

FREDUN PHARMACEUTICALS LIMITED

Compassionate Healthcare

CIN No : L24239MH1987PLC043662



ISIN: INE194R01017

Date: 15.05.2026

BSE Limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 539730

Subject: Regulation 32(3) – Statement of Deviation or Variation for the quarter ended March 31, 2026 for the Funds raised through Preferential Issue

Respected Sir/Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI circulars, we hereby confirm that during the quarter ended on March 31, 2026, there was no deviation or variation in the utilisation of proceeds raised through Preferential Issue.

A statement of deviation, stating that there is no deviation or variation in the utilisation of these proceeds, is annexed herewith, had been placed before and approved by the Audit Committee and the Board of Directors in their meeting held through Video Conferencing (VC).

Further, pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 173A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith the Monitoring Agency Report dated March 31, 2026 issued by Care Ratings Limited, in respect of use of proceeds raised through Preferential Allotment, for the quarter ended March 31, 2026, which was placed before the Audit Committee and Board at their Meeting held on today i.e., May 15, 2026.

Kindly take the same on your record.

FOR FREDUN PHARMACEUTICALS LIMITED

**FREDUN MEDHORA
MANAGING DIRECTOR**

PLACE: MUMBAI

DATE: 15.05.2026

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

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

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

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

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



**Regulation 32(3) — Statement of Deviation or Variation**

Name of the listed entity	Fredun Pharmaceuticals Limited
Mode of Fund Raising	Preferential Issue (Equity Shares & Convertible Warrants)
Date of Raising Funds	December 29, 2025
Amount Raised	₹107.78 Crore (received up to March 31, 2026)
Report filed for Quarter ended	March 31, 2026
Monitoring Agency	Yes
Monitoring Agency Name, if applicable	CARE Ratings Limited
Is there a Deviation / Variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If Yes, Date of shareholder Approval	Not Applicable
Comments of the Monitoring Agency	In the absence of any information, MA is unable to comment upon the same.
Explanation for the Deviation / Variation	<p>As we were upgrading our servers and softwares to the latest standards and upgrading our internal processes. There was delay in giving the data from the company. The data was provided eventually however it did not give the agency sufficient time to process.</p> <p>This is a part of our learning curve and much needed upgrades for the long-term benefit of our company and our stake holders. Hopefully this also ensures that future reports we are able to provide data much before stipulated time.</p>



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Comments of the Audit Committee after review	<p>The Audit Committee has taken note of the Monitoring Agency observations.</p> <p>As we were upgrading our servers and softwares to the latest standards and upgrading our internal processes . There was delay in giving the data from the company. The data was provided eventually however it did not give the agency sufficient time to process .</p> <p>This is a part of our learning curve and much needed upgrades for the long term benefit of our company and our stake holders. Hopefully this also ensures that future reports we are able to provide data much before stipulated time.</p>
Comments of the auditors, if any	Not Applicable

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (₹ in Crore)	Modified allocation, if any	Funds Utilised (₹ in Crore)	Amount of Deviation/ Variation for the quarter	Remarks if Any
Brand Marketing & Distribution	Not Applicable	49.00 – 50.00	Not Applicable	0.85	NIL	It shall be utilized as per the proposed timeline.
CAPEX	Not Applicable	6.00 – 7.00	Not Applicable	6.98	NIL	It shall be utilized as per the proposed timeline.
Formulation Development & R&D	Not Applicable	7.00 – 8.00	Not Applicable	1.50	NIL	It shall be utilized as per the proposed timeline.
Strategic & Statutory Reserves	Not Applicable	22.00 – 23.00	Not Applicable	1.93	NIL	It shall be utilized as per the proposed timeline.

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Contingency / Miscellaneous	Not Applicable	7.00 – 7.50	Not Applicable	3.95	NIL	It shall be utilized as per the proposed timeline.
Working Capital	Not Applicable	53.00 – 54.00	Not Applicable	53.29	NIL	It shall be utilized as per the proposed timeline.

