

FREDUN PHARMACEUTICALS LIMITED

CIN: L24239MH1987PLC043662

Regd office : 26 Manoj industrial Premises, G D Ambekar Rd, Wadal, mumbai 400031

Phone Number: 200240318111 Fax: 912240318133 Email: business@fredungroup.com

Website: www.fredungroup.com

POSTAL BALLOT NOTICE

Dear holders of 8% Cumulative Redeemable Preference Shareholders.

Re: Postal Ballot Notice pursuant to Section 110 of the Companies Act, 2013, (“Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (“Rules”), that the resolution appended below is proposed to be passed by postal ballot.

Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modifications or enactment thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other applicable laws and regulations as amended from time to time that the resolutions below are proposed to be passed as Special Resolutions by way of Postal Ballot including Electronic Voting (“e-voting”).

The Explanatory Statement pertaining to the aforesaid resolution setting out the material facts and the reasons thereof along with other details and the Postal Ballot form is annexed hereto for your consideration.

The Board Of Directors of the Company have appointed Mr. Rajendra Vaze, of Rajendra and Co., Practising Company Secretaries as the Scrutiniser (“Scrutiniser”) (Membership No. FCS 4247) for conducting the postal ballot and e-voting process in a fair and transparent manner in accordance with the provisions of the Act and Rules made there under. Preference Shareholders desirous to exercise their vote by Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutiniser on or before the close of business hours i.e. 5:00 p.m. on, 24th day of June, 2017.

Please note that the Postal Ballot Forms received later than the time and date mentioned above will be considered as the invalid . Forms that are incomplete/ incorrectly filled/ torn/ unsigned, etc. shall be disregarded/ construed as reply not received.

Preference share Holders desirous of opting for e-voting facility pertaining to the arrangements made by the Company are requested to read the instructions in the Notes under the “E-Voting” section. Further reference to Postal Ballot in this Notice includes votes received electronically.

In compliance with Section 108 and other applicable provisions of the Act read with the related rules (including any statutory modification thereof, for the time being in force), the company is pleased to provide the voting facility to all its Preference shareholders to enable them to cast their votes electronically instead of dispatching the Postal Ballot Forms by Post, however E voting is optional and all preference share holders (whether holding the shares in demat form or physical form) may vote either by completing and dispatching the postal Ballot form by Post or by E voting.

The Scrutiniser, after completing the scrutiny of the votes cast, will submit his report to the Chairperson of the Company. The Results of the Postal Ballot shall be declared on or before the 27th day of June 2017 and communicated to the Stock Exchange where the shares of the Company are listed and shall also be displayed along with the Scrutiniser's Report on the Company website i.e. www.fredungroup.com.

The company proposes to alter the original terms, rights and conditions of the 8 % Redeemable Cumulative Preference shareholders currently applicable.

The company is therefore seeking the consent of the holders of the 8 % Redeemable Cumulative Preference Shareholders pertaining to changing and altering their rights as contained in the Special Resolution appended below along with the Explanatory Statement.

PREPOSED RESOLUTION

Variation of Rights of and redemption of 8% Cumulative Preference Shares in lieu of Equity Shares via Preferential Allotment/Private Placement.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Sections 48, 55 of The Companies Act, 2013 (the “Act”) corresponding rules thereof and other applicable provisions of the Companies Act, 2013 if any, (including such enactments, notifications and statutory modification thereof) and subject so such applicable regulations under SEBI ICDR Regulations and SEBI LODR Regulations if applicable and for the time being in force and subject to such approvals as may be required and subject to such terms, conditions, variations, etc. as may prescribed while granting such approvals and agreed to by the Board Of Directors the consent of the Preference Shareholders of 8% Cumulative Redeemable Preference Shares of Rs. 100/- each, consent is hereby accorded to vary the rights, terms and conditions of the 8% Redeemable Cumulative Preference Shares as below:

1. The minimum period after which Preference shares could be redeemed hereby is abolished completely without changing the maximum time period for redemption i.e. the Preference shares can now be redeemed at any time within a period of 3 (Three) years from date of allotment subject to the laws, rules & regulations as applicable as may be decided by the Board of Directors.
2. Save as mentioned hereinabove, all other terms and conditions of the said Preference shares shall continue to remain the same.

