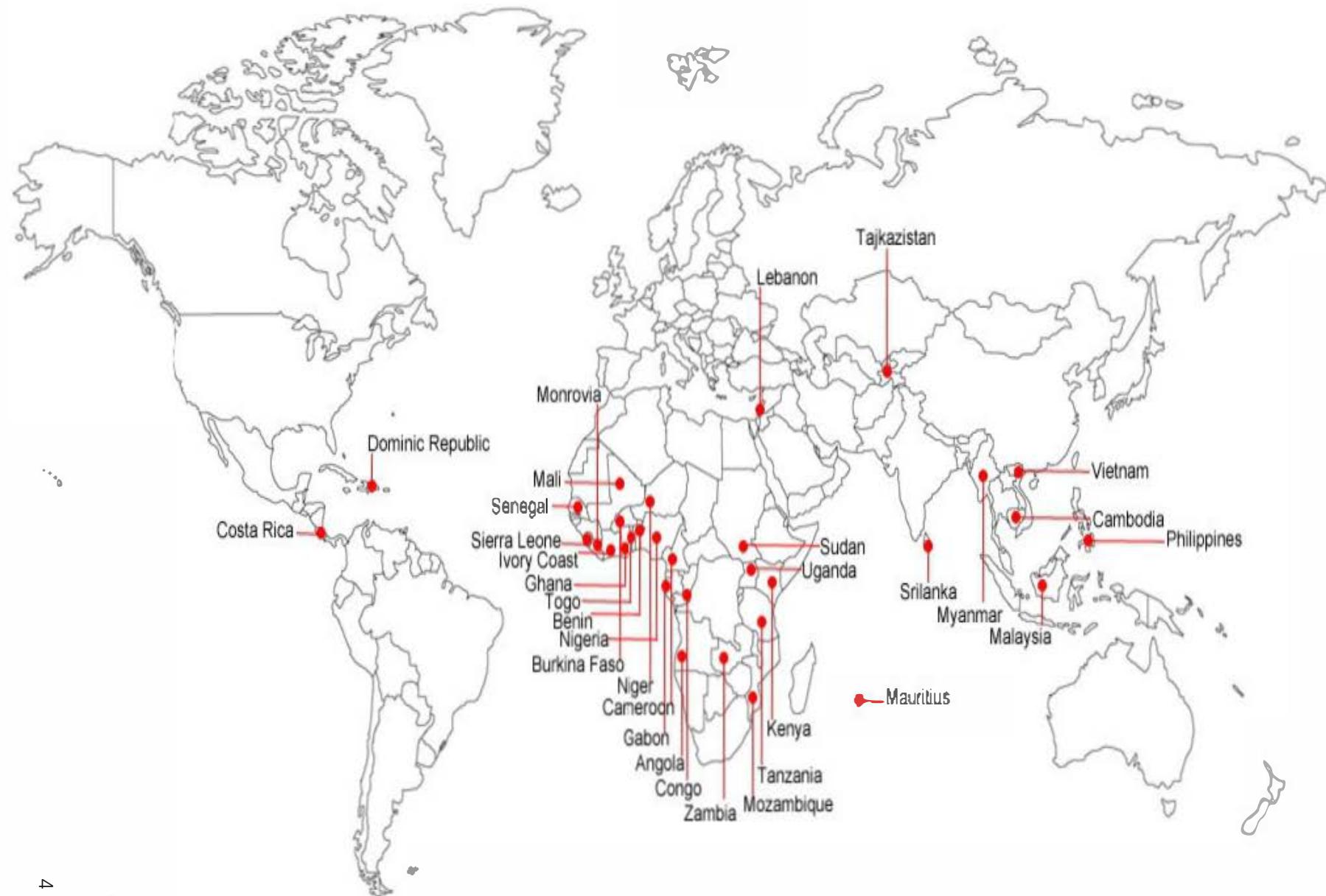
Fixed Assets



Networth

*for the EPS of 2018 & 2019 Weighted Average formula is used

GLOBAL PRESENCE



NOTICE OF THE 32nd ANNUAL GENERAL MEETING

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

NOTICE OF 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the **32nd ANNUAL GENERAL MEETING** (the “**32nd AGM**”) of the Members of **FREDUN PHARMACEUTICALS LIMITED** will be held on **Tuesday, September 24, 2019 at 09:00 A.M.** at Ramee Guest Line Hotel, Dadar Plot No. 3, Kohinoor Road, Dadar, Mumbai – 400 014 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, 2019 together with the reports of the Board of Directors and the Auditors thereon;
2. To declare Dividend of 6.5% on the Equity Shares of the Company for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of Mr. Nariman Medhora (DIN No.:02060357) who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:

4. To Ratify the remuneration of the Cost Auditor:

To consider and if though 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) payable to M/s. Joshi Apte & Associates; Practising Cost Accountants (Firm Registration No. 00240), allotted by the Institute of Cost Accountants of India; appointed as the Cost Auditor of the Company for the Financial Year 2019-20 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified.”

"RESOLVED FURTHER THAT the Board of Directors be and Is hereby authorized to do all such acts and take appropriate steps as may be necessary and proper to give effect to this resolution."

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

Sd/-

Place: Mumbai

Priyanka Chaturvedi

Date: June 10, 2019

Company Secretary Cum Compliance Officer

REGISTERED OFFICE:

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 32ND ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 ("the Act"), read with the applicable rules thereon, a person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the Annual General Meeting.
3. Every Member entitled to vote at the 32nd Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the 32nd AGM. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company. Further,

Corporate Members are required to send a Certified Copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.

4. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; the Register of Members of the Company will remain closed from September 18, 2019 to September 24, 2019; both days inclusive (Book Closure Date) for the purpose of 32nd Annual General Meeting.
5. Pursuant to the provisions of Section 124(5) and Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares on which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF authority.

The Company at its 30th AGM held on September 28, 2017 and 31st AGM held on September 27, 2018; had declared dividend at the rate of 6%. The unclaimed / unpaid amount is lying in the account and we thus request the shareholders to contact the Company or Purva Shareregistry (India) Pvt. Ltd. in this matter. The details of the unclaimed / unpaid dividend is available on the website of the Company at www.fredungroup.com

6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. Entry at the AGM hall shall be strictly restricted to the Members / valid proxies only carrying the attendance slip.
7. The Members are requested to notify any change in their registered address / residential status immediately to the Registrar and Share Transfer Agents M/S. Purva Shareregistry (India) Pvt. Ltd. (hereinafter referred to as "Purva"), Unit No. 9, Shiv Shakti Indl. Estate, J.R. Boricha Marg, Off N. M. Joshi Marg, Near Lodha Excelus, Lower Parel (E), Mumbai - 400 011. In case of Dematerialised Shares, the aforesaid information should be given to the Depository Participant with whom the member has an account.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent / Company.

9. Members may note that the Rule 11 of the Companies (Accounts) Rules, 2014.; permits circulation of Annual Report to shareholders through electronic means to such of the Members whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their E-mail ID with the Company and physical copies to those shareholders whose e-mail IDs have not been either registered with the Company or with the depositories.
 - 9.1 Keeping in view the Green Initiative taken by the Government and to save the cost involved in printing and dispatch; Members are requested to register their e-mail addresses with the DPs, in case shares are held in dematerialized form and with the Purva, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.
 - 9.2 Please note that as a Member of the Company, you will always be entitled to receive all communications in Physical form, upon request.
10. SEBI through it's circular dated December 3, 2018; had instructed that securities of the Listed Companies can be transferred only in dematerialised form from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.
11. Members holding shares in physical form under single name are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.
12. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Item no. 4 of the Notice is annexed herewith.
14. All documents referred to in the accompanying Notice and the Explanatory statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 A.M. to 5:00 P.M.) on all working days except Saturdays, Sundays and Holidays, up to and including the date of the 32nd Annual General Meeting of the Company.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013; will be available for inspection at the 32nd AGM.

16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. All Shareholders holding Shares as on September 17, 2019 (end of the day) being the cut-off date [i.e record date for the purpose of Rule 20(2)(ii) of the Companies (Management and Administration) Rules, 2015] fixed for determining voting rights of Members will be entitled to participate in E-voting process. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have been passed at the 32nd Annual General Meeting.
17. Members can opt for only one mode of voting. i.e. either by Ballot Form or e -voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through the Ballot form shall be treated as invalid. The Members who have cast their votes by remote E-voting prior to the meeting can also attend the meeting but shall not be entitled to cast their votes.
18. The Board vide its Resolution passed on June 10, 2019 had appointed Mr. Rajendra R. Vaze, Practicing Company Secretaries (Membership No. FCS 4247 CP NO. 1975) as the Scrutinizer for conducting the remote E-voting and Ballot form process in accordance with the law and in a fair and transparent manner.
19. The Chairperson shall, after the conclusion of the discussion(s) on the resolutions on which voting is to be held at the 32nd AGM, shall allow voting with the assistance of the scrutineer, by use of ballot paper for all those Members who are present at the 32nd AGM but have not cast their votes by availing the remote E-voting facility.
20. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, details of Directors seeking re-appointment at the 32nd Annual General Meeting of the Company to be held on September 24, 2019 are provided in Annexure A of this Notice. The Company had received the consents / declarations for their re-appointments as required under the Act and the rules framed thereunder.
21. Members may contact Ms. Priyanka Chaturvedi, Company Secretary Cum Compliance Officer of the Company for any grievances connected with electronic means at the Registered office of the Company i.e. at 26, Manoj Industrial Premises G.D. Ambekar Marg, Wadala, Mumbai - 400 031.

22. The Scrutinizer shall, after the conclusion of the voting at the 32nd Annual General Meeting, first count the votes cast at the meeting and then unblock the votes cast through remote e-voting. In the presence of at least two witnesses not in the employment of the Company and shall make not later than 48 hours of the conclusion of the 32nd Annual General Meeting as envisaged under Regulation 44 of SEBI Listing Regulations, 2015; a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of Company / Meeting in writing, who shall countersign the same and declare the results of the voting forthwith. The results declared with the Scrutinizer's report shall be placed on the website of the Company and will be forwarded to the BSE Limited.

The instructions for members for voting electronically are as under:

The Remote E-voting period begins on Saturday, September 21, 2019 (9:00 A.M. IST) and ends on Monday, September 23, 2019 (5:00 P.M. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e., September 17, 2019 may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter.

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

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

► Details on Step 1 is mentioned below:

- i. 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.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password 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.

iv. Your User ID details are given below :

**Manner of holding shares i.e.
Demat (NSDL or CDSL) or Physical**

Your User ID is:

For Members who hold shares in demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID

For example if your Beneficiary ID is 12***** then your user ID is 12*****.

For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the Company.

For example if folio number is 001*** and EVEN is 101456 then user id is 101456001***

v. Your password details 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'?

- 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'.

- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

vi. 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.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - viii. Now, you will have to click on "Login" button.
 - ix. After you click on the "Login" button, Home page of e-Voting will open.
- **Details on Step 2 is mentioned below:**
- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 - ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - iii. Select "EVEN" of Fredun Pharmaceuticals Limited for which you wish to cast your vote.
 - iv. Now you are ready for e-Voting as the Voting page opens.
 - v. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES Implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - vi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - vii. 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.
 - viii. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - ix. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- x. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

General Guidelines for shareholders

- 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 cs.rajendra@yahoo.in with a copy marked to evoting@nsdl.co.in
- 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.
- 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.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions:

1. The e-voting period commences on Saturday, September 21, 2019 (9:00 A.M. IST) and ends on Monday, September 23, 2019 (5:00 P.M. IST). During this period, members of the Company, holding Shares either in physical form or in dematerialized form, as on September 17, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their Shares of the paid-up Equity Share Capital of the Company as on the cut-off date September 17, 2019.
3. Mr. Rajendra R. Vaze, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith the Report to the Chairperson of the Company.

5. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.fredungroup.com. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The resolution shall be deemed to be passed on the date of the 32nd Annual General Meeting subject to receipt of sufficient votes.
6. In case of any queries, you may refer the frequently asked Questions (FAQs) for e-voting user manual for Shareholders available at the "downloads" Section of www.evoting.com or write an email to helpdesk.evoting@cdslindia.com

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item no. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Joshi Apte & Associates, Cost Accountants, as the cost auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2019-20, at Rs. 60,000/- (Rupees Sixty Thousand only) remuneration.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014; the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 2019-20.

The Board recommends the Ordinary Resolution for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Sd/-

Place: Mumbai

Date: June 10, 2019

**Priyanka Chaturvedi
Company Secretary Cum Compliance Officer**

REGISTERED OFFICE:

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

Annexure A

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings

Details of Directors seeking Appointment / Reappointment at the 32nd AGM of the Company to be held on September 24, 2019

Name	Mr. Nariman Medhora
Date of Birth	05/11/1937
Date of Appointment	30/09/2015
Qualification / expertise in specific functional areas	B.SC from Gujarat University He has wide experience in Plant checking, R.M. stores, Inventory Control and Purchase Department
Brief Profile	<p>Mr. N. B. Medhora is one of the Promoter Director of Fredun Pharmaceuticals Ltd., till October 2014 after which he has assumed the post of a Mentor to guide the Company forward with his extensive experience. He completed his B.sc from Gujarat University & joined Asbestos Magnesia and Friction Materials (AMFM), a wholly owned subsidiary of Turner & Neuvel a UK based Company in 1958 as an Inspector in Quality Control Department. In the year 1962 he joined M/s. Sarabhai Chemicals Ltd., at Baroda a leading Pharmaceutical Company in the capacity of a chemist in their Quality Control Department. During his tenure in Sarabhai Chemicals Ltd. he gained a wide experience in various departments like Plant checking, R.M. stores, Inventory Control and Purchase Department. In 1973 he was promoted as an Export-Import incharge. Thus, he has an immense knowledge about the Pharma Industry. Besides this, it has also helped him in developing the necessary contacts with Importers in Asian & African countries. He left Sarabhai Chemicals Ltd. in 1988 to start his own concern to manufacture Pharmaceutical Formulations.</p> <p>He also started a Proprietary Company M/s. Fredna Enterprises in 1990. This concern is involved in the manufacturing of a specialty product Micro-Crystalline Hydroxyapatite Compound used as an organic calcium supplement. It has acquired Industrial galas / plots in Palghar for the manufacturing of this product.</p>
Directorship held in other Companies	NILL
Membership of committees across Companies	NILL
Shares held as on 31/03/2019	5,75,300 Equity shares
Relationship Between the Directors	Mr. Nariman Medhora is husband of Dr. (Mrs.) Daulat Medhora and Father of Mr. Fredun Medhora

DIRECTORS REPORT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

Dear Members,

Your Directors are pleased to present their report and financial statements for the year ended March 31, 2019.

1. Financial Results:

(Rs. In Lakhs)

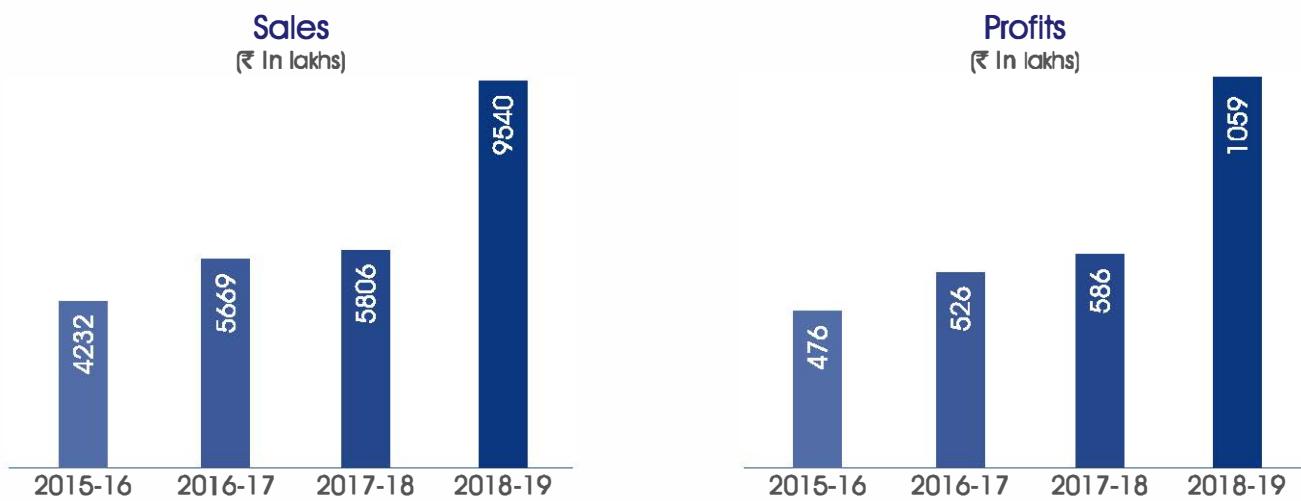
Particulars	For the financial year ended 31.03.2019	For the financial year ended 31.03.2018
Income from Business Operations	9,540.70	5,806.73
Other Income	199.60	164.35
Total Income	9,740.30	5,971.08
Profit / Loss before Interest, Depreciation and Taxes	1,058.8	586.42
Finance Cost	309.62	193.75
Depreciation / Amortization	133.00	128.50
Profit / Loss Before tax	616.18	264.17
Exceptional Income / Expenses	00	00
Prior Period adjustments	00	00
Profit / Loss before Tax	616.18	264.17
Income Tax	170.18	89.08
Profit / Loss after Tax	446.00	175.09

2. Financial Performance:

Your Company earned a total income of Rs. 9740.30 lakhs compared to the income of Rs. 5,971.08 lakhs for the previous year and the net profit of Rs. 446 lakhs compared to the net profit of Rs 175.09 lakhs for the previous year i.e., there was 63 % hike in the total income of the Company.

The turnover of the Company has increased manifold due to the right strategy adopted by the Directors since last 3 years. Emphasis was put on increasing the infrastructure of the manufacturing unit at Palghar and installing high speed automatic machines for both production and packing departments. This helped the Company in strengthening the core operations and managing the overall cost structure. A very important aspect of regulatory compliance was indirectly met with, due to the installation of the latest machines having computerized data assurance and transparency in the manufacturing processes. Thus by

upgrading the manufacturing unit as per the latest regulatory framework, your Company expects new drug approvals at a much faster pace in the countries we already export to and also in other countries where health is considered a priority and where a substantial amount of GDP is spent on health.



3. State of Affairs of the Company:

Your Companies' entire focus is on providing quality medicines at affordable prices. A review of the Indian Pharma Companies for the F.Y. 2018-19 shows that the Companies have to compete on low cost generics, so rationalisation of cost of production and marketing are very important factors.

As per our current Government Policies, health awareness is given the utmost priority through "**Aayushman Bharat Scheme**" for the poor and the underprivileged. This accounts for about 25 crores of Indians and will create a voluminous market and will definitely boost the requirements for generics. Your Company to ensure competitiveness in the market has started participating in Government Tender Business and has already been successful in winning some tenders which would yield higher growth in the future.

Further, the licenses of two new departments of ointments / gels / creams and pellets manufacturing of different APIs have been obtained and the validation processes of some of the products are also over, so your Company looks ahead to achieve more revenue through consumer health products in the ointments and creams market.

4. Dividend:

The Board of Directors have recommended a Dividend of 6.5 % on the paid-up 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.

5. Share Capital:

The paid-up Share Capital of the Company as on March 31, 2019 was Rs. 3,98,96,340 consisting of 39,89,634 Equity Shares having Face Value of Rs. 10 each. The Equity Shares of the Company are listed on the BSE Limited since March 21, 2016.

During the F.Y. 2018 - 2019; there was an increase in the capital structure of the Company. Considering the Business expansion and requirement of funds; the Company had issued 5,64,500 Equity Shares having Face Value of Rs. 10/- each under the Preferential Guidelines of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 at Rs. 225/- each including premium of Rs. 215/- each to the Eligible Investors and Promoters. The details of the issue is available on the website of the Company via the Postal Ballot notice dated May 24, 2018.

An increase in the Capital structure of the Company has occurred from the Financial Year 2017-18 till the Financial Year 2018-19 as shown in the table below:

No. of Equity Shares	Issue Price	Allotment date	Equity Share Capital before allotment	Equity Share Capital after allotment
5,72,735	Rs. 150/-	September 1, 2017	Rs. 2,35,24,000/-	Rs. 2,92,51,350/-
4,99,999	Rs. 150/-	January 16, 2018	Rs. 2,92,51,350/-	Rs. 3,42,51,340/-
5,64,500	Rs. 225/-	August 1, 2018	Rs. 3,42,51,340/-	Rs. 3,98,96,340/-

6. Transfer to Reserves:

The Company proposes to transfer an amount of Rs. 3499.95 Lakhs to reserves for its future growth and diversification.

