FREDUN PHARMACEUTICALS LIMITED
Compassionate Healthcare
CIN No : L24239MH1987PLC043662

ISIN: INE194R01017 **Date: 14.11.2026**

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 30th September, 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 30th September, 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 meetings.

Further, pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 162A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith the Monitoring Agency Report dated 13th November, 2026 for the quarter ended 30th September, 2026 issued by Care Ratings Limited, in respect of use of proceeds raised through Preferential Allotment, for the quarter ended 30th September, 2026, which was placed before the Audit Committee and Board at their Meeting held today i.e., November 14, 2026.

Kindly take the same on your record.

FOR FREDUN PHARMACEUTICALS LIMITED

FREDUN
NARIMAN
MEDHORA

FREDUN MEDHORA
MANAGING DIRECTOR

PLACE: MUMBAI
DATE: 14.11.2026

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	₹128.78 Crore (received up to September 30, 2026)
Report filed for Quarter ended	September 30, 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	The Monitoring Agency has recorded observations regarding the reporting and reconciliation of utilisation and unutilised proceeds, Management Certificate and CA Certificate. The observations further cover the classification of balances in the Cash Credit Account, reconciliation of the opening balance of unutilised proceeds, verification of the source of funds.
Explanation for the Deviation / Variation	There has been no change in the objects or purposes for which the proceeds were raised, the means of finance or the terms of the fund raising. Accordingly, the Company does not consider the aforesaid matters to constitute a deviation or variation in the utilisation of the issue proceeds.

Comments of the Audit Committee after review	**1. Deployment of unutilised proceeds and source of funds** The Audit Committee notes the observation of the Monitoring Agency. The difference in the earlier deployment schedule arose from presentation and carry-forward of amounts placed in Cash Credit accounts and Fixed Deposits, including the typographical error in the certificates for the quarter ended June 30, 2026. As previously reported, the Company maintains that its Preferential Issue proceeds have been retained and applied for the objects disclosed to shareholders, and that there has been no diversion or application of funds towards any undisclosed object. The revised opening deployment of ₹34.43 crore in Q2 FY27 reflects the Company's reporting of its deployment position; the differing figures of ₹21.47 crore, ₹34.38 crore and ₹31.73 crore referred to by the Monitoring Agency arise from the respective reporting and utilisation treatments. These differences do not constitute a change in the objects of the issue. **2. Difference in utilisation — Cash Credit accounts** The Company reiterates the position consistently recorded in the earlier Monitoring Agency Reports: a temporary transfer or parking of proceeds in a Cash Credit account, without application towards the underlying working capital requirement, does not constitute utilisation towards that object merely because the account carries a debit balance. The Monitoring Agency has treated ₹3.78 crore, including ₹2.65 crore relating to Q3 FY26 and ₹1.13 crore pertaining to Q2 FY27, as utilisation on that basis. The difference between the Monitoring Agency's cumulative utilisation of ₹101.34 crore and the Management and CA certified utilisation of ₹97.56 crore is attributable to this differing treatment. Management continues to adopt the treatment reflected in its certificates. No proceeds have been diverted to an object other than those approved by shareholders.

	3. Difference in unutilised proceeds The Audit Committee notes that the Monitoring Agency has derived an unutilised amount of ₹27.44 crore from aggregate proceeds received of ₹128.78 crore and its reported utilisation of ₹101.34 crore, compared with ₹30.14 crore appearing in the deployment schedule and ₹31.22 crore derived from the Company's certified utilisation of ₹97.56 crore. The Company's presentation of the deployment schedule and the Monitoring Agency's arithmetical derivation are distinct measures, including differences in the treatment of Cash Credit balances and the presentation of deposits and interest. The Company maintains its reported classification and confirms its consistent position that no issue proceeds have been applied for any purpose outside the disclosed objects. **4. Routing through Current and Cash Credit accounts** As stated in the earlier Board responses, transfers between the Company's Current/Operating and Cash Credit accounts were undertaken for operational and treasury-management purposes. The Company maintained internal records and object-wise tracking of the funds, and such routing did not change the purposes for which the issue proceeds were raised or applied. The Management reiterates that movement of monies between Company accounts is distinct from expenditure towards an object, and the Company's stated position remains that there has been no diversion of the issue proceeds. **5. Reimbursement of expenses** Expenditure towards salaries, Medical Representatives and related marketing and distribution activities, as well as statutory dues, has been classified by Management under the relevant disclosed objects having regard to its nature and business purpose. The Monitoring Agency has referred to ₹6.85 crore of salary and MR-related expenditure during Q2 FY27. Reimbursement of eligible business expenditure initially met through an operating account does

	not, of itself, alter the object of utilisation. The Company reiterates its earlier classification of statutory payments under Strategic & Statutory Reserves and of salary and MR-related payments under the relevant operating and marketing objects. These expenditures are in furtherance of the objects approved by shareholders. **Overall Management position** The Audit Committee has taken the Monitoring Agency's observations on record. Management reiterates the position consistently disclosed in the earlier reports that the proceeds have been utilised towards the objects approved by the shareholders, in accordance with the Company's interpretation and classification of the disclosed heads. The reported differences concern presentation and treatment of balances and transactions and do not represent diversion of issue proceeds.
Comments of the auditors, if any	NIL

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	11.50	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	20.34	NIL	It shall be utilized as per the proposed timeline.

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	57.07	NIL	It shall be utilized as per the proposed timeline.

Board Comments

Deviation or variation could mean:

a) Deviation in the objects or purposes for which the funds have been raised, or

b) Deviation in the amount of funds actually utilized as against what was originally disclosed, or

c) 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 NARIMAN MEDHORA

Digitally signed by FREDUN NARIMAN MEDHORA
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Date: 2026.11.14 15:06:40 +05'30'

Fredun Medhora
Managing Director

Place: Mumbai
Date: 14.11.2026