Board Comments

Deviation or variation could mean:

- Deviation in the objects or purposes for which the funds have been raised, or
- Deviation in the amount of funds actually utilized as against what was originally disclosed, or
- Change in terms of a contract referred to in the fund-raising document.

The Board confirms that there has been no change in the objects for which funds were raised, and unutilized proceeds continue to be deployed in permitted instruments.

Enhanced monitoring and segregation mechanisms have been implemented.

**Thanking you,
Yours faithfully,
For Fredun Pharmaceuticals Limited**

**Fredun Medhora
Managing Director**

**Place: Mumbai
Date: 15.05.2026**

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CARE/HO/GEN/2026-27/1067

The Board of Directors
Fredun Pharmaceuticals Limited
Urmi Estate, 11th Floor,
Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai - 400013

May 15, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the Preferential Issue (PI) of Fredun Pharmaceuticals Limited ("the Company")

We write in our capacity of Monitoring Agency for the PI for the amount aggregating to Rs. 153.25 crore of the Company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 30, 2025.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Darshan Shah
Assistant Director
Darshan.shah@careedge.in

Report of the Monitoring Agency

Name of the issuer: Fredun Pharmaceuticals Limited

For quarter ended: March 31, 2026

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: In the absence of any information, i.e., supporting documents of utilization towards objectives, management certificate on utilization of gross proceeds, and CA certificate on utilization of gross proceeds – Monitoring Agency (MA) is unable to comment on the deviation in the utilization of Preferential Issue proceeds from its objects.

(b) Range of Deviation: Not ascertainable. In the absence of any information, i.e., supporting documents of utilization towards objectives, management certificate on utilization of gross proceeds, and CA certificate on utilization of gross proceeds - MA is unable to comment on range of any deviation in the utilization of Preferential Issue proceeds from its objects.

This report has been prepared on a best-efforts basis, in absence of any information to the Monitoring Agency (MA) post 40 days of commencement of the quarter.

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.



Signature:

Name and designation of the Authorized Signatory: Darshan Shah

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer	: Fredun Pharmaceuticals Limited
Name of the promoter	: Fredun Nariman Medhora, Daulat Nariman Medhora
Industry/sector to which it belongs	: Pharmaceuticals – Other Pharmaceuticals

2) Issue Details

Issue Period	: Not applicable
Type of issue (public/rights)	: Preferential Issue (PI)
Type of specified securities	: Equity Shares and Convertible Warrants
IPO Grading, if any	: Not applicable
Issue size (in crore)	: Rs. 149.50 crore [§]

[§]As per PAS 4 and an EOGM dated October 22, 2025, the company initially proposed to issue 6,52,360 shares and 5,73,600 warrants at Rs. 1250 per share (including share premium of Rs. 1240 per share), totaling to Rs. 153.25 crore. Later, the issue size was revised as per the stock exchange filing on December 18, 2025, wherein the company revised issue size to 6,44,360 shares and 5,51,600 warrants aggregating to Rs. 149.50 crore. The company has received entire money against 6,44,360 shares and 25% towards subscription of 5,51,600 warrants. The Balance 75% is to be received within 18 months from the allotment date i.e. December 29, 2025.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	<p>As we were upgrading our servers and softwares to the latest standards and upgrading our internal processes. There was delay in giving the data from the company.</p> <p>This is a part of our learning curve and much needed upgrades for the long-term benefit of our company and our stakeholders. Hopefully this also ensures that future reports we are able to provide data much before stipulated time.</p>
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	The Company confirms that there has been no material deviation in utilization of issue proceeds requiring separate shareholders' approval under the applicable provisions of SEBI ICDR Regulations and other applicable laws.
Whether the means of finance for the disclosed objects of the issue have changed?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	There has been no material change in the means of finance for the disclosed objects of the issue. The proceeds raised through the Preferential Issue continue to be utilized towards the objects stated in the Offer Documents and subsequent corrigendum.
Is there any major deviation observed over the earlier monitoring agency reports?	Yes	Previous Monitoring Agency Report	<p>Previous Monitoring Agency Report dated February 14, 2026, contained deviation reporting over the following factors:</p> <ul style="list-style-type: none"> As at the end of the quarter, the company has shown deployment in the Current Accounts. Before transferring money to 	a. The temporary routing/parking of funds through banking channels, including cash credit/current accounts, was undertaken for operational and treasury management purposes. The funds remained under the control of the Company and continued to be