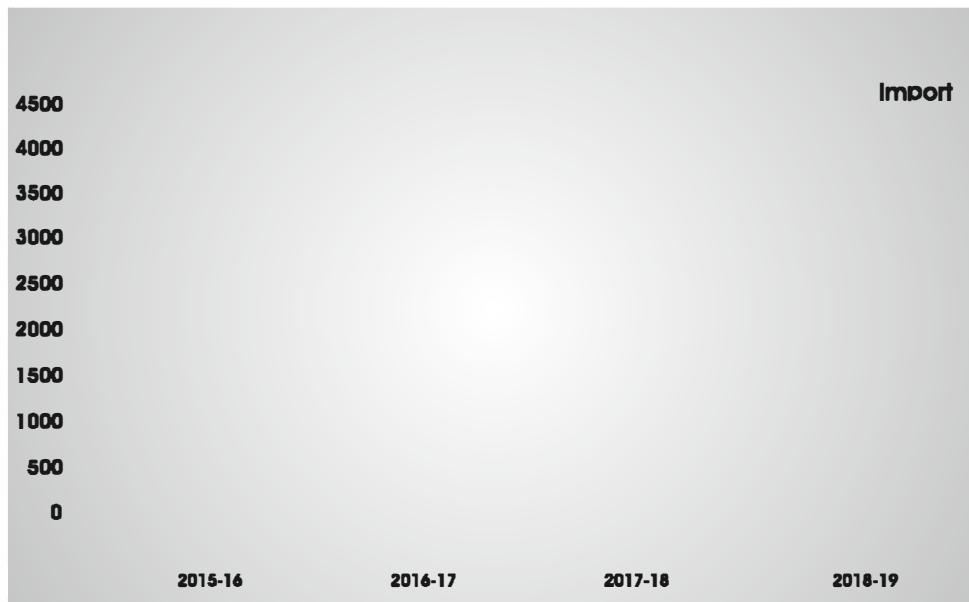
7. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: Export of Goods - Rs. 4074,88,593.88/- Lakhs

Foreign Exchange Outgo: Import of Goods - Rs. 192,06,298/- Lakhs

In compliance with the Reserve Bank of India guidelines, the Company proactively manages Foreign Exchange Risk to protect value of exposures, if any; with an objective to manage financial statement volatility. Currently, the Company has in place appropriate risk hedging strategy for its Imports and Exports. Foreign Exchange exposures are periodically reviewed

and if necessary, hedged while avoiding trading and speculative positions. The Board periodically reviews Foreign Exchange Exposure.



8. Board Meetings and Committee Meetings:

- Seven (7) Board meetings were held during the Financial Year 2018-19. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.
- Four (4) Audit Committee Meetings were held during the Financial Year 2018-19. The details of the Audit Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.
- Three (3) Nomination & Remuneration Committee Meetings were held during the Financial Year 2018-19. The details of the Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.
- One (1) Independent Director Committee Meeting was held during the Financial Year 2018-19. The details of the Committee Meeting and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.
- Three (3) Stakeholder Relationship Committee Meetings were held during the Financial Year 2018-19. The details of the Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report annexed herewith.

9. 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.

10. 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 32nd Annual General Meeting and being eligible, has offered himself for re-appointment. His re-appointment is being placed for your approval at the ensuing Annual General Meeting. The Members of the Company may refer to the accompanying Notice of the 32nd Annual General Meeting of the Company for the brief Resume of Mr. Nariman Medhora.

11. Declaration by Independent Directors:

The Company had 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 2018-19 held on May 24, 2018; stating that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

12. Annual Evaluation of Board Performance and Performance of its Committees and of Individual Directors:

The Board of Directors had carried out an Annual Evaluation of its performance, Board Committees and individual Directors, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and structure effectiveness of Board process, participation in the long-term strategic planning, information, functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the Composition of Committees, effectiveness of Committee meetings, etc.

The contribution and impact of individual members is evaluated on a number of parameters such as level of engagement, independence of judgment, preparedness on the issues to be discussed, conflicts resolution and contributions to enhance the Board's overall effectiveness. In addition, the Chairperson was also evaluated on the key aspects of her role by other Board members.

A separate meeting of Independent Directors was convened on May 24, 2018; to discuss the following aspects:

- i Review the performance of Non-Independent Directors and the Board as a whole;

- ii Review the performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;
- iii Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Outcome of evaluation process

Based on inputs received from the Members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Overall, the Board was functioning very well in a cohesive and interactive manner.

13. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013; your Directors hereby confirm that:

- i In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii Appropriate accounting policies have been selected and applied 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 at the end of the financial year and of the Profit of the Company for that period;
- iii Proper and sufficient care had been taken 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 The Annual Accounts had been prepared on a Going Concern basis;
- v The Internal Financial Controls had been laid down, to be followed by the Company and such Internal Financial Controls are adequate and were operating effectively; and
- vi In order to ensure compliance with the provisions of all applicable laws, proper systems has been devised and that such systems were adequate and operating effectively.

14. 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.

15. Extract of the Annual Return:

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014; the extract of the Annual Return

in Form MGT-9 is available on the website of the Company at www.fredungroup.com

16. Training and Human Resource Management:

India is one of the world's biggest supplier of generic drugs and ranks amongst the top five fastest growing Pharma markets; but the top-line growth is declining along with the profitability. It needs to invest more Capital in R & D which is becoming hard to find. The only solution is to identify the talent within the organization and develop their mindset and culture. It requires big changes in organizational thinking as it relates to their complete lifestyle transformation.

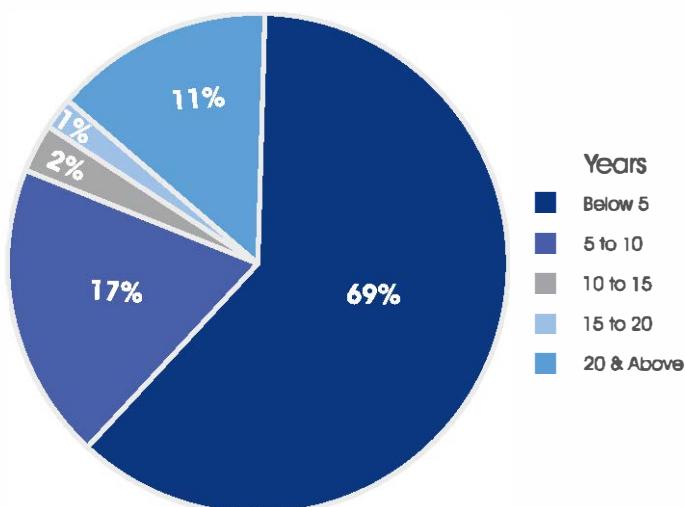
Your Company makes concerted efforts to retain quality people with leadership commitments and who can align with the Company ethics. This will ensure checks and double checks to maintain the quality of the products and reduce the costs. An outcome-based approach was adopted with the trained leaders and a skilled workforce helped the Company gain a competitive edge.

Your Company has continuously focused on development and training programs of its star performers, especially in the regulatory area and R & D. This has yielded good results as your Company was successful in manufacturing latest molecules which were out of patent and the in-house processes made them cost effective.

Your Company has already registered some of the products in the ARV segment and are continuing to register in different markets. Understanding the importance of the basic strategy of Human Resource Management, your Company believes that it will yield benefits for the Company by maintaining good relations with the employees and will help to enable a sustainable corporate lifestyle.

Your Company consistently abides by Human Resources Policy that is found on a set of principles of equality of opportunity, continuing personnel development, fairness, mutual trust and teamwork.

Current Employees Tenure with the Company In years



17. Subsidiary Company, Associate Company and Joint Venture Company:

Your Company does not have any Subsidiaries or Associates or Joint Venture Companies.

18. Deposits:

Your Company has not accepted any deposits from public.

19. Particulars of Loans, Guarantees and Investments:

During the year, your Company has not given any new loans or made any Investments and has not provided any Guarantees except those which are already mentioned in the Audited Accounts of the Company.

20. Statutory Auditors:

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.

The requirement of ratification of the Auditors' Appointment each year during the continuation of their tenure is waived off by the Ministry of Corporate Affairs and thus there is no requirement each year to pass a resolution for Ratification of the Auditors' Appointment.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Savla & Associates, in their Report dated June 10, 2019; on the Financial Statements of the Company for Financial Year 2018-19.

21. 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 Companies Act, 2013. Disclosure in form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013 is annexed as '**Annexure A**'.

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

22. 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 M/s. Rajendra and Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the F.Y. ended March 31, 2019. The Secretarial Audit Report is annexed as '**Annexure B**'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Rajendra and Co., Practicing Company Secretaries, in their Secretarial Audit Report dated June 10, 2019 on the Secretarial and other related records of the Company for Financial Year 2018-19.

23. 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, as the Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2019 - 20.

Further, the Cost Auditors are in the process of completing the Cost Audit for the Financial Year 2018-19 and it will be completed before the due date.

24. 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.

25. Internal Financial Control system and their adequacy:

Company has well established Internal Financial Control System for reviewing the Financial reporting of the Company for the Financial Year 2018-19.

26. Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Act; the provisions of the Corporate Social Responsibility shall be applicable to every Company which has during the immediately preceding Financial Year –

- Networth of Rs. 500 Crore or more, or
- Turnover of Rs. 1000 Crore or more, or
- Net Profit of Rs. 5 crore or more.

During the year under review i.e., for 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 of the Companies Act, 2013 and rules made thereunder are applicable to the Company for the Financial Year 2019-20.

The Company is in the process of constitution of the Committee for the said matter which shall look out into this matter, take adequate steps and guide the Board to undertake necessary activities under the Corporate Social Responsibility regime. Further, the Policy on the Corporate Social Responsibility, the corpus to be spend, the social activity to be undertaken shall be discussed and finalized by the Board of Directors of the Company in consultation of the Corporate Social Responsibility Committee and our stakeholders will be kept informed of every material update on the said matter.

27. 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 Policy is also available on the website of the Company at www.fredungroup.com

28. Conservation of Energy, Technology Absorption:

Companies which take care of their internal structures, systems and work culture can only benefit in the long term. It is 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. Conservation of energy in all the departments and its focused audit is an ongoing challenge which requires a proactive compliance. Since last two to three years your

Company has heavily invested in latest machineries for both the manufacturing and packing departments. This has helped in speeding up the production with minimum maintenance and smooth running thus reducing the cost of electricity and time.

The upgraded GMP compliant machines are reliable, automated and reduces dependence on manpower and saves operating cost per batch. The other integrated systems with proper data storage and consistent performance also lowers the cost of production. Continuous monitoring is done of existing compressors, boilers, electric heaters, pumps, etc for enhancing energy efficiency.

Your Company is maintaining an ETP plant and complying with the Pollution Control Regulations applicable in the State of Maharashtra.

As your Company has a full-fledged R & D department, research on manufacturing generic versions of just out of patent drugs is continuously going on. Once the manufacturing process is validated, it is tested on a pilot scale and thereafter the products are sent for registration in the countries as per the market demand. Process improvements with latest experiments to improve the quality of our fast-moving products are carried out as a part of technology absorption. This continuous upgradation of technology benefits the Company by cutting down the cost, time and improving the quality of the products.

29. Compliance with provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 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.

30. Receipt of Award:

Your Company continuously endeavours to function in the most efficient manner in order to accomplish and achieve its targeted goal in the most efficient and effective manner thus optimizing the available resources / synergies. In the month of December 2018; your Company had received a Prestigious and a well-recognized award in the Pharma Sector "**Pharma Leaders Most Promising and Dynamic Company of the Year 2018" at Pharma Leaders Power Brand Awards 2018 organized by Mr. Satya Brahma, Chairman & Editor in Chief, Network 7 Media Group.** The award was presented by Dr. Sudhakar Shinde, CEO of

Mahatma Jyotiba Phule Jan Arogya Yojana and CEO of Aayushman Bharat and Dr. Mukesh Bhatra, CMD of Dr. Batra's Positive Health Clinic Pvt. Ltd. and Mr. Satya Brahma, Chairman & Editor in Chief, Network 7 Media Group.

31. Particulars of Directors / Key Managerial Personnel / Employees:

As required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the details of the remuneration of Directors, Key Managerial Personnel and the employees and the percentile change in the remuneration; as required under the Rules are furnished hereunder:

(I) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19:

Name	Designation	Total Remu- neration (in Rs.)	Ratio of Remuneration of Director to the Median Re- muneration of Employees
Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director	12,00,000	6.03:1
Mr. Fredun Medhora	Managing Director	24,00,000	12.06:1
Mr. Nariman Medhora	Executive Director	13,20,000	6.63:1

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

(II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year 2018-19:

Name	Designation	Total Remu- neration (in Rs.)	% increase / (decrease) in remuneration in the Finan- cial Year
Dr. (Mrs.) Daulat Medhora	Chairperson & Jt. Managing Director	12,00,000	NIL
Mr. Fredun Medhora	Managing Director	24,00,000	NIL
Mr. Nariman Medhora	Executive Director	13,20,000	NIL

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

Further, the Board of the Company had appointed Ms. Priyanka Chaturvedi as the Company Secretary Cum Compliance Officer of the Company w.e.f. September 18, 2018.

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report.

(iii) The percentage increase in the median remuneration of employees in the Financial Year:

The percentage increase in the median remuneration of employees in the Financial Year: Nil

Explanation: For calculation of median remuneration, the employee count taken for the Financial Year 2018-19 and 2017-18, comprise employees (including permanent workmen) who have served for the whole of the respective Financial Years.

(iv) The number of Permanent Employees on the rolls of the Company:

There were 223 permanent employees as on March 31, 2019. (inclusive of permanent workmen)

(v) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof if there are any exceptional circumstances for increase in the managerial remuneration:

Average Percentile Increase for other than Managerial Personnel: **2.12**

Average Percentile Increase for Managerial Personnel: **NIL**

The average increase in the salaries of Employees excluding Managerial Personnel during Financial Year 2018-19 was 2.12%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company.

32. Acknowledgement:

The Board of Directors appreciate the contribution made by the employees of the Company and acknowledge their hard work and dedication to ensure that the Company consistently performs well and remains a leading player in the Pharma Industry. The Directors gratefully acknowledge the support and confidence reposed by the shareholders of your Company. Further, the Board placed on record their sincere thanks to its Bankers, business associates, consultants, and various Government Authorities for their consistent support extended to your Company during the year under review. acknowledge the support and confidence reposed by the shareholders of the Company.

**By Order of the Board
For Fredun Pharmaceuticals Limited
Sd/-
Daulat Medhora**

**Place: Mumbai
Date: June 10, 2019**

**DIN: 01745277
(Chairperson & Jt. Managing Director)**

CONTRACTS BY THE COMPANY WITH RELATED PARTIES

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

ANNEXURE A

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]

This Form pertains to the 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 Arm's Length Transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

No such transactions were entered during the financial year 2018-19.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The contracts or arrangements or transactions entered with the related parties during the financial year 2018-19 under review, were not material and the same were disclosed in the notes to accounts forming part of the Financial Statements for the year ended March 31, 2019.

**By Order of the Board
For Fredun Pharmaceuticals Limited**
Sd/-
Fredun Medhora

Place: Mumbai

Date: June 10, 2019

(Managing Director)
DIN: 01745348

SECRETARIAL AUDIT REPORT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

ANNEXURE B

Form MR-3

For the Financial Year Ended March 31, 2019

[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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fredun Pharmaceuticals Limited** bearing **CIN: L24239MH1987PLC043662** (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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') generally 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 made available to us and maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (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, 1992 and 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 and amendments from time to time – Preferential Issue under Chapter VII of the said Regulation;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
 - (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 - Not applicable to the Company during the audit period; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period.
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the Company namely:
 - 1. Bombay Shops and Establishments Act.
 - 2. The Factories Act, 1948 and rules and regulations there under.
 - 3. Income Tax Act, 1961 relating to Tax Deducted at source as per the Compliance Certificate dated June 10, 2019.
 - 4. The Employees Provident Fund Act.
 - 5. The Payment of Wages Act, 1936.

6. The Minimum Wages Act, 1948.
7. The Payment of Bonus Act, 1965.
8. Land Revenue Laws of the Respective state.

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 Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was 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.
- Decisions at the Board Meetings were 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, guidelines, etc.

We further report that during the audit period the Company has passed the following Special Resolutions / event which are having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

- Special Resolutions passed at the 31st Annual General meeting held on 27th September 2018:
- i. Re-Appointment of Mr. Nariman Medhora (DIN: 02060357) as the Whole Time Director of the Company for a period of 3 years;

- ii. Transaction with Related Parties under Section 188 of the Companies Act, 2013;
 - iii. Increase the Borrowing Limit u/s 180(1)(c) of the Companies Act, 2013 upto Rs. 100 crores.
- The Shareholders had passed necessary resolutions via Postal Ballot the results of which were declared on May 7, 2018 –
- i. Ratification of the Equity Shares issued pursuant to the Shareholder's Consent received in an Extraordinary General Meeting held on July 7, 2017; as per the In-principle Approval received from the BSE.
- The Shareholders had passed necessary resolutions via Postal Ballot the results of which were declared on June 30, 2018 –
- i. To issue Equity Shares of Rs 10/- each on Preferential basis to the Eligible Investors at Rs. 225/- each including the premium of Rs. 215/- each.
 - ii. To issue Equity Shares of Rs 10/- each on Preferential basis to the Promoters of the Company at Rs. 225/- each including the premium of Rs. 215/- each.
- The Shareholders had passed necessary resolutions via Postal Ballot the results of which were declared on January 12, 2019 –
- I. To Regularize appointment of Dr. Chandrkant Shah; Non-Executive Director Independent Director of the Company.

For Rajendra And Co.

Company Secretaries

CS. Rajendra R. Vaze

FCS No.: 4247 CP No 1975

Place: Mumbai

Date: June 10, 2019

Note: This report is to be read with my **Annexure 'B1'** of even date which is annexed and forms an integral part of this report.

ANNEXURE B1

To

The Members

FREDUN PHARMACEUTICALS LIMITED

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

► **Management Responsibility:**

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.

► **Auditors Responsibility:**

1. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

► **Disclaimer:**

1. 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 procedure on test basis.
2. 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.

**For Rajendra And Co.
Company Secretaries**

**CS. Rajendra R. Vaze
FCS No.: 4247 CP No 1975**

**Place: Mumbai
Date: June 10, 2019**

MANAGEMENT DISCUSSION & ANALYSIS

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

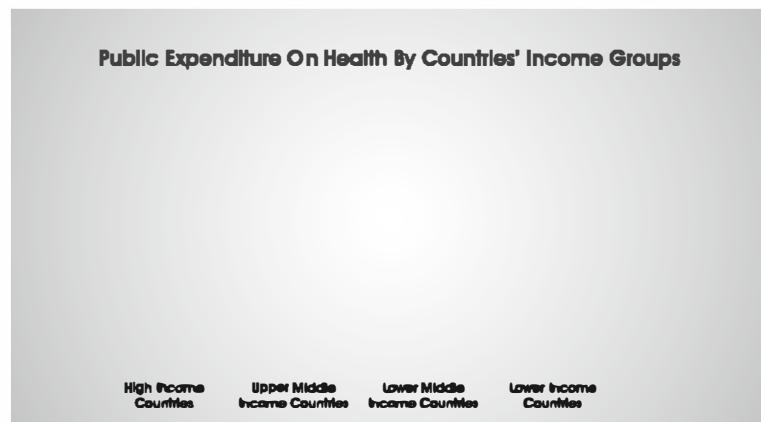
Fredun Pharmaceuticals Limited is a WHO approved Pharmaceuticals Company; exporting to nearly 30 countries and totally committed to supplying affordable quality medicines for decades. Your Company has rapidly progressed in the last 5 years and to achieve our goals the Company has added 2 more departments for manufacturing ointments, creams, gels and ready to use pellets and DC Granules. Several automatic machineries have been installed to increase the production of Tablets, Capsules, Dry Syrups, Pellets and Topical formulations. Latest blister packing machines are also installed to take care of the increased production.

Our extensive generic portfolio will play a significant role in the growth strategy in various markets. Continuous efforts are made to adopt latest technology to improve the cost and quality of our products. The outcome will be a better value for our stakeholders at large.

1. Pharmaceuticals Sector Overview:

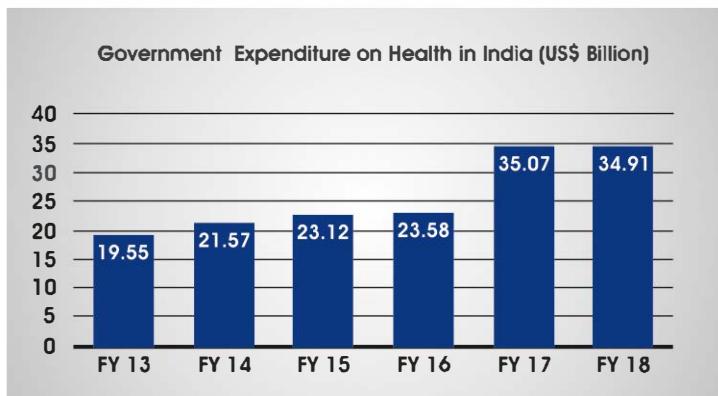
We are the fastest growing economy in the world and today the sixth largest in the world generating high growth rate with low inflation. The pharmaceuticals industry plays a unique role in improving the lives of the people.