3. The consideration upon redemption being due shall be Rs. 2,50,00,000 (Rupees Two Crore and Fifty Lakhs only) and be payable by issue of Equity Shares of the Company with Face Value Rs. 10/- each at Rs. 150/- under the preferential Guidelines and shall rank pari pasu with the existing Equity shares of the Company.
4. The issue of Equity in lieu of redemption of preference shares shall be effected for shareholders not dissenting from this resolution.
5. The Equity Shares to be issued as consideration to the Preference Shareholders shall be issued at a premium as per the SEBI Pricing Formula under the Preferential Guidelines. as per Chapter VII Regulation 76 pertaining to pricing of equity shares .”

“RESOLVED FURTHER THAT Mr. Fredun Medhora - Managing Director of the Company, and or Mr. Nariman Medhora – Whole Time Director of the Company, and or Dr. (Mrs.) Daulat Medhora – Whole Time Director of the Company, be and are hereby authorised individually or jointly to take all such actions as may be necessary, proper & expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto, subject to such approval and consent if required of the Equity Shareholders to give effect to the aforementioned resolution.”

By Order of the Board
For Fredun Pharmaceuticals Limited

Mr. Fredun Medhora
(Managing Director)

Place : Mumbai
Date : 05/05/2017

Registered Office:
26, Manoj Industrial Premises
G.D. Ambekar Marg, Wadala, Mumbai - 400031

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts and reasons in respect of the proposed resolutions is annexed hereto.
2. Please carefully read and follow the instructions on postal ballot and e-voting described in this Notice and on the Postal Ballot Form (“PBF”) for respective mode of voting.
3. The Postal Ballot Notice is being sent to all the Preference Shareholders, whose names appear in the Register of Preference Shareholders /list of Beneficial Owners as on the 23rd day of May, 2017. The Postal Ballot Notice is being sent to Preference

Shareholders in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company (in case of physical shareholding). For Preference Shareholders whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.

4. Preference Shareholders, whose name appear in the Register of Preference Shareholders/Register of beneficial owners as on 23rd day of May, 2017 will be considered for the purpose of voting. A person who is not a Preference Shareholder as on relevant date should treat this notice as solely for information purposes.
5. In case a Preference Shareholder wishes to obtain a printed Postal Ballot Form or a duplicate, he/she may send a mail to business@fredungroup.com or print the same from the Company website, i.e. www.fredungroup.com.
6. Resolution passed by Preference Shareholders through Postal Ballot are deemed to have been passed as if they have been passed at a duly convened Meeting of the Preference Shareholders of the Company.
7. The Preference Shareholder can opt for only one mode of voting i.e. either by physical Ballot or through e-voting. In case Members cast their votes through both the modes (Physical Ballot and e-voting), the votes cast through e-voting shall prevail and the votes cast through physical postal ballot form shall be treated as invalid.
8. Voting rights of Preference Shareholders shall be in proportion to their shares in the total paid-up Preference Share Capital of the Company on 23rd day of May 2017.
9. No Preference Shareholder can exercise their votes by Proxy in the Postal Ballot either physically or via e-voting.
10. Postal Ballot commences on 26th day of May 2017 (09:00 hours IST) and ends on 24th day of June 2017 (17:00 hours IST)
11. The Postal Ballots duly signed and completed in all aspects need to be received by the Scrutiniser before 5:00 p.m. on 24th day of June 2017. The Postal Ballot Forms may be sent using the postage-prepaid self-addressed. Any Postal Ballot Forms received after 5:00 p.m. on 24th day of June 2017 shall be considered as invalid or as reply not received.
12. The Mr. Rajendra Vaze, Practising Company Secretary, has consented to act as the Scrutiniser ("Scrutiniser") for conducting the postal ballot/e-voting in accordance with the provisions of the Act and Rules made there under in a fair and transparent manner.
13. The last date for receipt of duly completed Postal Ballot Forms or e-voting/ date of declaring the results shall be the date on which the resolutions would be deemed to have been passed, is due approval from the requisite majority is received.
14. Preference Shareholders can contact Mr. Fredun Medhora the Managing Director at the address of 26 Manoj Industrial Premises, G D Ambekar rd, Wadala, Mumbai

400031 in regards to any grievances with respect to voting by postal ballot or e-voting.