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			<p>the tune of Rs. 37 crores to Current Accounts, the same was temporarily parked in the Cash Credit Account which is not in line with the SEBI ICDR Guidelines.</p> <ul style="list-style-type: none"> The company has reported payments of Loan and EMI to the tune of Rs. 1.84 crore under working capital utilization. Such loan payment to be included under the Object 'Working Capital' is not explicitly covered in the definition of the Object. The company has reported payment of Loan EMI to the tune of Rs. 0.04 crore under the Object namely 'Capex'. Such loan payment to be included under the Object 'Capex' is not explicitly covered in the definition of the Object. Management and CA certificate incorrectly captures the unutilized proceeds shown as deployment in cash credit accounts (Rs.2.65 crore) which had debit balances and same has been considered as utilization by Monitoring Agency under working capital. Also, CA certificate and management certificate shows shortfall of Rs.0.45 crore in the unutilized proceeds. As per submissions 	<p>utilized towards the stated objects of the issue. There was no diversion or siphoning of issue proceeds.</p> <p>b. The payments classified under working capital were made in the ordinary course of business and were considered by the management as connected to operational funding requirements of the Company.</p> <p>c. The payment relating to capex-linked obligations was considered by the management as connected to capital expenditure activities associated with the objects of the issue and there has been no utilization outside the overall objects approved by shareholders.</p>

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			Funds raised were Rs.97.78 crore, utilization was Rs.8.04 crore which result in unutilized proceeds of Rs.89.74 while they have shown unutilized proceeds of Rs.89.29 crore). Thus, utilization of proceeds under working capital is higher by Rs.3.10 crore and unutilized proceeds are lower by Rs 3.10 crore as per report compared to Management and CA certificate.	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	Not Applicable.
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	The Company confirms that the arrangements pertaining to its business operations and implementation activities are progressing in the ordinary course and there is no material adverse development affecting the objects of the issue.
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Refer to Note 1 below Table	Refer to Note 1 below Table	In the absence of any information, MA is unable to comment upon the same.	No material event has occurred which adversely affects the viability or implementation of the objects of the issue. The Company continues to progress towards deployment of funds in line with the proposed objectives and timelines.
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Not Applicable	Despite repeated follow ups over emails and phone calls, FPL has not provided any information to the MA in a timely manner for monitoring Preferential Issue proceeds.	As we were upgrading our servers and softwares to the latest standards and upgrading our internal processes. There was delay in giving the data from the company.

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
				<p>This is a part of our learning curve and much needed upgrades for the long-term benefit of our company and our stakeholders. Hopefully this also ensures that future reports we are able to provide data much before stipulated time.</p>
		Corrigendum through General Announcement to Resolution passed at EOGM	As reported in the MA report dated February 14, 2026, the company has specified ranges towards utilization under the objects of the issue, passed under the Corrigendum through General Announcement to the resolution passed in the EOGM.	Not Applicable.