As a country, we need to substantially increase our Healthcare budgets. Our per person average healthcare spend is approximately 85\$ which is amongst the lowest if compared to other countries. Ayushman Bharat is a positive step towards universal healthcare in India but it needs to accommodate tertiary care in its scheme of things.



The government in its Union Budget 2019 has raised the allocation for Ayushman Bharat scheme by a whopping 167 percent to Rs 6,400 crore for 2019-2020. The allocation for Ayushman Bharat scheme stood at Rs 2,400 crore in 2018-2019.

The healthcare sector needs privatization where implementation should be undertaken by private service providers to ensure that uniformity in quality healthcare is maintained. If the government plays a role of a monitoring agency, we will fare much better to deliver value-based healthcare.



Source: Business Monitor International, Economic Survey 2017-18

Government spending money on healthcare stays at around 1% of the GDP. The healthcare sector can only get affordable if the government revises this upwards. Over the last few years, the Indian Healthcare Sector has begun a major overhaul in order to attain the Prime Minister's goal of healthcare for all. Not only our Government Institutions are involved but Corporate and Private Hospitals have also come forward to be a part of this initiative.

Another important dimension of our Government is making pollution free Nation and ensuring the security of the people.

India is a land of opportunities. The pharma Companies are growing both organically and inorganically. The Indian Pharma Industry is likely to be in the top 10 Global Markets by value by the year 2020. High burden of disease, good economic growth leading to higher disposable incomes, improvements in healthcare infrastructure and improved healthcare financing are driving growth in the domestic market.

By allowing 100% FDI for Greenfield projects and 74% FDI for Brownfield projects will initiate quality in the medical technology sector. Another significant improvement is done in the maternal and infant health.

India's pharmaceutical exports grew a robust 10.72% in 2018-19 and raced past the \$19 billion mark for the first time. Exports touched \$19.14 billion in the year 2018-19 as against \$17.28 billion in 2017-18; the previous highest.

The country's pharmaceutical industry is expected to expand at a CAGR of 22.4% over 2015–20 to reach \$55 billion. India is the second largest contributor of global pharmaceutical workforce. The pharmaceutical sector was valued at \$33 billion in 2017. Due to rapid urbanization and increasing consumer spending including spending on medicines due to healthcare awareness in India, the Indian pharma market is expected to grow substantially.

2. Current Pharma Sector Scenario:

Though the economic situation in most of the emerging markets is challenging, the overall outlook for Global Pharma market is expected to increase. According to the World Industry

Report, global generic drug sales will be 29.2% of the total Pharmaceuticals sales by the year 2022, an increase of 1.2% from the year 2017. Generic drugs accounts for more than 80% by volume of all the drugs dispensed across the world.

R&D investments and innovation can drive the growth of the Pharma market. At present smaller Companies are also focussing on developing bio-similars and registering just out of patent drugs in developing markets by cheaper and quicker In-House manufacturing process. By adopting such technologies, the small Companies can have greater competitive advantage for themselves as innovating a new drug is an expensive proposition. Your Company is also in the process of developing such molecules and has spent and continues to spend a substantial amount on R & D. The Company as on March 31, 2019 had in total 193 Drugs registered whereas 450 Drugs applications under registration: in different countries. The Company will also continue to out-license some formulations to augment the growth. Our objective will be to increase our generic exports in ROW with our new product range of ointments, creams and pellets of different APIs.

Moreover, after the structural changes like implementation of GST in India in the year 2017, the outlook of the industry remains broadly positive. Your Company has also a positive outlook due to some good drivers shown below:

1. National Health Policy, 2015 which focusses an increasing public expenditure on healthcare segment and increasing of health insurance;
2. Reduction in approval time for new facilities;
3. Plans to setup new Pharmaceuticals education and research institutes;
4. Due to growing number of stress related diseases and increasing fatal diseases; demand for cost effective medicines will increase;
5. India has become a manufacturing hub for generics; hence availability of skilled manpower will ease out and accessibility of drugs will greatly improve.

The Management is thus quite positive on its current expectations and projections for the future of your Company but some known and unknown risks like change in local and global conditions, sudden changes in government policies, unexpected manufacturing problems due to unavailability of APIs or change in market dynamics may impact the expectations and results of the Company.

3. Business Outlook:

For the past 2-3 years the Company has been systematically investing in its productive infrastructure by installing additional granulation departments and high speed tabletting and blister packing machines. This has yielded results in increased production, sales and the turnover of your Company. Your Company had also planned for two more departments to manufacture ointments, creams, gel and also pellets manufacturing department of different APIs. The licence of both the above-mentioned departments are already obtained and validation of the commercial batches are completed. Hence, your Company expects to manufacture ointments, creams, gels and capsules of different API pellets. This will substantially help the growth of the Company as the machines installed are automated and in today's highly regulated pharma industry, regulation and compliance has a major consideration which allows the Pharma Companies to use electronic records and signatures. There are obvious benefits of advanced automated machines though the cost of upgrading is huge. Your Company has heavily invested in the upgradation and expansion of the manufacturing unit at Palghar. The Company is hopeful of procuring enhanced credit limits from the Bankers.

4. Key Growth Factors:

The other key growth factors for the demand of Pharma Industry are shown below:

Growth & ageing global population	Growing Sick Population	Rising incidence of non-communicable & infectious diseases
<ul style="list-style-type: none"> In 2010, there were an estimated 6.9 billion people in the world. By 2020 the world population will be more than 7.6 billion. By 2020, more than 13% of the population in the world will be aged 60 or older. 	<ul style="list-style-type: none"> Sedentary lifestyle and age are causing many illnesses. By 2025 - 73.5 million & by 2040 - 642 million number of people will be affected by diabetes. 	<ul style="list-style-type: none"> WHO predicts that, by 2020, non-communicable diseases will account for 44 million deaths a year - 15% more than in 2010.

Improved access to healthcare	Higher affordability
<ul style="list-style-type: none"> More people have access to healthcare than ever before. Emerging economies are working hard to improve access to healthcare 	<ul style="list-style-type: none"> The growing middle-class population with higher disposable income is able to afford quality healthcare. By 2020, more than 40% of all households in China, India & Indonesia will be "middle class"- defined as those with annual incomes of 5,000 and 15,000 USD.

As shown above, your Company will try to focus on local market also to overcome the challenges of exporting generic formulations with declining profits and try to focus on improving the well being and health of our poor people by supplying the cost - effective quality medicines.

5. Challenges:

The Indian Pharma Industry has been facing several regulatory challenges like Foreign Direct Investment (FDI) Policy, Pricing Policy, Patent Protection, Regulatory approvals and Compulsory Licensing, which require careful consideration by the Companies in their pursuit of growth.

The Indian Pharma Industry till now is concentrating on generic market as India enjoys global dominance and generics will still remain the revenue generator for Indian exports. But plunging profitability in regulated markets with increased registration charges leads to global challenges. Hence, your Company has decided to concentrate on other growth avenues, like increasing the products portfolio towards chronic therapies for diseases such as anti-diabetics, cardiovascular and anti-depressants. Your Company is already registered with Central Bureau of Narcotics, India and plans to expand its anti-depressants product range.

The number of Indians with diabetes is projected to reach US\$ 73.5 million in 2025. The direct and indirect costs of treating such patients are currently about US\$ 420 per person per year. If these costs remain the same as they are now, India's total bill for diabetes would be about US\$ 30 billion by 2025. (Source: PWC Report)

As the standards of healthcare improve, the treatment cost may also rise. This would benefit the Company as anti-diabetic drugs are the major source of revenue for the Company.

6. Human Resource Management at Fredun Pharmaceuticals Ltd.:

Peoples' contribution is the key to a Companies' continuous success & growth. Your Company makes efforts to build a diverse and inclusive work place emphasising on gender equality in all the departments of the Company. Meaningful opportunity for learning and gaining experience to the internal talent is encouraged to develop and groom leaders from within the organisation. Communication and all-round collaboration are encouraged to instil a sense of belonging and pride in working for Fredun Pharmaceuticals Ltd.

CORPORATE GOVERNANCE REPORT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

The Company has over the years followed the best Governance practices and maintaining a culture within the organization which promotes an overall development of the interests of the stakeholders of the Company. The effect of good Corporate Governance practices leads to enhanced corporate transparency and boost the performance of the Company. Compliance of all applicable laws is an important element of efficient management and it ensures better scope for stakeholders as it enhances the creditability of the performance of any organization in the considerable course of time.

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

In India, Corporate Governance Standards for Listed Companies are regulated by Regulation 17 to Regulation 27 read with Schedule V and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI Listing Regulations, 2015**").

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 -

- (a) 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.

Your Company for the Financial Year ended March 31, 2019; had the Authorized Share Capital of Rs. 10 crores out of which the Paid-up Share Capital of the Company is Rs. 3,98,96,340/- divided into 39,89,634 Equity Shares of Rs. 10/- each and a Net-worth of Rs. 3,898.92 lakhs.

In lines with the above stated provision(s) the above-mentioned Regulation(s) are not applicable to the Company. 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.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

"Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is

there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”

- Dominic Cadbury

Companies cannot achieve the highest levels of Corporate Governance overnight rather it is a gradual process whereby the Company becomes ethically compliant by applying the various Corporate Governance practices provided by law. Corporate functioning is directed and exercised within the strict legal framework and compliance of corporate laws and regulations, which ensures fairness to all stakeholders and protects the rights of minority shareholders.

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.

2. THE BOARD OF DIRECTORS

Corporate Governance translates into – Independence, Transparency and Accountability of the Directors of the Company. The Board is entrusted with the responsibility to ensure Independent check on the Corporate Law compliances, accountability of the Company and answerability to the stakeholders of the Company.

The Company has a strong and diverse Board of Directors, independent of management with sufficient expertise to oversee corporate management on behalf of the Company's shareholders. The Board reviews and approves corporate strategies that are intended to build sustainable long-term value. In making decisions, the Board considers the interests of all the stakeholders of the Company such as employees, customers, suppliers and the community in which the Company operates.

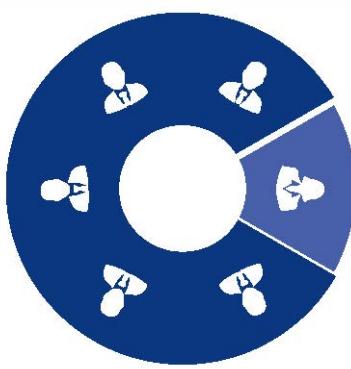
The Board comprises of six Directors of which three Directors are Executive Directors and three Directors are Non-Executive Independent Directors which commensurate with the size of the Company, complexity and nature of various underlying businesses activities.

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.

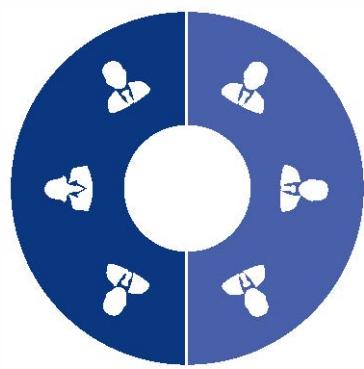
I. Composition of the Board:

The Chairperson of the Board is an Executive Director, and as such 50% of the Board Comprises of Independent Directors. All the Independent Directors have confirmed that they meet 'Independence' criteria as per Regulation 16 (1) (b) of the SEBI Listing Regulations read with Section 149 (6) of the Act.

None of the Independent Directors of the Company are related to each other. The appointment of Executive Directors including the tenure and terms of remuneration has already been approved by the members.



■ Male Directors ■ Female Director



■ Executive Directors ■ Independent Directors

ii. Meetings of the Board:

During Financial Year ("F.Y.") 2018-19, the Board met 7 times on the following dates:

Name of the director	No. of Board meeting held, and attended, during tenure							% of attendance
	1	2	3	4	5	6	7	
Dr. (Mrs.) Daulat Medhora	●	●	●	●	●	●	●	100
Mr. Fredun Medhora	●	●	●	●	●	●	●	100
Mr. Nariman Medhora	●	●	●	●	●	●	●	100
Dr. Aspi Raimalwala	●	●	●	●	●	●	●	100
Dr. C. K. Shah	●	●	●	●	●	●	●	86
Dr. Rohinton Kanga	●	●	●	●	●	●	●	86

● Attended In person ● Absent

Meeting on 24/05/2018, 18/06/2018, 01/08/2018, 14/08/2018, 05/11/2018, 05/12/2018, 11/02/2019

Note: A Board Meeting was scheduled on May 30, 2018 but due to lack of Quorum the Meeting was cancelled and re-scheduled on June 18, 2018.

The maximum time gap between any two consecutive meetings did not exceed four months. 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.

iii. Scheduling and Selection of Agenda Items for Board Meetings:

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.

iv. Attendance and Directorships held:

Information about the Directors of the Company, their attendance at the 31st Annual General Meeting of the Company held on September 27, 2018 and the Number of Directorships in other Companies and Committee position in other Public Limited / Private Limited Companies as on March 31, 2019; are detailed below:

Sr. No.	Name of the Director	Date of Joining the Board	Category	Attendance at the AGM held on September 27, 2018	Directorship in other Indian Public / Private Limited Companies Chairman / Member *	No. of other Board Committees in which Chairman / Member **	Relationship with Directors
1.	Dr. (Mrs.) Daulat Medhora	June 08, 1987	Chairperson & Jt. Managing Director	attended	NIL	NIL	Wife of Mr. Nariman Medhora & Mother of Mr. Fredun Medhora Son of Mr. Nariman Medhora & Dr. (Mrs.) Daulat Medhora Husband of Dr. (Mrs.) Daulat Medhora & Father of Mr. Fredun Medhora
2.	Mr. Fredun Medhora	September 15, 2006	Managing Director	Attended	NIL	NIL	None
3.	Mr. Nariman Medhora	September 30, 2015	Whole Time Director	Attended	NIL	NIL	None
4.	Dr. Aspi Ralmalwala	September 30, 2015	Non-Executive Independent Director Non-Executive Independent Director	Attended	NIL	NIL	None
5.	Dr. C.K. Shah	September 30, 2015	Non-Executive Independent Director	attended	NIL	NIL	None
6.	Dr. Rohinton Kanga	September 30, 2015	Non-Executive Independent Director	Attended	NIL	NIL	None

* Excludes Directorships in Indian private limited Companies, foreign Companies, Companies under Section 8 of the Companies Act, 2013

** Represents memberships / chairmanships of Audit Committee & Stakeholders Relationship Committee.

1. Chairmanship / Membership of Committee includes Audit Committee and Stakeholders' Relationships Committee of Indian Public Limited Companies excluding Fredun Pharmaceuticals Limited.
2. All the Directors of the Company comply with the requirements of the Directorship as stipulated under Regulation 17A and Regulation 26(1) of Securities and Exchange Board of India (Listing Obligation Disclosure Requirement) Regulation, 2015. The Directors have made necessary disclosures regarding their Directorship / committee position to the Company.

v. Number of Shares and other Convertible Instruments held by Non-Executive Directors:

Dr. Rohinton Kanga holds 500 Equity Shares and Dr. Aspi Raimalwala holds 8,000 Equity Shares of the Company as on March 31, 2019. Apart from them no other Non-Executive Directors hold any Shares of the Company. The Company has not issued any convertible instruments during the financial year ended March 31, 2019.

3. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year 2018-19, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, 2015; a separate meeting of Independent Directors was held on May 24, 2018 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.

4. COMMITTEES OF BOARD

The Company has 3 (Three) 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. 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 meeting held during FY 2018-19 and the related attendance are provided below:

A. 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 2018-19, the Audit Committee met 4 times, on June 18, 2018*; August 14, 2018; November 5, 2018 and February 11, 2019. The requisite quorum was present at all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 27, 2018.

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	3 out of 4
3.	Mr. Fredun Mehdora	Member	Managing Director	4 out of 4

Note (*) - The Meeting of the Audit Committee was scheduled on May 30, 2018 but due to lack of Quorum the Meeting was adjourned to June 18, 2018.

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.

B. Nomination and Remuneration Committee ("NRC"):

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.

During Financial Year 2018-19, the NRC met three times on June 18, 2018; September 18, 2018; December 5, 2018. 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, 2018.

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 Ralmalwala	Member	Non-Executive Independent Director	3 out of 3
3.	Dr. C. K. Shah	Member	Non-Executive Independent Director	3 out of 3

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.

C. 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 2018-19, the SRC met thrice on August 7, 2018; September 28, 2018 and on February 12, 2019. The requisite quorum was present at all the meetings. The Chairman of the SRC was present at the last Annual General Meeting of the Company held on September 27, 2018.

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

Contact details of the Compliance Officer / Company Secretary

Ms. Priyanka Chaturvedi
Company Secretary Cum
Compliance Officer Address: 26, Manoj Industrial Premises, G.D. Ambekar Marg, Wadala, Mumbai 400 031 Email: priyanka.chaturvedi@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 2018-19

Number of complaints received so far	01
Number of complaints solved to the satisfaction of Shareholders	01
Number of pending complaints	Nil

5. 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.	31st Annual General Meeting	Thursday, September 27, 2018 at 09:00 A.M.	Hotel Avon Ruby at 87, Nalgaum Cross Road, Near Dadar Railway Station, Dadar East, Mumbai – 400014	<ul style="list-style-type: none"> • To Reappoint Mr. Nariman Medhora (DIN: 02060357), as Whole-time Director of the Company • To Transact with Related Parties under Section 188 of the Companies Act, 2013 • To increase the Borrowing Limit u/s 180(1)(c) of the Companies Act, 2013 upto Rs.100 Crores
2.	Extra Ordinary General Meeting	Friday, July 07, 2017 at 10:30 A.M.	Damle Sabhagrah, Mumbai Marathi Granthsangrahalay, 172 Mumbai Marathi Granthsangrahalay Marg, Naigaon, Mumbai - 400 014	<ul style="list-style-type: none"> • To issue 5,72,735 Equity Shares on Preferential Basis to Eligible Investors at Rs. 150/- each including premium of Rs. 140/- each
3.	30 th Annual General Meeting	Tuesday, September 28, 2017 at 9:30 A.M.	Ramee Guest Line, Hotel-Dadar Plot No. 3, Kohinoor Road, Dadar Mumbai-400014.	<ul style="list-style-type: none"> • To Increase the Authorised Share Capital from Rs. 6 crores to Rs. 10 crores • Appointment of Mr. Fredun Medhora (DIN 01745348) as the Managing Director of the Company • Appointment of Dr. (Mrs) D N Medhora (DIN 01745277) as the Whole Time Director designated as Joint Managing Director of the Company
4.	29 th Annual General Meeting	Tuesday, September 27, 2016 at 11:00 A.M.	Ramee Guest Line, Hotel-Dadar Plot No. 3, Kohinoor Road, Dadar Mumbai-400014.	<ul style="list-style-type: none"> • To approve Related Party Transaction u/s 188 of the Companies Act, 2013

6. POSTAL BALLOT

I. During the year under review, viz. in the month of April 2018; the Company had conducted Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The details of the resolution(s) passed by way of Postal Ballot in respect of the Special Resolution passed are mentioned hereunder:

Date of declaration of the result of Postal Ballot	Type of Resolution passed	Particulars of Resolution
May 7, 2018	Special Resolution	To Ratify the Equity Shares Issued pursuant to the Shareholder's consent received in an Extraordinary General Meeting held on July 07, 2017 as per the In-principal Approval received from BSE.

II. During the year under review, viz. in the month of June 2018; the Company had conducted Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The details of the resolution(s) passed by way of Postal Ballot in respect of the Special Resolution passed are mentioned hereunder:

Date of declaration of the result of Postal Ballot	Type of Resolution passed	Particulars of Resolution
June 30, 2018	Special Resolution	To Issue Equity Shares on Preferential basis to Eligible Investors
June 30, 2018	Special Resolution	To Issue Equity Shares on Preferential basis to the Promoters

III. During the year under review, viz. in the month of December 2018; the Company had conducted Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The details of the resolution(s) passed by way of Postal Ballot in respect of the Special Resolution passed are mentioned hereunder:

Date of declaration of the result of Postal Ballot	Type of Resolution passed	Particulars of Resolution
January 12, 2019	Special Resolution	To Regularize appointment of Dr. Chandrakant Shah; Non-Executive Independent Director of the Company

The Company had provided its Members with an E-voting facility through Central Depository Services (India) Ltd. ("CDSL") in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, 2015; in order to

enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed to be passed through Postal Ballot.

Mr. Rajendra R. Vaze, Proprietor of M/s Rajendra & Co., Practicing Company Secretaries, Mumbai; was appointed as a Scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for the Postal Ballot conducted by the Company during the year.