15. The Scrutiniser, will submit his report to the Chairperson or Managing Director of the Company on or before the 27th day of June 2017 and the same will be communicated to the Stock Exchange where the shares of the Company are listed and shall also be displayed along with the Scrutiniser's Report on the Company website i.e. www.fredungroup.com.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

The instructions for members for voting electronically are as under:-

1. The E voting period begins on Friday the 26th May 2017 **(9.00 a. m IST)** and ends on Saturday the 24th June 2017 **(5.00 p. m IST)** . During this period preference shareholders' of the Company, holding shares, as on the cut-off date (record date) of 23rd May 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. **The shareholders should log on to the e-voting website www.evotingindia.com during the voting period**
3. **Click on "Shareholders" tab.**
4. **Now, select the "Fredun Pharmaceuticals Limited " from the drop down menu and click on "SUBMIT"**
5. Now Enter your User ID
 - a. **For CDSL: 16 digits beneficiary ID,**
 - b. **For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
 - c. **Members holding shares in Physical Form should enter Folio Number registered with the Company.**
6. **Next enter the Image Verification code/Captcha code as displayed and Click on Login.**
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any Company, then your existing password is to be used.

8. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in their PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account maintained with the DP of CDSL or with the company records for the said demat account or folio in dd/mm/yyyy format.

9. After entering these details appropriately, click on “SUBMIT” tab.

10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

12. Click on the EVSN for the relevant Fredun Pharmaceuticals Limited on which you choose to vote.

13. 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.

14. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

15. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

16. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
18. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the frequently asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

1. The e-voting period commences Friday the 26th May 2017 (**9.00 a. m IST**) and ends on Saturday the 24th June 2017 (**5.00 p. m IST**) . During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on **23rd May 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL 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 23rd May 2017.
3. Mr. Rajendra R. Vaze Practicing Company Secretary 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 three 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 to the Chairperson of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this notice) so as to reach the Scrutinizer, Mr. Rajendra R. Vaze , Practicing Company Secretary, C/O Purva Sharegistry,9 Shiv Shakti Ind. Estate, J R Boricha Marg, Off N. M. Joshi Marg, Near Lodha Excelus, Lower Parel(East), Mumbai 400 011 not later than 26th September 2016. Ballot Form received after this date will be treated as invalid.
6. 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 "downloads" section of www.evoting.com or write an email to helpdesk.evoting@cDSLindia.com

EXPLANATORY STATEMENT U/S 102(1) AND 110

EXPLANATORY STATEMENT IN PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Variation of Rights of and redemption of 8% Cumulative Preference Shares in lieu of Equity Shares via Preferential Allotment/Private Placement.

The Company had issued 2,50,000/- 8% Cumulative Redeemable Preference Shares of Rs. 100/- each on 11th day of June 2016, to be redeemed at discretion of the Board after expiry of 1 Year but before expiry of 3 years from the date of allotment thereof.

The Board of Directors were desirous to issue Equity Shares via Preferential Allotment to the Preference Shareholders as some of them had approached the Board and expressed their desire to further invest in the capital of the Company. Upon consideration the Board believes the best option will be to combine the two transactions namely of redemption of Preference Shares and Preferential Issue of Equity Shares by issuing Equity Shares, as such the Board also proposed issue of Equity Shares of Face Value Rs. 10/- each which will rank pari pasu with the existing Equity Shares as consideration to the Preference Shareholders via Preferential allotment. The proposed issue of Equity Shares is to be made at Rs. 150 per share as per the price computed based on the computation as per Chapter VII Regulation 76 pertaining to pricing of equity shares whichever is higher.

The Board believes that the above alternative is the best one available for giving effect to both the proposed transactions expediently and it would serve the long term interests of the Company and the Shareholders. The Board therefore recommends the resolution for approval of the Preference Shareholders.

Section 48 of the Companies Act, 2013 states that the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and if such variation by one class of Shareholders affects the rights of any other class of Shareholders, the consent of three-fourths

of such other class of Shareholders shall also be obtained. Hence, the resolution is subject to ratification by the Equity Shareholders of the Company via an EGM that may be held for the purpose or Postal Ballot as may be the most appropriate.

The issue of Equity in lieu of redemption of preference shares shall be effected for shareholders not dissenting from this resolution

As per Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration rules) 2014, the consent of the Shareholders for the above purpose is required to be obtained by means of a Special Resolution through Postal Ballot.

By Order of the Board
For Fredun Pharmaceuticals Limited

Mr. Fredun Medhora
(Managing Director)

Place : Mumbai
Date : 05/05/2017

Registered Office:
26, Manoj Industrial Premises
G.D. Ambekar Marg, Wadala, Mumbai - 400031