Note 1: In the absence of any information i.e., supporting documents of utilization towards objectives, Management Certificate on utilization of gross proceeds, CA certificate on utilization of gross proceeds – MA is unable to comment on the same.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head [^]	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Brand Marketing & Distribution	Corrigendum through General Announcement to Resolution passed at EOGM*	49.00-50.00	Not Applicable	Refer to Note 1 below Table	Not Applicable	Not Applicable	Not Applicable
2	CAPEX		6.00-7.00	Not Applicable		Not Applicable	Not Applicable	Not Applicable
3	Formulation Development & R&D		7.00-8.00	Not Applicable		Not Applicable	Not Applicable	Not Applicable
4	Strategic & Statutory Reserves		22.00-23.00	Not Applicable		Not Applicable	Not Applicable	Not Applicable
5	Contingency / Miscellaneous		7.00-7.50	Not Applicable		Not Applicable	Not Applicable	Not Applicable
6	Working Capital		53.00-54.00	Not Applicable		Not Applicable	Not Applicable	Not Applicable
Total			149.50					

[^]As per PAS 4, the Object was mentioned as 'to penetrate further in the domestic, developing and new international markets with its new line of products by way of augmenting its manufacturing capacities in the pet care and nutrition sector'. The Object was also revised in Corrigendum through General Announcement to Resolution passed at EOGM dated December 18, 2025.

*Sourced from the Page No. 14 of the Corrigendum through General Announcement to Resolution passed at EOGM dated December 18, 2025.

Note 1: In the absence of any information i.e., supporting documents of utilization towards objectives, Management Certificate on utilization of gross proceeds, CA certificate on utilization of gross proceeds – MA is unable to comment on the same.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount raised till March 31, 2026	Amount utilised in Rs. Crore			Amount utilised against the raised as on March 31, 2026	Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore				Reasons for idle funds	Proposed course of action
1	Brand Marketing & Distribution	Corrigendum through General Announcement to Resolution passed at EOGM*, Stock Exchange Filings [§]	49.00 – 50.00	97.78 + 10.00 [§]	0.00	Refer to Note 1 below Table				The balance proceeds are being deployed in a phased manner in line with business requirements, implementation schedules and timelines stated in the Offer Documents.	The Company intends to progressively utilize the balance proceeds towards the stated objects of the issue within the implementation timelines mentioned in the Offer Documents and subsequent corrigendum.	
2	CAPEX		6.00 – 7.00		0.04							
3	Formulation Development & R&D		7.00 – 8.00		0.00							
4	Strategic & Statutory Reserves		22.00 – 23.00		0.00							
5	Contingency / Miscellaneous		7.00 – 7.50		0.00							
6	Working Capital		53.00 – 54.00		11.10							
Total			149.50	107.78	11.14	-	-	-	-			

*Sourced from the Page No. 14 of the Corrigendum through General Announcement to Resolution passed at EOGM dated December 18, 2025

Note 1: In the absence of any information i.e., supporting documents of utilization towards objectives, Management Certificate on utilization of gross proceeds, CA certificate on utilization of gross proceeds – MA is unable to comment on the same.

§As per the Stock Exchange filing dated March 25, 2026, the warrant holder has paid balance consideration aggregating to Rs. 10.00 crore and have applied for exercising rights for conversion of 1,06,668 warrants. However, it is to be noted that the company has not shared any information or supporting for this with MA.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
<i>Details for deployment of unutilized proceeds are not available.</i>						

(iv) Delay in implementation of the object(s)

Objects*	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Brand Marketing & Distribution	12 to 24 months	Refer to Note 1 below table	Refer to Note 1 below table	Not Applicable	Not Applicable
CAPEX	9 to 12 months			Not Applicable	Not Applicable
Formulation Development & R&D	12 to 18 months			Not Applicable	Not Applicable
Strategic & Statutory Reserves	18 to 24 months			Not Applicable	Not Applicable
Contingency / Miscellaneous	6 to 9 months			Not Applicable	Not Applicable
Working Capital	12 to 18 months			Not Applicable	Not Applicable

*Sourced from the Page No. 14 of the Corrigendum through General Announcement to Resolution passed at EOGM dated December 18, 2025.

Note 1: In the absence of any information i.e. details supporting documents of utilization towards objectives, Management Certificate on utilization of gross proceeds, CA certificate on utilization of gross proceeds - we are unable to ascertain completion date.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
<i>The company has not defined any object as General Corporate Purpose</i>					

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like peer reviewed auditor appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from peer reviewed auditors, lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.