All the above resolution(s) were passed via the requisite majority. The voting results were disseminated to the BSE Limited as per the timeline provided in the SEBI (Listing Regulations), 2015 and the Companies Act, 2013. Details of the same are available on the website of the Company at www.fredungroup.com and also on the website of BSE at www.bseindia.com

7. MANAGING DIRECTOR / WHOLE TIME DIRECTOR

Mr. Nariman Medhora was appointed as the Whole Time Director of the Company by the shareholders of the Company at the 31st Annual General Meeting of the Company held on September 27, 2018 for the period of three years i.e. upto June 4, 2021.

Mr. Fredun Medhora was appointed as the Managing Director of the Company by the shareholders of the Company at the 30th Annual General Meeting of the Company held on September 28, 2017 for the period of three years i.e. upto October 14, 2020.

Dr. (Mrs.) D.N. Medhora was appointed as the Joint Managing Director of the Company by the shareholders of the Company at the 30th Annual General Meeting of the Company held on September 28, 2017 for the period of three years i.e. upto December 31, 2020.

As per their terms of appointment the remuneration Comprises of a salary and other benefits of Rs. 24,00,000/- (Rupees Twenty-Four Lacs) per annum as salary with Medical Expenses of Rs. 60,000/- per annum and Leave Travel concession of Rs. 60,000/- per annum to Mr. Fredun Medhora and Rs. 13,20,000/- (Rupees Thirteen Lakhs Twenty thousand only) per annum as salary with Medical Expenses of Rs. 80,000/- per annum and Leave Travel concession of Rs. 80,000/- per annum to Mr. Nariman Medhora and Rs. 12,00,000/- (Rupees Twelve Lacs) per annum as salary with Medical Expenses of Rs. 20,000/- per annum and Leave Travel concession of Rs. 25,000/- per annum to Dr. (Mrs) Daulat Medhora with authority to the Board or to a committee thereof to fix the remuneration within the maximum permissible limit.

Service of the Managing Director and the Whole Time Directors may be terminated by either party giving the other party two months' notice or the Company paying two months' salary in lieu thereof. There are no separate provisions for the payment of severance fees.

8. 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, 2019

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 requisition 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 byway 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.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting ("AGM") for the Financial Year 2018-19:

Day and Date	Tuesday, September 24, 2019
Time	09: 00 A.M.
Venue	Ramee Guest Line Hotel, Dadar Plot No.3, Kohinoor Road, Dadar, Mumbai – 400 014
Financial Year	The financial year of the Company is April to March.
Board Meeting for consideration of accounts	June 10, 2019
Dividend Rate	6.5% on the Face value
Dividend Payment Date	September 17, 2019 (Dividend Payment Is approved at the ensuing 32nd AGM)
Book Closure Dates	September 18, 2019 to September 24, 2019
Last date for receipt of proxy forms	September 23, 2019

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

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

Annual Listing Fees for the FY 2018-19 has been paid to the BSE Limited on April 30, 2019.

Names of Depositories in India for dematerialisation of Equity Shares - ISIN NO. INE194R01017.

Sr. No	Particulars
1.	National Securities Depository Limited (NSDL) ISIN No. INE194R01017
2.	Central Depositories Services (India) Limited (CDSL) ISIN No. INE194R01017

c) Dividend details:

The Board has recommended Dividend at the rate of 6.5% on the Equity Shares of the Company at the Face Value of Rs.10/- each; for the Financial Year 2018-19 and is put for shareholders approval.

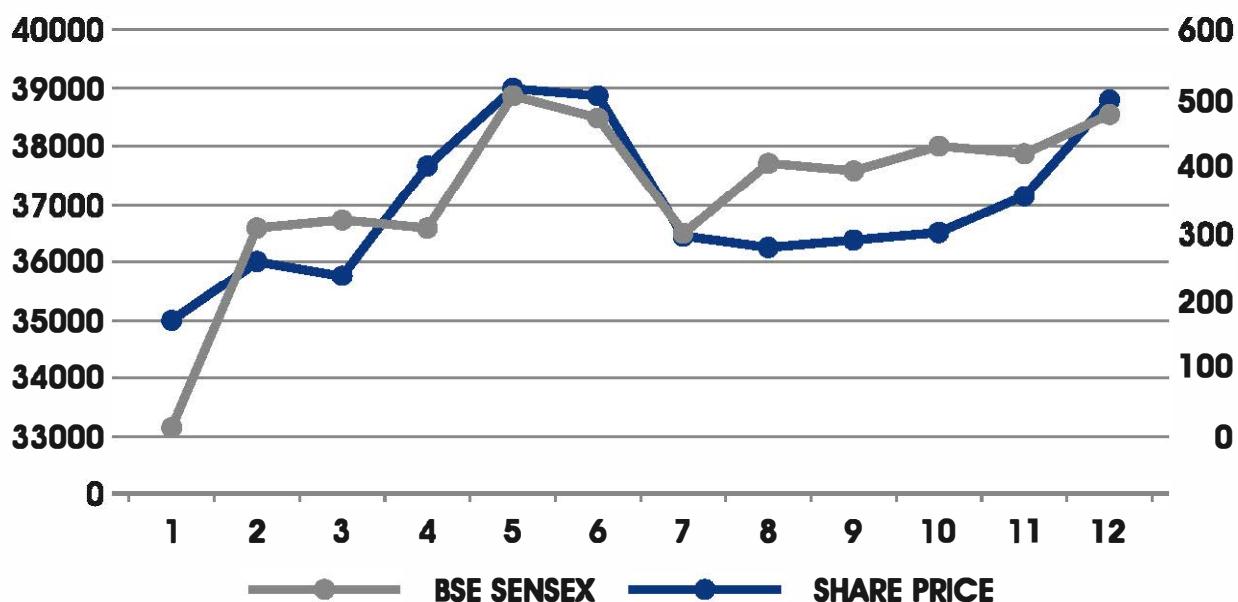
As per the provisions of the Companies Act, 2013 and rules made thereunder your Company had paid the dividend as per the records of the shareholders available with the Company by/ on or before the specified date. The amount laying in the Dividend account as unclaimed /

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 2017 to March 2018 is given below:

Month	High Price	Low Price
April 2018	142.7	142.7
May 2018	308.45	149.8
June 2018	327.4	279.9
July 2018	317.9	265.6
August 2018	495	316.95
September 2018	460	280.25
October 2018	304.9	250
November 2018	396.85	284.05
December 2018	379.75	280
January 2019	427.4	321.25
February 2019	420	300
March 2019	479.3	371.6

e) Performance in comparison of Share price of the Company with BSE Sensex is as follows



f) 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:

Mr. Vinayak Karande

Purva Shareregistry (India) Pvt. Ltd.,
 9, ShivShakti Ind. Estate, J R Boricha Marg,
 Off N. M. Joshi Marg, Near Lodha Excelus,
 Lower Parel (E), Mumbai 400 011
 Tel No.: 2301 8261/2301 6761
 E-mail: busicomp@vsnl.com

g) 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 Shareregistry (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 Shareregistry (India) Pvt. Limited.

Further, as per the SEBI revised circular on the said matter Physical Shares cannot be transferred after March 31, 2019 except in the case of Transmission. Thus, each and every shareholder holding shares in Physical form are requested to Dematerialize their shares in order to trade in the securities.

h) Details of Shareholding as on March 31, 2019:**I. Distribution of Shareholding**

Shareholding of Nominal Value	No. of Shareholders	% of Total no. of Shareholders	Amount (In Rs.)	% to Total Capital
1-5000	771	73.71	11,21,170	2.81
5001-10000	134	73.71	11,19,830	2.81
10001-20000	35	3.35	5,77,350	1.45
20001-30000	9	0.86	2,31,240	0.58
30001-40000	8	0.76	2,80,370	0.70
40001-50000	21	2.01	10,20,200	2.56
50000-100000	20	1.91	16,94,180	4.25
100001 and above	48	4.59	3,38,52,000	84.85
Total	1046	100	3,98,96,340	100

II. Shareholding Pattern as on March 31, 2019

Category of Shareholders	Number of Shares	Percentage Holding
Promoters and Promoter Group	20,76,110	52.04
Bodies Corporate	94,210	2.36
Limited Liability Partnership (LLP)	509	0.01
Banks and Financial Institutions	75,000	1.88
NRI	20,910	0.52
Foreign Institutional Investor	67,000	1.68
HUF	52,199	1.31
Others – Resident Individuals	16,02,644	40.17
Others – Clearing Members	1,052	0.03

III. Directors Share Holding

Sr. No.	Name of the Directors	Number of Shares held
1.	Dr. (Mrs.) Daulat Medhora	13,40,710
2.	Mr. Narmal Mehta	5,75,300
3.	Mr. Fredun Medhora	1,60,100
4.	Dr. Aspi Rimalwala	8,000
5.	Dr. Chandrakant K. Shah	NII
6.	Dr. Rohinton Kanga	500
Total		20,84,610

I) Pledge of Shares:

No pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on March 31, 2019.

J) Dematerialization of Shares:

As on March 31, 2019; 38,46,164 Shares (approx. 96.40%) 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.

k) Outstanding GDRS / ADRS / Warrants / Convertible Instruments as on March 31, 2019:

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

I) Plant Location:

The Company has the following manufacturing and Operating sites:

Palghar

14, 15, 16 Zorabian Industrial Complex,
Vervoir, Palghar (East) - 401 404,
Maharashtra State, INDIA.

m) Address for Correspondence:

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

n) 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**.

10. ISSUE OF EQUITY SHARES

During the financial year 2018-19 the Company had issued the Equity Shares of Rs. 10/- each under Preferential Basis at Rs. 225/- each to the Eligible investors and Promoters the details of which are listed below:

- a) The Company had issued and allotted 5,64,500 Equity Shares of Rs. 10/- each at Rs. 225/- each to the eligible Investors and Promoters. The allotment of the said shares was done on August 1, 2018.

Out of 5,64,500 Equity Shares 2,25,000 Equity Shares were issued to Promoters against the loan amount given by the Promoters to the Company and 3,39,500 Equity Shares were issued to Eligible Investors of the Company.

The Listing approval for the said issue was received by the Company on August 30, 2018.

The said funds were raised and utilized by the Company for meeting the expenditures of operations, expansion and for other corporate purposes.

11. STATUS OF THE COMPLIANCE IN RESPECT OF NON-MANDATORY REQUIREMENTS

- a. **Chairperson of the Board:** The Executive Chairperson does not maintain any separate office for the Company.
- b. **Remuneration Committee:** Details are given under the heading "Remuneration Committee".
- c. **Shareholder's Right:** Details are given under the heading "Means of communication".

12. Audit Qualifications:

During the year under review, there was no qualification in the Auditor's Report on the Company's financial statements.

13. REONCILIATION AUDIT

Mr. Rajendra R. Vaze (FCS No. 4847 CP No. 1975) Practicing Company Secretary have carried out Reconciliation Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the Total Issued and Listed Equity Share Capital. The Secretarial Audit Report confirms that the Total Issued / Paid-Up Capital is in agreement with the total number of Shares in physical form and the total number of Dematerialised Shares held with NSDL and CDSL.

14. SECRETARIAL AUDIT

Mr. Rajendra R. Vaze (FCS No. 4847 CP No. 1975) Practicing Company Secretary have conducted the Secretarial Audit of the Company for the Financial Year 2018 - 2019. 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 the Board's Report.

15. 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, 2019 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

- **Timely encashment of Dividends:**

Shareholders are requested to encash their Dividends 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.

Any shareholder who has not encashed the Dividend Warrant for the year 2016-17 and 2017-18 are requested to send the Dividend warrant(s) to the Company or to the RTA for revalidation.

16. 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.

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, 2019; 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 2018-19. The policy is available on the website of the Company at www.fredungroup.com

- **Code of Conduct of the Company**

All the Directors of the Company 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, 2019. The policy 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**

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

**By Order of the Board
For Fredun Pharmaceuticals Limited**
Sd/-
Priyanka Chaturvedi

Place: Mumbai

Date: June 10, 2019

CORPORATE GOVERNANCE CERTIFICATE

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

CERTIFICATE OF COMPLIANCE OF THE CORPORATE GOVERNANCE REQUIREMENTS

Under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

To the Members of Fredun Pharmaceuticals Limited,

1. We have examined the compliance of the conditions of Corporate Governance by Fredun Pharmaceuticals Limited ("the Company") for the year March 31, 2019 as stipulated in relevant Regulations 17 to 27 and Regulation 46 and Para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "**SEBI Listing Regulations, 2015**").
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of an opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 for the year ended March 31, 2019.
4. We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Rajendra And Co.
Company Secretaries**

**CS. Rajendra R. Vaze
FCS 4247; CP 1975**

**Place: Mumbai
Dated: June 10, 2019**

INDEPENDENT AUDITOR'S REPORT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

TO the Members of **FREDUN PHARMACEUTICALS LTD.**.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **FREDUN PHARMACEUTICAL LTD.**, ('the Company') which comprise of the Balance Sheet as on **March 31, 2019**; 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").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the these Ind AS Financial Statements in that give a true and fair view of the state of affairs (financial position), Profit (financial performance including comprehensive income), Cash Flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Financial Statements

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our Audit.

While conducting the Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Ind AS Financial Statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Ind AS Financial Statement presentation. We believe that our Audit provides a reasonable basis for our opinion.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India Including the Ind AS, of the state of affairs (financial position) of the Company as on March 31, 2019; and its Profit (financial performance including other comprehensive Income), its Cash Flow and changes In Equity for the year ended on that date.

Report on Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") Issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure I**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 5 above and as required by Section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid Financial Statements.
 - (ii) In our opinion, proper books of accounts, as required by law have been kept by the Company, so far as it appears from our examination of such books.
 - (iii) The Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Statement of Changes of Equity referred to in this report are in agreement with the books of account.
 - (iv) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - (v) On the basis of written representations received from the Directors as on 31st March, 2019; and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified from being appointed as Director under sub section (2) of Section 164 of the Companies Act, 2013.
 - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure II**".
 - (vii) With respect to the matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014; in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations on the financial position of the Company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by Company.

iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March, 2019.

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

**Place: Mumbai
Date: 10th June, 2019**

**DEEPAK G. SAVLA
(PARTNER)
Membership No.: 043901**

Annexure I 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, 2019; we report that:

1. 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 III'.

2. 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.

3. 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.

- 4. 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.
- 5. 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.

6. 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.

7. Statutory Dues

- a. According to the records of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service tax, Duty of Customs, Cess and any other material statutory dues applicable to it.
- b. According to the records of the Company, there are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, Goods and Service tax which has not been deposited on account of any dispute.
- 8. 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 Debentureholders.
- 9. 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.
- 10. 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 reported during the year, nor have we been informed of any such instances by the Management.
- 11. 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, 2013.
- 12. 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.

13. 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.
14. 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.
15. Based on our audit procedures and on the information and explanations given by the Management, the Company has made Preferential allotment or Private placement of shares or fully or partly convertible debentures during the year under review. However, the details of Preferential allotment of shares have been disclosed in financial statement.
16. 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.
17. 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**

Place: Mumbai
Date: 10th June, 2019

**DEEPAK G. SAVLA
(PARTNER)
Membership No.: 043901**

Annexure II to 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, 2019 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, 2019; 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**

**Place: Mumbai
Date: 10th June, 2019**

**DEEPAK G. SAVLA
(PARTNER)
Membership No.: 043901**

Annexure III to the Auditors Report

Details of Fixed Assets mortgage against Loan

Detail of Plant & Machinery

Sr. no.	Party Name	Asset Name	Value	Name of Company
1	CHAMUNDA PHARMA MACHINERY PVT. LTD.	Rapid mixer granulator - 400 KG	23,11,875.00	Reliance Capital Ltd
2		Mortgage of Plant & Machinery lying at 14, 15, 16 Zorastrian Industrial Estate , Veeor , Palghar - 401 404	4,82,00,000.00	The Saraswat Co-op. Bank Ltd

Detail of Asset on which charge create

Sr. no.	Asset Name	Value	Name of Bank
1	Factory Land & Building located at 14,15, 16 at Zorastrian Industrial Estate , Veeor , Palghar -401 404	12,36,00,000.00	The Saraswat Co-op. Bank Ltd
2	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: 10th June, 2019

BALANCE SHEET

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Balance sheet for the year ended 31 March, 2019

		Notes	As at 31 March, 2019	As at 31 March, 2018
I ASSETS				
Non - current assets				
a) Property, plant and equipment	3	31,35,37,737.28	16,28,24,013.12	
b) Capital work in progress		-	11,14,97,653.19	
c) Financial assets				
i) Loans				
ii) Other financial assets	4	56,37,926.46	35,22,792.00	
d) Non - Current Investments	5	27,600.00	2,600.00	
e) Other non current assets	6	47,00,000.00	-	
Total non - current assets		32,39,03,263.74	27,78,47,058.31	
Current assets				
a) Inventories	7	40,78,00,520.00	18,42,53,829.86	
b) Financial assets				
i) Investments	8	30,000.00	-	
ii) Trade and other receivables	9	17,78,20,947.49	15,25,92,438.22	
iii) Cash and cash equivalents	10	1,46,67,264.81	1,45,32,880.88	
iv) Loans	11	12,84,876.41	8,56,812.61	
v) Other financial assets	12	4,01,873.34	7,76,99,648.73	
c) Other current assets	13	12,31,86,755.56	8,48,66,200.24	
Total current assets		72,51,92,237.61	51,48,01,810.54	
TOTAL ASSETS		1,04,90,95,501.35	79,26,48,868.85	
II EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	14	3,98,96,346.00	3,42,51,346.00	
b) Other equity	15	34,99,95,743.31	18,73,75,722.55	
Total Equity		38,98,92,089.31	22,16,27,068.55	
Non-Current Liabilities				
a) Provisions	16	17,25,78,614.13	3,25,13,424.33	
b) Other non - current liabilities	17	9,69,46,489.87	9,89,99,957.65	
c) Deferred Tax Liability		79,18,416.00	80,89,594.00	
Total non current - liabilities		27,74,43,520.00	13,96,02,975.98	
Current Liabilities				
a) Financial liabilities				
i) Trade and other payables	18	33,70,44,204.98	38,92,08,981.63	
ii) Other current liabilities	19	54,69,977.00	1,33,25,087.13	
iii) Provisions	20	1,79,01,252.06	1,60,19,717.56	
iv) Current tax liabilities (net)	21	2,13,44,458.00	1,28,65,038.00	
Total current liabilities		38,17,59,892.04	43,14,18,824.32	
TOTAL EQUITY & LIABILITIES		1,04,90,95,501.35	79,26,48,868.85	
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

Place - Mumbai
Date :- June 10, 2019

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

Mr. Fredun Medhora

Chairperson & Jt. Managing Director
DIN : 01745277

Managing Director & CFO
DIN : 01745348

Ms. Prityanka Chaturvedi
Company Secretary Cum Compliance Officer
Membership No.: A55917

PROFIT & LOSS STATEMENT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Statement of Profit and Loss for the year ended 31 March, 2019

	Notes	As at 31 March, 2019	As at 31 March, 2018
I Revenue			
Revenue from Operations	22	95,40,72,440.31	58,06,72,643.75
Other Operating Revenue	23	1,60,84,435.75	1,47,97,292.80
Other income	24	38,72,721.01	16,38,455.29
Total Income		97,40,29,597.07	59,71,08,391.84
II Expenses			
Cost of materials consumed	25	65,95,82,135.35	42,97,70,400.47
Purchases Stock in Trade	26	-	-
Changes in inventories of raw materials, packing materials, stock in trade and work in progress	27	-6,08,03,821.80	-3,46,66,813.89
Manufacturing & Service Cost	28	4,22,48,638.56	2,67,61,650.40
Employee benefit Exp.	29	8,04,03,080.66	5,18,76,100.59
Finance Cost	30	3,09,62,289.15	1,93,74,713.05
Depreciation and amortisation expense	31	1,33,00,917.00	1,28,50,105.54
Operating and other expenses	32	14,59,68,077.52	6,39,74,832.76
Payment to Auditors		7,50,000.00	7,50,000.00
Impairment loss / (reversal)			
Total Expenses		91,24,11,316.44	57,06,90,988.92
III Profit before exceptional items and tax		6,16,18,280.63	2,64,17,402.92
Exceptional Items		-	-
IV Profit before tax from continuing operations		6,16,18,280.63	2,64,17,402.92
V Tax Expenses:			
Current Tax		1,71,89,000.00	93,00,000.00
Deferred Tax		1,71,178.00	-3,91,976.00
VI Profit for the year from continuing operations		4,46,00,458.63	1,75,09,378.92
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		4,46,00,458.63	1,75,09,378.92
XI Other Comprehensive Income			
A Items that will not be classified to profit and loss			
I) Remeasurement of post - employment benefit obligations		-	-
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		-	-
XIII Earning per equity share (Face value of Rs. 10/- each)	33		
Earning per equity share of continuing operations		11.59	6.07
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		11.59	6.07
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 Savia & Associates
Chartered Accountants
Firm Registration No - 109361W

Deepak G. Savia
Partner
Membership No - 043901

Place - Mumbai
Date :- June 10, 2019

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
Chairperson & Jt. Managing Director
DIN : 01745277

Mr. Fredun Medhora
Managing Director & CFO
DIN : 01745348

Ms. Priyanka Chaturvedi
Company Secretary Cum Compliance Officer
Membership No.: A55917

FIXED ASSETS

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019

Note - 3

Property, plant and equipment

Description	Freehold Land	Buildings	Plant and Machinery	Computer / Hardware
Gross Block				
Balance as at 01 April, 2017	52,35,279.00	5,53,32,124.82	9,99,91,242.30	38,45,319.72
Additions	-	3,48,548.00	1,00,77,754.00	-
Disposals	-	-	-	-
Balance as at 31 March, 2018	52,35,279.00	5,56,80,672.82	11,00,68,996.30	38,45,319.72
Gross Block				
Balance as at 01 April, 2018	52,35,279.00	5,56,80,672.82	11,00,68,996.30	38,45,319.72
Additions	-	14,82,54,150.94	1,16,05,830.00	3,38,467.00
Disposals	-	-	-	-
Balance as at 31 March, 2019	52,35,279.00	20,39,34,823.76	12,16,74,826.30	41,83,786.72
Accumulated Depreciation				
Balance as at 01 April, 2017	-	1,48,54,397.43	3,70,91,230.23	27,23,782.32
Depreciation for the year	-	18,71,254.12	40,67,699.68	5,52,690.65
Balance as at 31 March, 2018	-	1,67,25,651.54	4,11,58,929.92	32,76,472.98
Accumulated Depreciation				
Balance as at 01 April, 2018	-	1,67,25,651.54	4,11,58,929.92	32,76,472.98
Depreciation for the year	-	18,82,172.15	45,53,883.22	4,41,438.46
Balance as at 31 March, 2019	-	1,86,07,823.69	4,57,12,813.14	37,17,911.43
Net Block value as at 01 March 2018	52,35,279.00	3,89,55,021.28	6,89,10,066.38	5,68,846.74
Net Block value as at 01 March 2019	52,35,279.00	18,53,27,000.07	7,59,62,013.15	4,65,875.28

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019**Note - 3****Property, plant and equipment**

Description	Furniture and fixtures	Factory Equipment	Electrical Fittings	Electrical Installation
Gross Block				
Balance as at 01 April, 2017	1,42,61,229.17	7,82,568.00	30,74,786.19	2,71,75,586.06
Additions	13,37,878.00	1,10,557.00	2,78,300.00	-
Disposals	-	-	-	-
Balance as at 31 March, 2018	1,55,99,107.17	8,93,125.00	33,53,086.19	2,71,75,586.06
Gross Block				
Balance as at 01 April, 2018	1,55,99,107.17	8,93,125.00	33,53,086.19	2,71,75,586.06
Additions	5,28,500.00	-	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2019	1,61,27,607.17	8,93,125.00	33,53,086.19	2,71,75,586.06
Accumulated Depreciation				
Balance as at 01 April, 2017	48,50,873.64	4,27,956.90	11,03,288.14	58,92,368.73
Depreciation for the year	12,65,864.18	1,08,236.09	2,50,441.16	26,12,655.16
Balance as at 31 March, 2018	61,16,737.82	5,36,192.98	13,53,729.30	85,05,023.89
Accumulated Depreciation				
Balance as at 01 April, 2018	61,16,737.82	5,36,192.98	13,53,729.30	85,05,023.89
Depreciation for the year	13,15,578.43	95,836.79	2,58,072.31	25,59,877.93
Balance as at 31 March, 2019	74,32,316.25	6,32,029.78	16,11,801.62	1,10,64,901.82
Net Block value as at 01 March 2018	94,82,369.35	3,56,932.02	19,99,356.88	1,86,70,562.17
Net Block value as at 01 March 2019	86,95,290.92	2,61,095.22	17,41,284.57	1,61,10,684.24

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019**Note - 3****Property, plant and equipment**

Description	Lab Glassware	Motor Car	Office Premises	Office Equipment
Gross Block				
Balance as at 01 April, 2017	48,56,197.93	98,85,928.00	97,82,046.00	5,86,212.00
Additions	80,000.00	-	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2018	49,36,197.93	98,85,928.00	97,82,046.00	5,86,212.00
Gross Block				
Balance as at 01 April, 2018	49,36,197.93	98,85,928.00	97,82,046.00	5,86,212.00
Additions	12,25,000.00	7,95,043.00	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2019	61,61,197.93	1,06,80,971.00	97,82,046.00	5,86,212.00
Accumulated Depreciation				
Balance as at 01 April, 2017	12,95,730.87	16,65,749.54	21,29,227.63	3,17,739.82
Depreciation for the year	3,78,690.30	10,60,918.22	4,05,078.78	59,122.39
Balance as at 31 March, 2018	16,74,421.17	27,26,667.76	25,34,306.41	3,76,862.21
Accumulated Depreciation				
Balance as at 01 April, 2018	16,74,421.17	27,26,667.76	25,34,306.41	3,76,862.21
Depreciation for the year	4,67,532.13	10,31,674.82	4,05,078.78	59,122.39
Balance as at 31 March, 2019	21,41,953.29	37,58,342.58	29,39,385.18	4,35,984.60
Net Block value as at 01 March 2018	32,61,776.76	71,59,260.24	72,47,739.59	2,09,349.79
Net Block value as at 01 March 2019	40,19,244.64	69,22,628.42	68,42,660.82	1,50,227.41

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019**Note - 3****Property, plant and equipment**

Description	Computer Software	Electronic Devices	Total
Gross Block			
Balance as at 01 April, 2017	23,45,215.65	-	23,71,53,734.83
Additions	-	5,64,910.00	1,27,97,947.00
Disposals	-	-	-
Balance as at 31 March, 2018	23,45,215.65	5,64,910.00	24,99,51,681.83
Gross Block			
Balance as at 01 April, 2018	23,45,215.65	5,64,910.00	24,99,51,681.83
Additions	2,00,800.00	10,66,850.00	16,40,14,640.94
Disposals	-	-	-
Balance as at 31 March, 2019	25,46,015.65	16,31,760.00	41,39,66,322.77
Accumulated Depreciation			
Balance as at 01 April, 2017	19,25,217.92	-	7,42,77,563.17
Depreciation for the year	1,67,611.18	49,843.63	1,28,50,105.54
Balance as at 31 March, 2018	20,92,829.10	49,843.63	8,71,27,668.71
Accumulated Depreciation			
Balance as at 01 April, 2018	20,92,829.10	49,843.63	8,71,27,668.71
Depreciation for the year	1,79,109.04	51,542.16	1,33,00,918.61
Balance as at 31 March, 2019	22,71,938.14	1,01,385.80	10,04,28,587.32
Net Block value as at 01 March 2018	2,52,386.55	5,15,066.37	16,28,24,013.12
Net Block value as at 01 March 2019	2,74,077.51	15,30,374.20	31,35,37,737.28

(The Capital Work in Progress as shown on 31.03.2018 was Rs. 11,14,97,653.19/- . However, the work was completed in current year and same asset has been grouped under Building but company has not claimed depreciation on said asset as the asset is still not put to use and OC copy of asset is still not received)

CASH FLOW STATEMENT

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

		<u>E.Y. 2018-2019</u>	<u>E.Y. 2017-2018</u>
A) CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT AFTER TAXATION	15	4,46,00,458.63	1,75,09,378.92
ADJUSTMENTS FOR :			
DEPRECIATION	3	1,33,00,917.00	1,28,50,105.54
INTEREST PAID		3,09,62,289.15	1,56,77,801.00
INTEREST RECEIVED		(4,94,547.33)	(4,00,717.00)
CREDITORS WRITTEN BACK		(55,63,845.83)	(10,46,750.00)
		3,82,04,812.99	-
		8,28,05,271.62	2,70,80,439.54
			4,45,89,818.46
ADJUSTMENT TO OPERATING PROFIT			
PRIOR PERIOD ADJUSTMENTS		-	-
DEFERRED TAX LIABILITY		(1,71,178.00)	(3,91,976.00)
ADJUSTMENT FOR PROPOSED DIVIDEND TAX		-	-
ADJUSTMENT FOR TAX PROVISION		-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		8,26,34,093.62	4,41,97,842.46
EFFECTS OF CHANGES IN WORKING CAPITAL ITEMS			
INCREASE / DECREASE IN :-			
INVENTORY	7	(22,35,46,690.14)	(11,48,88,196.55)
INVESTMENTS	8	(30,000.00)	-
TRADE RECEIVABLES	9	(2,52,28,509.27)	5,12,10,134.19
LOANS & ADVANCES	11	(4,28,063.80)	(1,73,587.11)
OTHER CURRENT ASSETS	13	(3,83,20,555.32)	(4,01,92,997.60)
OTHER FINANCIAL ASSETS	12	7,72,97,775.39	(5,12,93,097.02)
OTHER FINANCIAL ASSETS	4	(21,15,134.46)	(21,432.00)
TRADE PAYABLES	18	(5,21,64,776.65)	16,09,35,457.78
OTHER CURRENT LIABILITIES	19	(78,55,110.13)	(2,97,56,675.16)
OTHER NON CURRENT LIABILITIES			
OTHER NON CURRENT INVESTMENTS	5	(25,000.00)	-
SHORT TERM PROVISION	20	18,81,534.50	21,08,833.36
PROVISION FOR TAX	21	84,79,420.00	50,63,100.00
RESERVES & SURPLUS	15	(33,47,937.87)	(43,92,659.30)
SHARE PREMIUM (RESERVES & SURPLUS)	15	12,13,67,500.00	14,40,35,547.75
		(14,40,35,547.75)	15,01,82,854.00
		(6,14,01,454.13)	12,87,81,734.59
			17,29,79,577.05

INCREASE / DECREASE IN :-

LONG TERM LOANS & ADVANCES - - -

LONG TERM PROVISIONS - - -

NET CASH FLOW FROM OPERATING ACTIVITIES		(6,14,01,454.13)	17,29,79,577.05
--	--	------------------	-----------------

EFFECTS OF CHANGES IN NON CURRENT ITEMS - - -

OTHER NON CURRENT ASSETS	6	(47,00,000.00)
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NET ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES		(6,61,01,454.13)	17,29,79,577.05
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B) CASH FLOW FROM INVESTING ACTIVITIES

PURCHASE OF FIXED ASSETS	3	(16,40,14,641.16)	(1,27,97,945.60)
CAPITAL WORK IN PROGRESS	3	11,14,97,653.19	(6,93,36,154.00)
		<u>(5,25,16,987.97)</u>	<u>(8,21,34,099.60)</u>
		(11,86,18,442.10)	9,08,45,477.45

C) CASH FLOW FROM FINANCING ACTIVITIES

INCREASE / DECREASE IN ISSUE OF SHARE CAPITAL	14	56,45,000.00	(1,42,72,654.00)
INCREASE / DECREASE IN LONG TERM BORROWINGS	16	14,00,65,189.80	(4,26,89,298.83)
INCREASE / DECREASE IN SHORT TERM BORROWINGS	17	(20,53,467.78)	(1,26,25,051.11)
INTEREST RECEIVED		4,94,547.33	4,00,717.00
INTEREST PAID		(3,09,62,289.15)	(1,56,77,801.00)
CREDITORS WRITTEN BACK		55,63,845.83	10,46,750.00
		<u>11,87,52,826.03</u>	<u>(8,38,17,337.94)</u>

NET INCREASE / DECREASE IN CASH		1,34,383.93	70,28,139.51
OPENING CASH & BANK BALANCE		1,45,32,880.88	75,04,741.37
CLOSING CASH & BANK BALANCE	10	1,46,67,264.81	1,45,32,880.88

Note:-

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 on "Cash Flow Statement".
2. Cash & cash equivalents consist of cash, cheques and stamps on hand and with collecting agents and balances with scheduled and other banks on current and deposit accounts.
3. Direct taxes paid are treated as arising from operating activities and not bifurcated between investing and financing activities.
4. Figures in Negative sign indicate cash outflow.
5. Previous year figures have been regrouped & recast, wherever necessary, to conform to the current year's classification.
6. The notes referred to in the Balance Sheet and Profit & Loss A/c. form an integral part of the Cash Flow Statement.
7. Reserves & Surplus Includes Provision for Dividend (Equity & Preference) and Provision for Dividend Tax

NOTES TO FINANCIAL STATEMENTS

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 4		
Other financial assets		
Unsecured, considered good unless otherwise stated		
Security Deposits		
Considered good	56,37,926.46	35,22,792.00
Considered doubtful	-	-
Less:- Allowance for doubtful deposits	-	-
Total	56,37,926.46	35,22,792.00
Note - 5		
Non Current Investments		
260 Equity shares of SVC Bank of Face Rs. 10/- Each	2,600.00	2,600.00
2500 Equity shares of Saraswat Bank of Face Rs. 10/- Each	25,000.00	-
Total	27,600.00	2,600.00
Note - 6		
Other Non Current assets		
Capital advances	47,00,000.00	0.00
Total	47,00,000.00	0.00
Note - 7		
Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials	21,33,84,662.00	7,63,52,931.04
Packing materials	7,32,46,762.00	4,64,77,041.62
Work In progress	6,36,56,778.00	5,12,47,758.00
Finished product	5,75,12,318.00	81,05,209.20
MEIS License	0.00	10,12,307.00
Stores and spares	0.00	10,58,583.00
Total	40,78,00,520.00	18,42,53,829.86
Note - 8		
Investments		
(Investments carried at fair value through profit and loss)		
Investment In mutual funds (unquoted)		
213.356 units (31 March, 2018: Nil Units) of Invesco-India Multicap Fund	10,000.00	0.00
250.035 units (31 March, 2018: Nil Units) of Reliance-Small Cap Fund	10,000.00	0.00
118,442 units (31 March, 2018: Nil Units) of Sundaram-Small Cap Fund	10,000.00	0.00
Total	30,000.00	0.00
Aggregate book value of unquoted investments		
Note - 9		
Trade receivables		
Unsecured, considered good		
Trade Receivable Less Than Six Months	12,52,80,407.20	10,68,85,809.99
Trade Receivable More Than Six Months	5,25,40,540.29	4,57,06,628.23
Unsecured, considered doubtful	0.00	0.00
Less:- Allowance for doubtful debts	0.00	0.00
Total	17,78,20,947.49	15,25,92,438.22

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 10		
Cash and cash equivalents		
Cash	80,92,728.05	78,05,904.73
Balance with Banks		
In current accounts	15,97,506.42	10,66,368.14
In Deposit Account	49,77,030.34	56,60,608.01
Total	1,46,67,264.81	1,45,32,880.88
Note - 11		
Loans (Short term)		
Loans to employees	9,12,119.30	3,01,519.50
Others	3,72,757.11	5,55,293.11
Total	12,84,876.41	8,56,812.61
Note - 12		
Other financial assets		
Other receivables		
Advance to Creditors	0	7,59,86,122.32
From others	4,01,873.34	17,13,526.41
Total	4,01,873.34	7,76,99,648.73
Note - 13		
Other current assets		
Receivable from Pharma Export Promotion Council	15,413.00	1,06,358.00
Duty Draw Back Receivable	40,73,473.18	21,10,762.18
Central Excise P.L.A.	1,21,241.00	1,21,241.00
Central Excise Refund Receivable		7,45,361.00
Other current Assets	5,87,881.08	
GST Receivable	10,19,41,024.55	6,47,31,164.08
VAT Receivable	1,03,57,291.72	1,30,39,316.95
TDS Receivable	60,90,431.03	40,11,997.03
Total	12,31,86,755.56	8,48,66,200.24

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 14		
Equity share capital		
Authorised Capital		
1,00,00,000 Equity Shares of Rs. 10 each	10,00,00,000.00	10,00,00,000.00
Issued subscribed and fully paid-up share capital		
39,89,634 (31 March, 2018 3425135) Equity Shares of Rs. 10 each	3,98,96,346.00	3,42,51,346.00

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number	Amount	Number	Amount
Number of equity shares at the beginning of the year	34,25,135.00	3,42,51,346.00	23,52,400.00	2,35,24,000.00
Add - Further Issue	5,64,500.00	56,45,000.00	10,72,734.60	1,07,27,346.00
Number of equity shares at the end of the year	39,89,635.00	3,98,96,346.00	34,25,134.00	3,42,51,346.00

(b) Terms / rights attached to Equity Shares

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 receive Dividend as declared from time to time. The voting 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 exercised 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 receive the residual assets of the Company, remaining after distribution of all Preferential amounts in proportion to the number of Equity Shares held.

(c) Particulars of shareholders holding more than 5% of shares

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number	Percentage	Number	Percentage
Dr. Mrs Daulat N. Mehdora	13,40,710.00	33.60%	13,40,710.00	39.14%
Mr. Nariman B. Mehdora	5,75,300.00	14.42%	3,74,300.00	10.93%
Mr. Nikhil Vora	2,33,333.00	5.85%	2,33,333.00	6.81%

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 15		
Other Equity		
Reserves and Surplus		
Securities premium account	27,15,50,354.00	15,01,82,854.00
Retained earnings	3,38,44,930.68	1,94,61,989.63
Profit & Loss Account	4,51,36,968.85	
Less : Provision for Dividend Tax	19,70,733.87	
Provision for Equity Dividend	60,59,783.76	
Provision for Preference Dividend	32,61,520.54	1,12,92,038.17
Profit for the Period	4,46,00,458.63	1,75,09,378.92
Forefitted Equity Share Capital		2,21,500.00
Total	34,99,95,743.31	18,73,75,722.55

FREDUN PHARMACEUTICALS LTD

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Notes to financial statements for the year ended 31/03/2019

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 16		
Long term provisions		
Long Term Loan	16,17,43,174.13	2,73,64,240.33
Provisions for employee benefits:-		
Provisions for Gratuity	76,87,948.00	50,38,286.00
Provisions for Compensated Absences	31,47,492.00	1,10,898.00
Total	17,25,78,614.13	3,25,13,424.33
Note - 17		
Other non - current liabilities		
Short Term Borrowings		
The Saraswat Co-op Bank Ltd. (CC Account)	6,95,87,578.85	-
IndusInd Bank Ltd (PCFCR)		4,64,92,289.28
IndusInd Bank Ltd (CC Account)		1,78,06,169.89
SVC Bank Ltd		49,62,207.05
IndusInd Bank Ltd (PSDL)		32,32,697.39
Short term Loan	2,73,58,911.02	2,65,06,594.04
Total	9,69,46,489.87	9,89,99,957.65
Note - 18		
Trade payables		
Acceptances		
Total outstanding dues of micro and small enterprise (Refer Note - 41)	-	-
Total outstanding dues of creditors other than micro and small enterprise	33,70,44,204.98	38,92,08,981.63
Total	33,70,44,204.98	38,92,08,981.63
Note - 19		
Other current liabilities		
Advance from customers		
Other Payables	1,03,456.00	1,01,69,550.13
Payables towards statutory dues		
ESIC	1,66,612.00	68,479.00
GSTRCM Payable	18,512.00	5,02,675.00
Provident Fund	5,44,006.00	2,08,730.00
Tax Deducted at Source	45,98,501.00	23,75,653.00
Employees Professional Tax	38,890.00	-
Total	54,69,977.00	1,33,25,087.13
Note - 20		
Short term Provisions		
Provisions for employee benefits:-		
Provisions for Compensated Absences	85,16,459.00	58,27,116.00
Provisions for other employee benefits	22,79,333.87	17,46,159.00
Provision for DDT Equity Shares	23,54,732.19	53,63,497.30
Provision for Proposed Dividend (Equity)	2,72,560.00	-
Director's Remuneration Payable	44,78,167.00	30,82,945.26
Other provisions	1,79,01,252.06	1,60,19,717.56
Total		
Note - 21		
Current tax liabilities		
Provision for tax	2,13,44,458.00	1,28,65,038.00
Total	2,13,44,458.00	1,28,65,038.00

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Note (a): Equity Share Capital (Refer note - 14)

Particulars	Amount
As at 01 April, 2017	2,35,24,000.00
Changes in Equity Share Capital during the year	1,07,27,346.00
As at 31 March, 2018	3,42,51,346.00
As at 01 April, 2018	3,42,51,346.00
Changes in Equity Share Capital during the year	56,45,000.00
As at 31 March, 2019	3,98,96,346.00

Note (b): Other equity (Refer note - 15)

Particulars	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Total
Balance as at 01 April, 2017	-	-	-	-	2,76,27,589.93	2,76,27,589.93
Profit for the year	-	-	-	-	1,75,09,378.92	1,75,09,378.92
Premium for the year	-	15,01,82,854.00	-	-	-	15,01,82,854.00
Forfited shares Amount	-	-	-	-	-	2,21,500.00
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	-	-	-
Dividend	-	-	-	-	-67,28,041.30	-67,28,041.30
Dividend distribution tax	-	-	-	-	-14,37,559.00	-14,37,559.00
Balance as at 31 March, 2018	-	-	-	-	3,69,71,368.55	18,73,75,722.55
Profit for the year	-	-	-	-	4,46,00,458.63	4,46,00,458.63
Other comprehensive income for the year	-	12,13,67,500.00	-	-	-	12,13,67,500.00
Total comprehensive Income for the year	-	-	-	-	-	-
Dividend	-	-	-	-	-25,93,263.00	-25,93,263.00
Dividend distribution tax	-	-	-	-	-5,33,174.87	-5,33,174.87
Forfited shares amount treated as income for the year	-	-	-	-	-	-2,21,500.00
Balance as at 31 March, 2019	-	-	-	-	-	-
Nature and purpose of reserves :-	-	12,13,67,500.00	-	-	7,84,45,389.31	34,99,95,743.31

FREDUN PHARMACEUTICALS LTD

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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

General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of Profit and Loss.

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 Savio & Associates
Chartered Accountants
Firm Registration Number - 109361W

For and on behalf of the Board of Directors of Fredun
Pharmaceuticals Limited
CIN No - L24239MH1987PLC043662

For Fredun Pharmaceuticals Limited

Deepak Savio
Partner
Membership No 043901

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

Mr. Nariman B. Medhora
Director
DIN :02060357

Mumbai
Date : - June 10, 2019

Ms. Priyanka Chaturvedi
Company Secretay Cum Compliance Officer
Membership No.: A55917

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Notes to financial statements for the year ended 31/03/2019

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note - 22		
Revenue from operations		
Sale of finished goods	95,40,72,440.31	58,06,72,643.75
Other operating revenue	0.00	0.00
Total	95,40,72,440.31	58,06,72,643.75
Note - 23		
Other operating revenue:-		
Duty drawback on exports	71,28,388.00	34,71,888.48
MEIS License sale	19,65,697.00	1,02,24,746.19
Rent Received	11,55,000.00	0.00
Sundry Creditor's Written off	55,63,845.83	10,46,750.00
Sundry Income	2,71,504.92	53,908.13
Total	1,60,84,435.75	1,47,97,292.80
Note - 24		
Other Income		
Interest on:-		
Interest Income	494547.33	4,00,716.93
Dividend Received	0.00	55,000.00
Dividend Income	0.00	300.00
Misc. Other Income	0.00	6,270.97
Net gain / loss on account of foreign exchange fluctuations	-19,63,048.11	11,76,167.39
Provisions no longer required written back		
Provision for Doubtful Debts Recovered	29,19,304.85	0.00
Miscellaneous income	24,21,916.94	0.00
Total	38,72,721.01	16,38,455.29
Note - 25		
Cost of material consumed		
Material Consumed	65,95,82,135.35	42,97,70,400.47
Total	65,95,82,135.35	42,97,70,400.47
Note - 26		
Purchase stock in trade	0.00	0.00
Total	0.00	0.00

FREDUN PHARMACEUTICALS LTD

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Note - 27**Changes in inventories of finished goods, stock-in-trade and work in progress****Opening stock**

Finished goods / stock in trade	81,05,209.20	70,35,849.00
Work In progress	5,12,47,758.00	1,86,62,611.31
MEIS License	10,12,307.00	0.00

Closing stock

Finished goods / stock in trade	5,75,12,318.00	81,05,209.20
Work in progress	6,36,56,778.00	5,12,47,758.00
MEIS License	0.00	10,12,307.00
Total	-6,08,03,821.80	-3,46,66,813.89

Note - 28**Manufacturing & Service Cost**

Clearing & Forwarding Exp Inward	50,402.00	1,50,954.00
Electricity Expenses Factory	2,65,24,170.00	1,50,56,556.50
Factory Expenses	7,47,490.00	43,02,988.00
Fire Safety Expenses	0.00	42,380.00
Freight Inward	5,29,395.45	1,29,970.00
Lab Chemical Expenses	9,69,627.25	4,90,543.67
Labour Charges Expenses	46,37,911.40	10,56,287.00
Light Diesel Oil Purchase	6,38,996.76	3,37,000.00
Machinery Spares & Tools Exp.	29,65,177.64	0.00
Rent Plant & Machinery	8,68,000.00	32,86,273.49
Repairs & Maintenance Expenses	33,60,424.93	8,61,073.20
Testing & Analytical Expenses	5,61,486.13	3,01,828.00
Transport Expenses Inward	64,860.00	7,36,699.04
Loading & Unloading Expenses	3,30,697.00	2,250.00
Blocks & Designing (At Work)	0.00	6,847.50
Total	4,22,48,638.56	2,67,61,650.40

FREDUN PHARMACEUTICALS LTD

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Note - 29**Employee benefit expenses**

Gratuity	34,73,300.50	24,88,948.00
Labour Welfare Fund Employers Contribution	15,492.00	0.00
Bonus Expense	32,87,798.00	20,64,164.00
Medical Expenses	7,79,905.46	2,94,168.78
P F Administration Charges	1,18,029.00	1,09,613.00
ESIC	11,54,881.00	7,06,275.00
P F Employers Contribution	28,90,006.00	21,07,175.00
P F Employees Contribution	0.00	0.00
Salary Wages and Bonus	6,44,34,066.00	4,33,61,032.00
Staff Welfare	42,49,602.70	7,44,724.81
Total	8,04,03,080.66	5,18,76,100.59

Note - 30**Finance Cost**

Bank Charges	60,83,453.14	26,27,330.94
Bank Interest	1,60,21,117.99	1,06,39,516.17
Interest Expense	38,40,302.18	50,38,285.06
Other Finance Charges	50,17,415.84	10,69,580.88
Total	3,09,62,289.15	1,93,74,713.05

Note - 31**Depreciation and amortisation expense**

Depreciation and amortisation expense	1,33,00,917.00	1,28,50,105.54
Total	1,33,00,917.00	1,28,50,105.54

Note - 32**Operating and other expenses**

Agency Expenses	0.00	7,900.00
Air Freight	82,37,946.00	5,76,071.00
Books & Periodicals	24,488.00	0.00
Baddebts Written Off	18,35,477.39	0.00
Business pramotion expenses	23,80,826.00	9,36,274.50
Computer Software Expenses	2,70,162.96	1,17,409.94
Computer Expenses	10,48,934.23	6,87,601.92
Conveyance Expenses	2,42,184.08	3,75,069.00
Courier charges	5,30,873.59	5,89,868.40
Catering Charges	21,60,000.00	0.00
Clearing & Forwarding Exp Outward	35,55,246.30	17,74,066.26
Commission expenses	1,12,08,816.00	1,15,50,542.48
Consumable Purchase Exp.	79,44,811.99	0.00

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Credit Card Charges	39,295.48	18,316.14
Directors Sitting Fees	61,800.00	69,000.00
Donation Expenses	69,302.00	56,001.00
Discount & Rebate	25,690.60	0.00
ECGC Expenses	11,73,351.68	6,34,593.00
Electricity Expenses office	7,34,740.10	5,68,837.00
Electrical Fitting Exp.	8,17,347.45	66,170.00
Electrical Tools & Spares	26,11,205.44	4,68,392.40
Electronic Devices Exp.	80,200.00	0.00
Excise not claimed W/off	0.00	20,02,254.67
Export Documentation Charges	0.00	18,929.00
Earlier Year Exp. Written Off	17,51,259.39	0.00
Furniture Exp.	13,89,126.50	0.00
GST Late Filing Fees	48,200.00	15,400.00
Hire Charges	4,14,386.00	3,56,386.15
Interest on Listing Fees		22,000.00
Interest on TDS	2,46,919.00	21,985.00
Interest on Late Payment of ESIC Employer's Contribution	7,192.00	0.00
Internet Rental Charges	38,500.00	0.00
L.C. Discount Charges	0.00	32,387.00
Listing Fees	5,77,600.00	836.00
License Renewal Fees	7,05,231.95	0.00
Machinery Spares & Tools	0.00	80,000.00
Membership & Subscription	59,322.00	2,10,160.50
Miscellaneous Expenses	1,56,921.56	85,960.10
Maharashtra Labour Welfare Fund	0.00	11,549.00
Management Fees	1,000.00	0.00
Motor Car Expenses	4,47,369.72	2,72,244.39
Newspaper & Magazines	25,328.00	32,024.00
Nagar Parishad Palghar	13,05,781.00	0.00
Printing & Stationery Expenses	21,22,138.50	18,93,432.00
Product Development Charges	55,38,485.64	16,97,650.65
Professional Fees	1,53,74,689.60	1,14,09,627.00
Provision for Doubtful Debts	1,98,53,648.26	0.00
ROC Expenses	45,000.00	0.00
Rates , Taxes And Fees	17,41,136.91	20,00,341.60
Rent Expenses	1,35,49,780.00	24,12,900.00
Security Charges Expenses	21,89,665.00	14,24,644.00
Sample expenses	0.00	2,06,314.00
Stampduty on Mortgage of Assets	14,05,300.00	0.00
Telephone expenses	9,15,098.43	13,09,446.18
Travelling Expenses	52,36,585.70	30,23,688.53

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Office Expenses	36,46,764.05	2,21,388.50
Advertisement Expenses	1,70,809.00	1,89,925.00
Product Seminar Charges	65,94,134.23	30,02,784.00
M R Fees	0.00	15,22,279.00
Insurance Charges	28,51,972.50	15,11,623.00
Sales Promotion expenses	23,91,421.85	0.00
Sample expenses	200.00	0.00
Freight Outward expenses	32,58,751.63	98,93,607.95
Sea Freight	48,51,635.32	0.00
Entertainment Exps	0.00	1,07,939.46
Krishi Kalyan Cess	0.00	34,042.07
Penalties	13,62,353.00	0.00
Product Registration	6,34,436.49	3,59,220.00
Swachha Bharat	0.00	34,042.07
Other Charges	7,235.00	61,708.90
Total	14,59,68,077.52	6,39,74,832.76

Notes:-

i) Payment to Auditors

Audit fees	2,50,000.00	2,50,000.00
Taxation matters	1,50,000.00	1,50,000.00
Other matters	1,50,000.00	1,50,000.00
Certification Charges	2,00,000.00	2,00,000.00
Total	7,50,000.00	7,50,000.00

Note - 33**Earnings per Equity Share****Calculation of weighted average number of Equity Shares**

Number of Equity Shares outstanding at the beginning of year		23,52,400.00
	34,25,135.00	
Number of Equity Shares outstanding at the end of the year	39,89,635.00	34,25,134.00
Weighted average number of Equity Shares outstanding during the year	38,48,510.00	28,84,729.00
Earnings per Equity Share of continuing operations (of Rs. 10/- each)		
Profit after tax of continuing operations	4,46,00,458.63	1,75,09,378.92
Basic and diluted (in Rs.)	11.59	6.07

FREDUN PHARMACEUTICALS LTD

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Balancesheet for the year ended 31/03/2019**Note - 34****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 March, 2019	Carrying Value			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial Assets								
Security deposits		-	-	56,37,926.46	-	-	-	-
Investments	30,000.00	-	-	-	30,000.00	-	-	30,000.00
Trade and other Receivable	-	-	17,78,20,947.49	-	-	-	-	-
Cash and cash equivalents	-	-	1,46,67,265.21	-	-	-	-	-
Other bank balance	-	-	-	-	-	-	-	-
Loans	-	-	12,84,876.41	-	-	-	-	-
Other financial assets	-	-	4,01,873.34	-	-	-	-	-
Financial Liabilities								
Long term loans	-	-	16,17,43,174.13	-	-	-	-	-
Short term loans	-	-	9,69,46,489.87	-	-	-	-	-
Trade and other payables	-	-	33,70,44,204.98	-	-	-	-	-
	31 March, 2018	Carrying Value			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial Assets								
Security deposits		-	-	35,22,792.00	-	-	-	-
Trade and other Receivable		-	-	15,25,92,438.22	-	-	-	-
Cash and cash equivalents	-	-	-	1,45,32,880.87	-	-	-	-
Financial Liabilities								
Long term loans	-	-	2,73,64,240.33	-	-	-	-	-
Short term loans	-	-	7,24,93,363.61	-	-	-	-	-
Trade and other payables	-	-	38,92,08,981.63	-	-	-	-	-

Note - 35**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

FREDUN PHARMACEUTICALS LTD

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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.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows (before allowance for the doubtful debts):-

Particulars	As at 31 March, 2019	As at 31 March, 2018
Neither past due nor impaired		
Past due but not Impaired		
Past due 1 - 90 days	5,82,35,151.57	10,12,35,809.22
Past due 91 - 180 days	6,70,45,255.63	56,50,000.99
Past due 181 - 270 days	4,58,154.40	1,45,88,481.93
Past due 271 - 360 days	2,90,24,342.58	98,508.57
Past due more than 360 days	2,30,58,043.31	3,10,19,637.51
	17,78,20,947.49	15,25,92,438.22

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, 2019 related to several customers that have defaulted on their payments to the company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs. 1,46,67,264.81/- (31 March, 2018 Rs. 1,45,32,880.88/-). 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, 2019 the Company has working capital of Rs. 34,34,32,345.57/- (As on 31 March, 2018 Rs. 8,33,82,986.22/-) including cash and cash equivalents and other bank balances of Rs. 1,46,67,264.81/- (31 March, 2018 Rs. 1,45,32,880.88/-). Working capital is calculated as current assets less current liabilities.

FREDUN PHARMACEUTICALS LTD

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Note - 36

Financial instruments - Risk management

I. Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

Particulars	Carrying Amount	Total	Contractual cash flows					
			1 year or less	1 - 2 years	2 - 5 years	More than 5 years		
As at 31 March, 2019								
Non - Derivative financial liabilities								
Trade and other payables	33,70,44,204.98	33,70,44,204.98	33,70,44,204.98					
As at 31 March, 2018								
Non - Derivative financial liabilities								
Trade and other payables	38,92,08,981.63	38,92,08,981.63	38,92,08,981.63					

II 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 exchange 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.

The company does not use any financial assets and financial liabilities in respect of major currencies in as follows:

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.

Interest rate sensitivity - fixed rate instruments

The Company does not account for any fixed - rate financial assets or financial liabilities at fair value through profit and loss, and the Company does not have any designated derivatives. Therefore, a change in interest rates at the reporting date would not affect profit and loss for any of these fixed interest bearing financial instruments.

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Notes to financial statements for the year ended 31/03/2019

Note - 37

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, 2019)

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 Pvt. Ltd.

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

Transaction	Key Managerial Personnel	Fredna Enterprise	Fredun Healthcare Pvt. Ltd
Director Remuneration for the year	49,20,000.00	-	-
Purchase Made from Fredun Healthcare Pvt Ltd.	-	-	31,20,84,733.02
Rent paid to Mr Nariman B. Medhora for utilising a godown office proprietary firm	-	1,15,20,000.00	-
Purchase Made from Fredna enterprises	-	97,500.00	-

Note - 38

Segment reporting

I. The Company is operating in only one segment i.e. Pharmaceutical Formulations. In respect of secondary segment ie - Geographical segment information, the company has identified its geographical segments as I) Domestic and II) Exports

Particulars	31 March, 2019		31 March, 2018	
	Domestic	Export	Domestic	Export
Revenue from operations	54,65,83,846.83	40,74,88,593.48	34,29,12,563.66	23,77,60,080.09
Total	54,65,83,846.83	40,74,88,593.48	34,29,12,563.66	23,77,60,080.09

I. The Company is operating in only one segment i.e. Pharmaceutical Formulations. In respect of secondary segment ie - Geographical segment Information, the company has Identified its geographical segments as I) Domestic and II) Imports

Particulars	31 March, 2019		31 March, 2018	
	Domestic	Imports	Domestic	Imports
Purchase	80,31,03,105.69	1,92,06,298.00	46,99,65,187.77	4,00,26,595.36
Total	80,31,03,105.69	1,92,06,298.00	46,99,65,187.77	4,00,26,595.36

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Note - 37

In March 2018, the Ministry of Corporate Affairs Issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard) w.e.f. accounting periods commencing on or after April 01, 2018, which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The New Revenue Standard establishes principles for recognising revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The New Revenue Standard provides additional guidance on areas such as multiple element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property along with significant additional disclosures in relation to revenue. The New Revenue Standard also provides two broad alternative transition options- Retrospective Method and Cumulative Effect Method - with certain practical expedients available under the Retrospective Method. The Company continues to evaluate the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Note - 39

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note - 40

Figures for the previous year have been re-grouped/re-arranged wherever necessary to conform current year's classification.

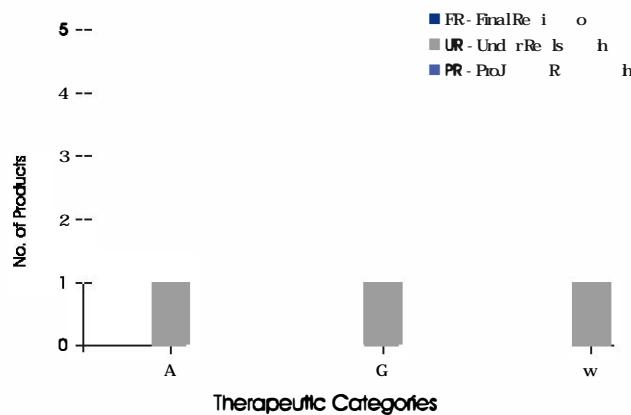
Note - 41

Dues to micro and small enterprise

Under the Micro Small and Medium Enterprise Act, 2006 (MSMED) which came into force from October 2, 2006 certain disclosures are required to be made relating to with Micro Small and Medium enterprises. On the basis of the information and records available with the Management, the company is in process to comply the list of its sundry creditors who satisfy this criterion of said act.

PRODUCT REGISTRATIONS

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019



Category

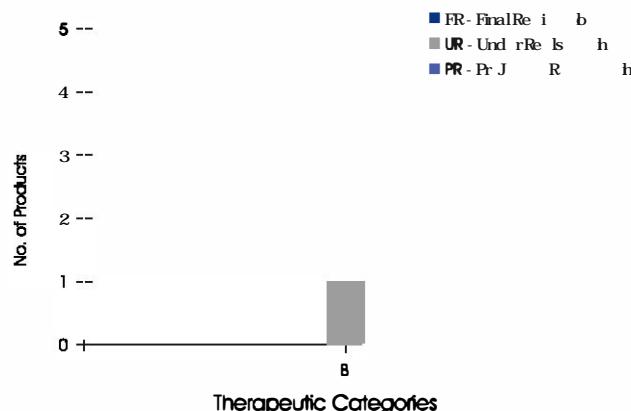
A - ANTI-BACTERIAL

G - ANALGESICS / NSAID

W - PROSTATIC HYPERPLASIA (BPH)/ALPHA BLOCKERS

	FR	UR	PR
A	-	1	-
G	-	1	-
W	-	1	-
TOTAL	-	3	-

AZERBAIJAN

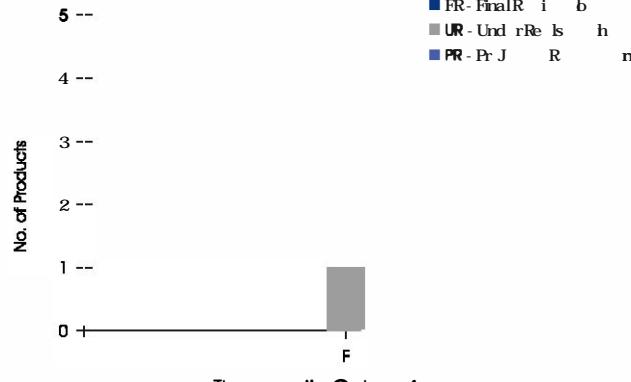


Category

B - ANTI-MALARIAL

	FR	UR	PR
B	-	2	-
TOTAL	-	2	-

BENIN

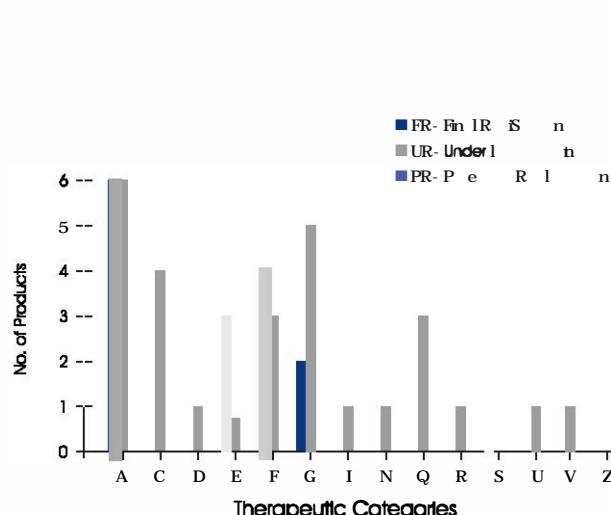


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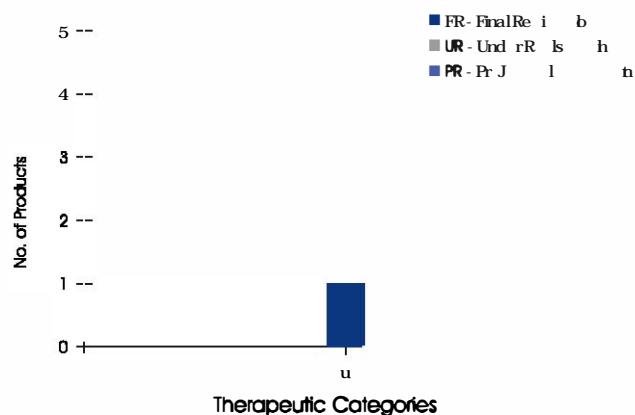
F - ANTACID / ANTIULCER / ANTI-EMETIC

	FR	UR	PR
F	-	1	-
TOTAL	-	1	-

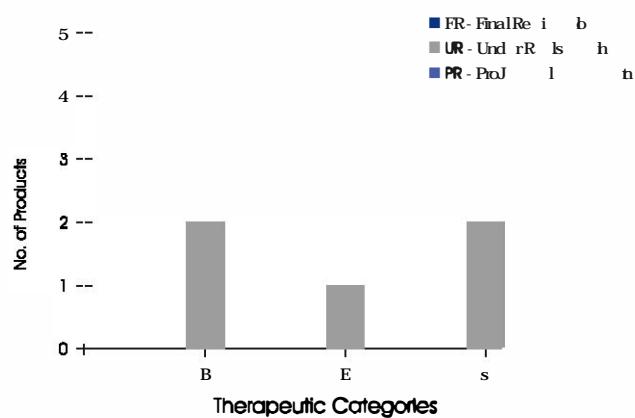
BHUTAN



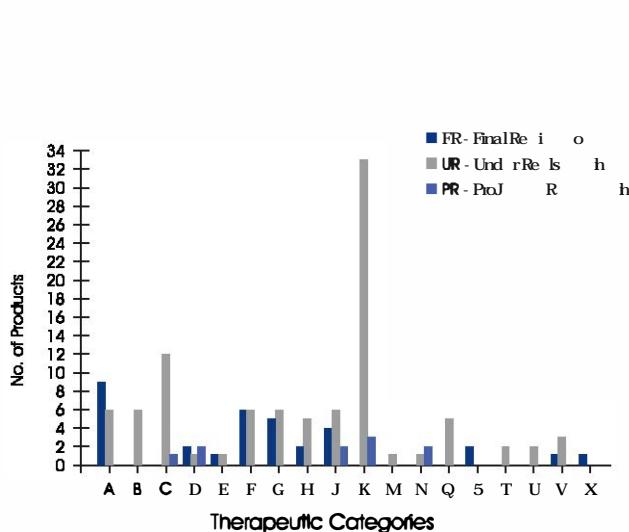
Category	FR	UR	PR
A - ANTI-BACTERIAL	6	6	-
C - ANTI-DIABETIC	-	4	-
D - ANTHELMINTIC	-	1	-
E - ANTIHISTAMINES / ANTIALLERGIC	3	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	4	3	-
G - ANALGESICS / NSAID	2	5	-
I - ANTICOAGULANTS	-	1	-
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	1	-
Q - CARDIOVASCULAR	-	3	-
R - LAXATIVE	-	1	-
S - IMPOTENCE DRUGS	2	-	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	-	1	-
V - BONE MODULATING DRUGS	-	1	-
Z - ANGIOTENSIN-CONVERTING ENZYME (ACE)	-	-	6
TOTAL	17	28	6



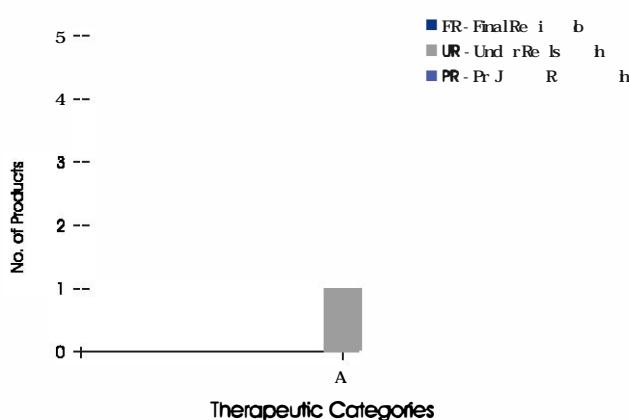
Category	FR	UR	PR
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	1	-	-
TOTAL	1	-	-



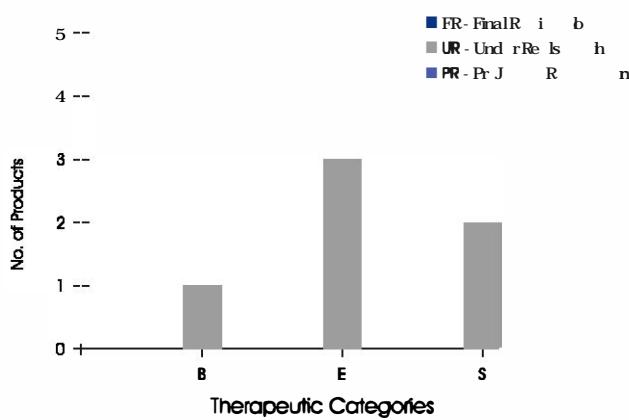
Category	FR	UR	PR
B - ANTI-MALARIAL	-	2	-
E - ANTIHISTAMINES / ANTIALLERGIC	-	1	-
S - IMPOTENCE DRUGS	-	2	-
TOTAL	-	5	-



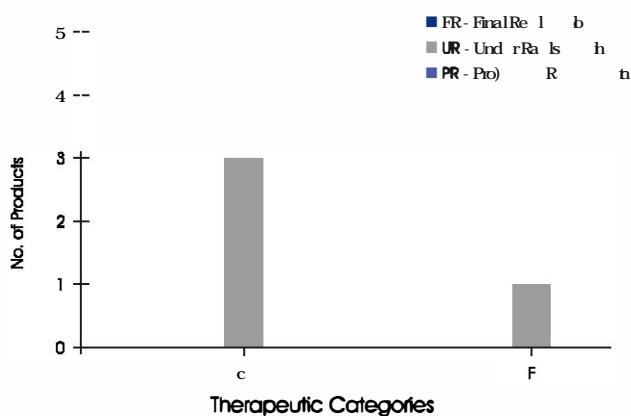
Category	FR	UR	PR
A - ANTI-BACTERIAL	9	6	-
B - ANTI-MALARIAL	-	6	-
C - ANTI-DIABETIC	-	12	1
D - ANTHELMINTIC	2	1	1
E - ANTIHISTAMINES / ANTIALLERGIC	1	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	6	6	-
G - ANALGESICS / NSAID	5	6	-
H - ANTIFUNGAL	2	5	-
J - ANTI INFLAMATORY	4	6	2
K - ANTIHYPERTENSIVES	2	33	3
M - ANTI-RETROVIRAL / ANTI HIV	-	1	-
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	1	2
Q - CARDIOVASCULAR	-	5	-
S - IMPOTENCE DRUGS	2	-	-
T - ANTI OBESITY	-	2	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	-	2	-
V - BONE MODULATING DRUGS	1	3	-
X - PSYCHOTROPICS / ANTI - PSYCHOTICS	1	-	-
TOTAL	35	96	9



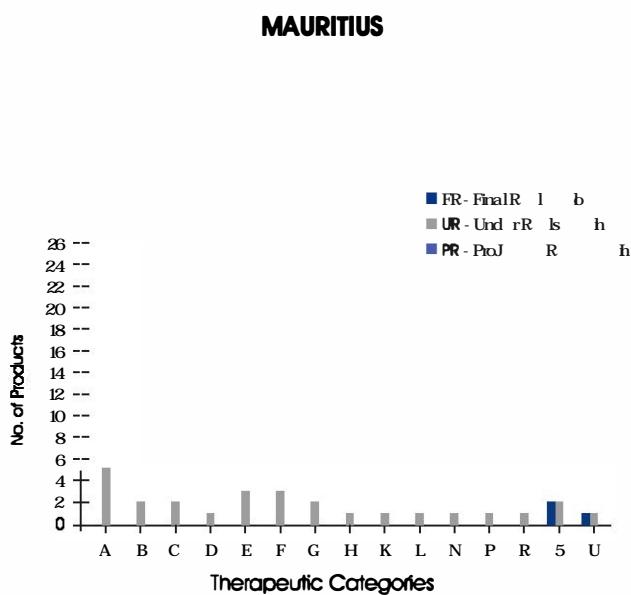
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A - ANTI-BACTERIAL	-	1	-
TOTAL	-	1	-



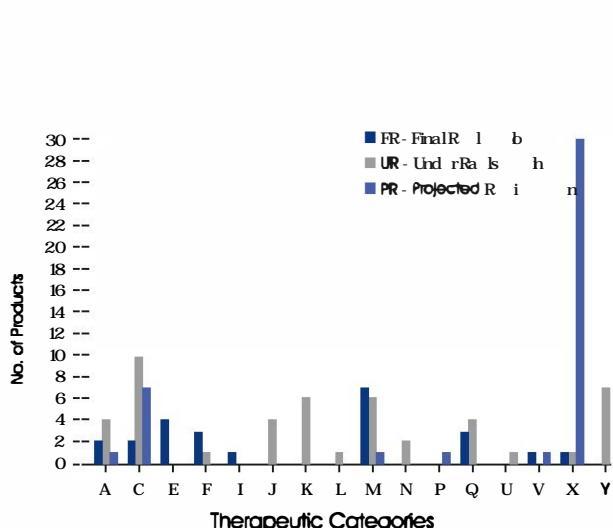
Category	FR	UR	PR
A - ANTI-BACTERIAL	-	1	-
G - ANALGESICS / NSAID	-	3	-
S - IMPOTENCE DRUGS	-	2	-
TOTAL	-	6	-



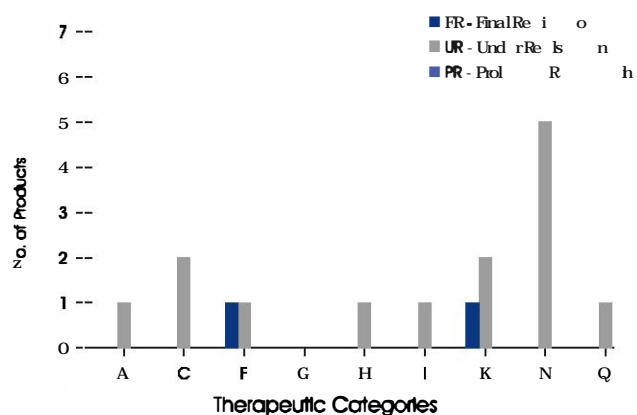
Category	FR	UR	PR
C - ANTI-DIABETIC	-	3	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	-	1	-
TOTAL	-	4	-



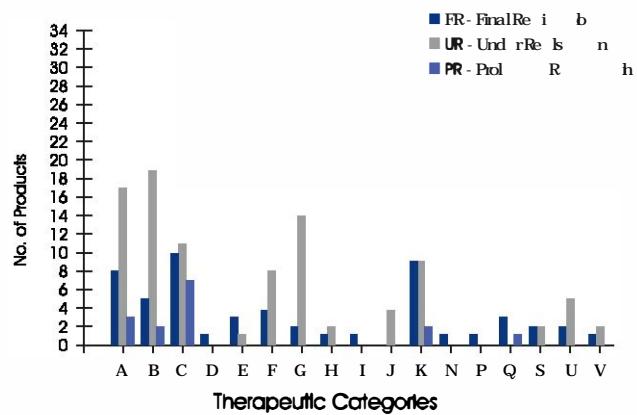
Category	FR	UR	PR
A - ANTI-BACTERIAL	-	5	-
B - ANTI-MALARIAL	-	2	-
C - ANTI-DIABETIC	-	2	-
D - ANTHELMINTIC	-	1	-
E - ANTIHISTAMINES / ANTIALLERGIC	-	3	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	-	3	-
G - ANALGESICS / NSAID	-	2	-
H - ANTIFUNGAL	-	1	-
K - ANTIHYPERTENSIVES	-	1	-
L - ANTMRAL	-	1	-
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	1	-
P - DIURETIC	-	1	-
R - LAXATIVE	-	1	-
S - IMPOTENCE DRUGS	2	2	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	1	1	-
TOTAL	3	26	-



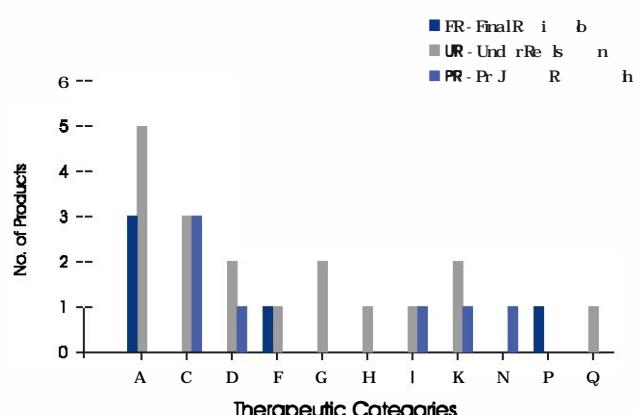
Category	FR	UR	PR
A - ANTI-BACTERIAL	2	4	1
C - ANTI-DIABETIC	5	10	7
E - ANTIHISTAMINES / ANTIALLERGIC	4	-	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	3	1	-
I - ANTICOAGULANTS	1	-	-
J - ANTI INFLAMATORY	-	4	-
K - ANTIHYPERTENSIVES	-	6	-
L - ANTMRAL	-	1	-
M - ANTI-RETROVIRAL / ANTI HIV	7	6	1
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	2	-
P - DIURETIC	-	-	1
Q - CARDIOVASCULAR	3	4	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	-	-	1
V - BONE MODULATING DRUGS	1	-	1
X - PSYCHOTROPICS / ANTI - PSYCHOTICS	1	1	30
Y - NEPHROLOGY	-	6	-
TOTAL	27	45	42



NICARAGUA/DOMINICAN REPUBLIC/ EL SALVADOR/GUATEMALA/GUYANA/HONDURAS



NIGERIA

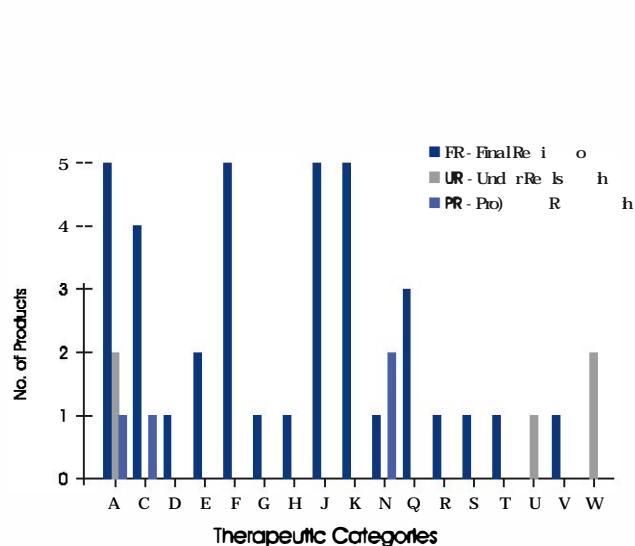


PHILIPPINES

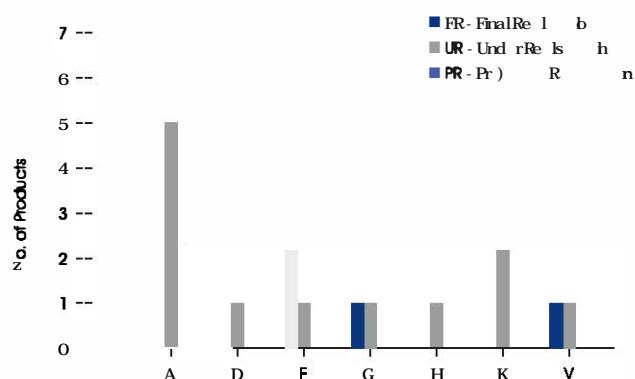
Category	FR	UR	PR
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C - ANTI-DIABETIC	-	2	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	1	1	-
G - ANALGESICS / NSAID	-	1	-
H - ANTIFUNGAL	-	1	-
I - ANTICOAGULANTS	-	1	-
K - ANTIHYPERTENSIVES	1	2	-
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	5	-
Q - CARDIOVASCULAR	-	1	-
TOTAL	2	15	-

Category	FR	UR	PR
A - ANTI-BACTERIAL	8	17	3
B - ANTI-MALARIAL	5	19	2
C - ANTI-DIABETIC	10	11	7
D - ANTHELMINTIC	1	-	-
E - ANTIHISTAMINES / ANTIALLERGIC	3	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	4	8	-
G - ANALGESICS / NSAID	2	14	-
H - ANTIFUNGAL	1	2	-
I - ANTICOAGULANTS	1	-	-
J - ANTI INFLAMATORY	-	4	-
K - ANTIHYPERTENSIVES	9	9	2
N - ANTICONVULSANTS / ANTI-EPILEPTIC	1	-	-
P - DIURETIC	1	-	-
Q - CARDIOVASCULAR	3	-	1
S - IMPOTENCE DRUGS	2	2	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	2	5	-
V - BONE MODULATING DRUGS	1	2	-
TOTAL	54	94	15

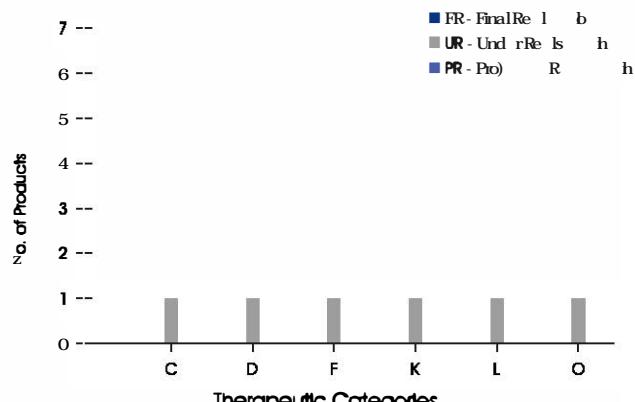
Category	FR	UR	PR
A - ANTI-BACTERIAL	3	5	-
C - ANTI-DIABETIC	-	3	3
D - ANTHELMINTIC	-	2	1
F - ANTACID / ANTIULCER / ANTI-EMETIC	1	1	-
G - ANALGESICS / NSAID	-	2	-
H - ANTIFUNGAL	-	1	-
I - ANTICOAGULANTS	-	1	1
K - ANTIHYPERTENSIVES	-	2	1
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	-	1
P - DIURETIC	1	-	-
Q - CARDIOVASCULAR	-	1	-
TOTAL	5	18	7



SRILANKA



TAJIKISTAN



TANZANIA

Category

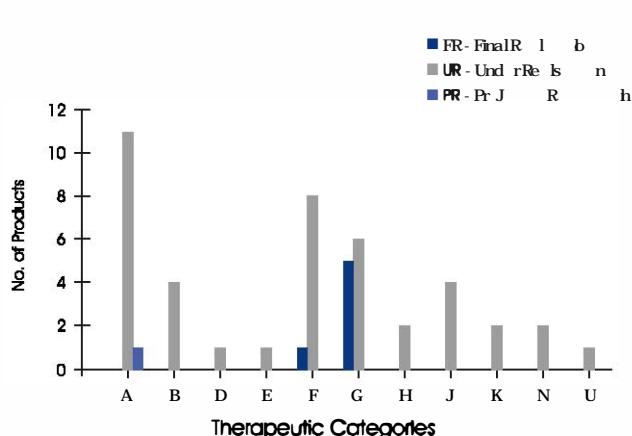
	FR	UR	PR
A - ANTI-BACTERIAL	5	2	1
C - ANTI-DIABETIC	4	-	1
D - ANTHELMINTIC	1	-	-
E - ANTIHISTAMINES / ANTIALLERGIC	2	-	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	5	-	-
G - ANALGESICS / NSAID	1	-	-
H - ANTIFUNGAL	1	-	-
J - ANTI INFLAMATORY	5	-	-
K - ANTIHYPERTENSIVES	5	-	2
N - ANTICONVULSANTS / ANTI-EPILEPTIC	1	-	2
Q - CARDIOVASCULAR	3	-	-
R - LAXATIVE	1	-	-
S - IMPOTENCE DRUGS	1	-	-
T - ANTI OBESITY	1	-	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	-	1	-
V - BONE MODULATING DRUGS	1	-	-
W - PROSTATIC HYPERPLASIA (BPH)/ALPHA BLOCKERS	-	2	-
TOTAL	37	5	7

Category

	FR	UR	PR
A - ANTI-BACTERIAL	-	5	-
D - ANTHELMINTIC	-	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	2	1	-
G - ANALGESICS / NSAID	1	1	-
H - ANTIFUNGAL	-	1	-
K - ANTIHYPERTENSIVES	-	2	-
V - BONE MODULATING DRUGS	1	1	-
TOTAL	4	12	-

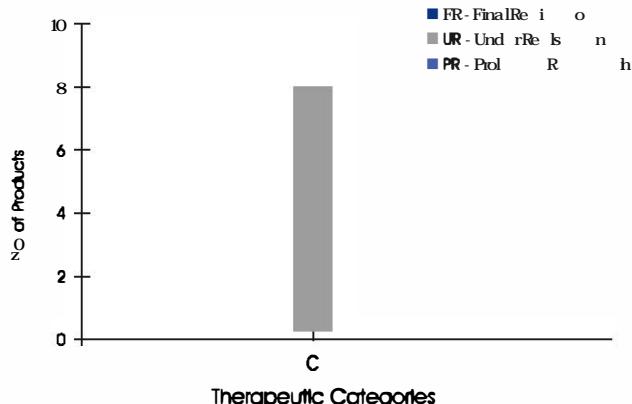
Category

	FR	UR	PR
C - ANTI-DIABETIC	-	1	-
D - ANTHELMINTIC	-	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	-	1	-
K - ANTIHYPERTENSIVES	-	1	-
L - ANTIVIRAL	-	1	-
O - ANTIDIARRHOEAL	-	1	-
TOTAL	-	6	-



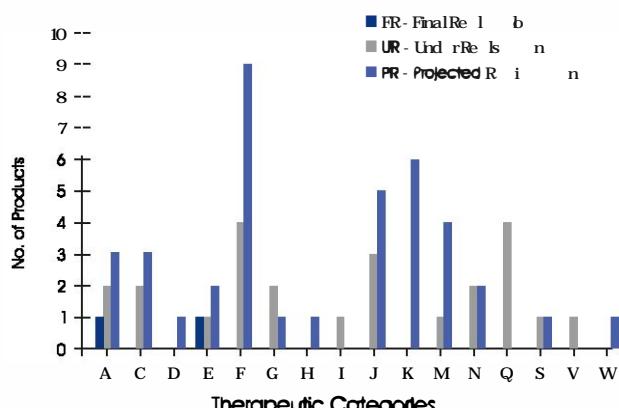
UGANDA

Category	FR	UR	PR
A - ANTI-BACTERIAL	-	11	1
B - ANTI-MALARIAL	-	4	-
D - ANTHELMINTIC	-	1	-
E - ANTIHISTAMINES / ANTIALLERGIC	-	1	-
F - ANTACID / ANTIULCER / ANTI-EMETIC	1	8	-
G - ANALGESICS / NSAID	5	6	-
H - ANTIFUNGAL	-	2	-
J - ANTI INFLAMATORY	-	4	-
K - ANTIHYPERTENSIVES	-	2	-
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	2	-
U - APPETITE STIMULANT WITH MULTIVITAMINS/ MULTIVITAMINS AND MULTIMINERALS	-	1	-
TOTAL	6	42	1



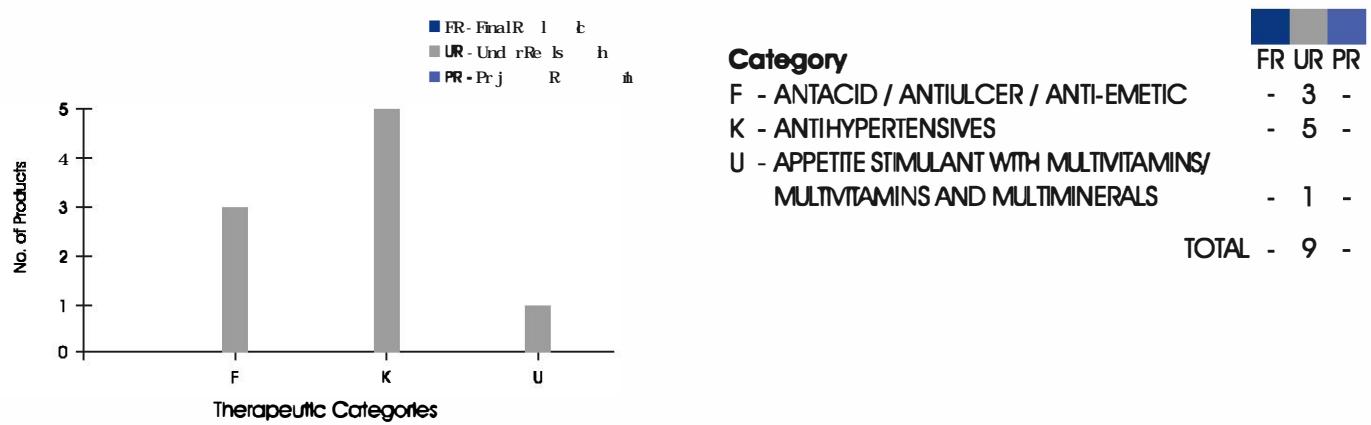
UZBEKISTAN

Category	FR	UR	PR
M - ANTI-RETROVIRAL / ANTI HIV	-	8	-
TOTAL	-	8	-



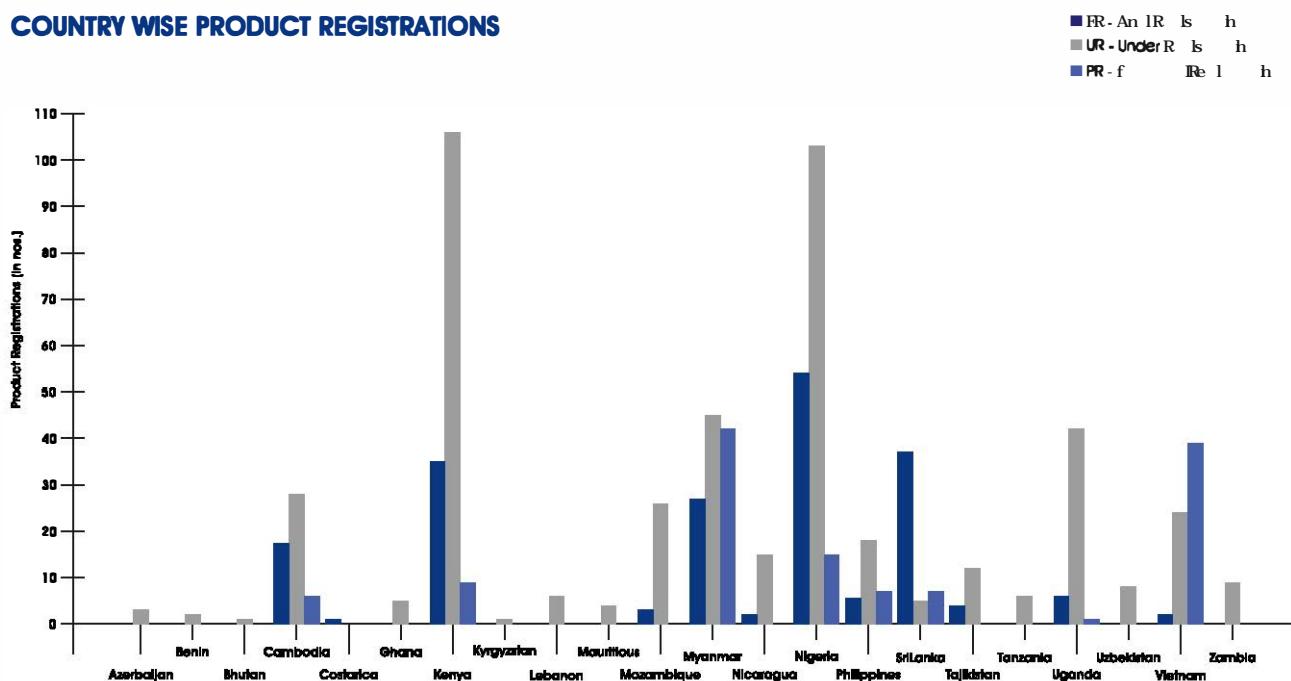
VIETNAM

Category	FR	UR	PR
A - ANTI-BACTERIAL	1	2	3
C - ANTI-DIABETIC	-	2	3
D - ANTHELMINTIC	-	-	1
E - ANTIHISTAMINES / ANTIALLERGIC	1	1	2
F - ANTACID / ANTIULCER / ANTI-EMETIC	-	4	9
G - ANALGESICS / NSAID	-	2	1
H - ANTIFUNGAL	-	-	1
I - ANTICOAGULANTS	-	1	-
J - ANTI INFLAMATORY	-	3	5
K - ANTIHYPERTENSIVES	-	-	6
M - ANTI-RETROVIRAL / ANTI HIV	-	1	4
N - ANTICONVULSANTS / ANTI-EPILEPTIC	-	2	2
Q - CARDIOVASCULAR	-	4	-
S - IMPOTENCE DRUGS	-	1	1
V - BONE MODULATING DRUGS	-	1	-
W - PROSTATIC HYPERPLASIA (BPH)/ALPHA BLOCKERS	-	-	1
TOTAL	2	24	39



ZAMBIA

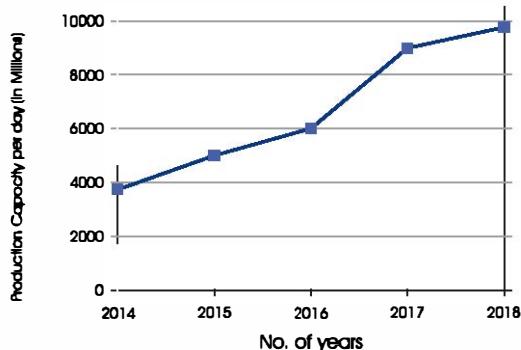
COUNTRY WISE PRODUCT REGISTRATIONS



NOTE: FR/UR Registration Includes New Registration and Renewals.

PRODUCTION CAPACITY

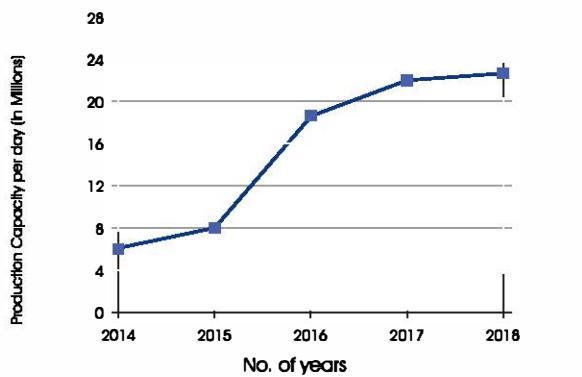
Fredun Pharmaceuticals Ltd. Annual Report 2018-2019



Granulation Capacity per day (in kgs)

Years	Capacity (in kgs)
2014	3750
2015	5000
2016	6000
2017	9000
2018	9800

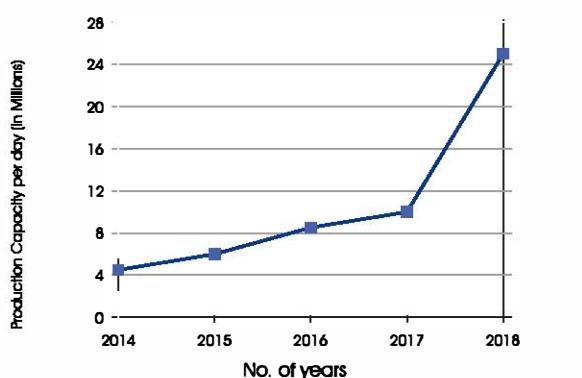
TABLETS (GRANULATION) / PELLETS/DC GRANULES / DRY SYRUPS



Compression Capacity per day (In Millions)

Years	Capacity (in millions)
2014	6
2015	8
2016	19
2017	22
2018	23

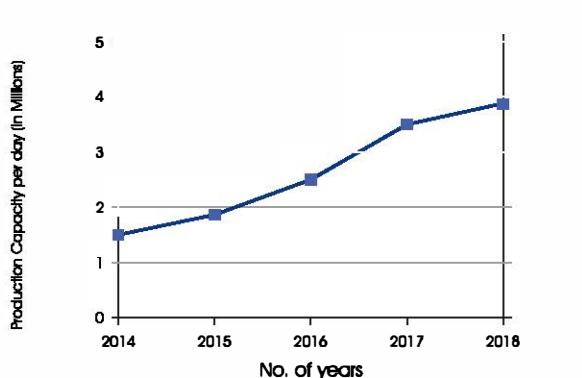
TABLETS (COMPRESSION)



Coating Capacity per day (In Millions)

Years	Capacity (in millions)
2014	4.5
2015	6.0
2016	8.5
2017	10
2018	25

TABLETS (COATING)



Capsules Capacity per day (In Millions)

Years	Capacity (in millions)
2014	1.5
2015	1.8
2016	2.5
2017	3.5
2018	3.8

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

Registered Office:

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

Phone: 022-4031811

Email: business@fredungroup.com

Website: www.fredungroup.com

PROXY FORM

MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of
the Companies (Management and Administration) Rules, 2014]

32nd Annual General Meeting, Tuesday, September 24, 2019 at 09:00 A.M.

Name of Shareholder / Proxyholder /

Authorized Representative

Registered Address

E-mail ID

DP ID & Client ID / Registered Follo

I / We, being the shareholder(s) of _____ shares of the above-named Company,
hereby appoint:

1. Name
Address

E-mail ID
Signature

Or failing him;

2. Name
Address

E-mail ID
Signature

Or failing him;

3. Name	_____
Address	_____
E-mail ID	_____
Signature	_____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **32nd Annual General Meeting** of the Company, to be held on **Tuesday, September 24, 2019 at 09:00 A.M.** at Ramee Guest Line, Hotel - Dadar Plot No.3, Kohinoor Road, Dadar Mumbai – 400 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019.
2.	To declare a Dividend of 6.5% on Equity Shares of the Company for the Financial Year ended March 31, 2019.
3.	To appoint a Director in place of Mr. Nariman Medhora (DIN No.:02060357) who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible has offered himself for re-appointment.
4.	To Ratify the remuneration of the Cost Auditor.

Signed this _____

Signature of Shareholder: _____

Signature of Proxy Holder: _____

Affix
Revenue
Stamp of
Rs. 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

CIN: L24239MH1987PLC043662

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G D Ambekar Marg, Wadala,
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Phone: 022-4031811

Email: business@fredungroup.com

Website: www.fredungroup.com

ATTENDANCE SLIP

32nd Annual General Meeting, Tuesday, September 24, 2019 at 09:00 A.M.

DP ID & Client ID / Registered Folio

Name of Shareholder / Proxyholder
/ Authorized Representative

Name of Joint Member(s), if any

No. of Shares held

I certify that I am a registered shareholder / proxy for the registered Shareholder of the Company and hereby record my presence at the 32nd Annual General Meeting of the Company on **Tuesday, September 24, 2019 at 09:00 A.M.** at Ramee Guest Line, Hotel - Dadar Plot No.3, Kohinoor Road, Dadar Mumbai – 400014

Member's / Proxy's Signature

Note:

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.
3. The e-voting facility is available at the link www.evoting.nsdl.com. The electronic voting particulars are set out as follows:

EVSN
(Remote E-Voting Event Number)

111214

USER ID

PASSWORD/PIN

EMAIL UPDATION LETTER

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019

FREDUN PHARMACEUTICALS LTD

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Registered Office:

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Website: www.fredungroup.com

EMAIL UPDATION LETTER

June 10, 2019

Dear Shareholders,

The Company is in the process of updating its records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE Listing Regulations, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we intend to update your PAN No., Phone No. & E-mail ID in our records. We would also like to update your current signature records in our system.

In reference to the SEBI circular dated August 10, 2018 and further circular dated December 3, 2018; SEBI notified the amended LODR regulations stating that except in the case of transmission or transposition of securities, requests for the transfer of stock shall not be processed unless the securities are held in the dematerialised form with a Depository. Thus, we request our respected shareholders to take note of the same & dematerialise their shares.

To achieve this, we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in Dematerialized form, you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following:

Folio No.:

Pan No. :

E-mail ID :

Telephone No. :

Name & Signature :

- I.
- ii.
- iii.

Thanking You,

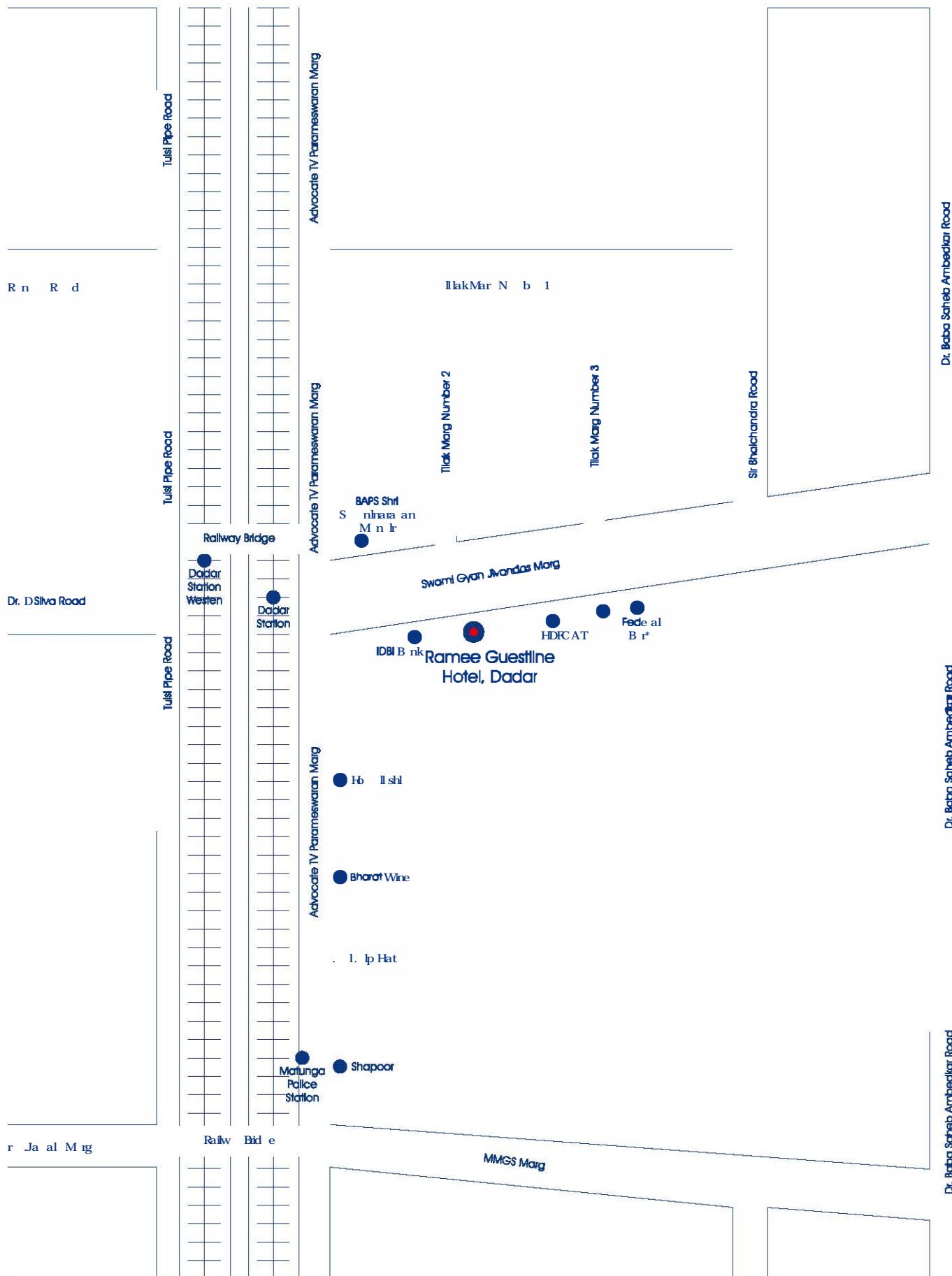
For Fredun Pharmaceuticals Limited

Priyanka Chaturvedi

Company Secretary Cum Compliance Officer

VENUE MAP

Fredun Pharmaceuticals Ltd. Annual Report 2018-2019



BOOK-POST

If undelivered please return to:
FREDUN PHARMACEUTICALS LIMITED
Manoj Industrial Premises, G.D. Ambekar Marg,
Wadala, Mumbai - 400 031. (INDIA)
business@fredungroup.com
www.fredungroup.com