



## Anglo-French Drugs & Industries Limited

Regd. Office: No.41, 3rd Cross, V Block, Rajajinagar,  
Bengaluru – 560 010.  
CIN: L24230KA1923PLC010205  
Website: www.afdil.com  
Email: compliance@afdil.com

### NOTICE OF POSTAL BALLOT

*[Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014]*

Dear Members,

Notice of Postal Ballot is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), read with Rule 22 of Companies (Management and Administration) Rules, 2014 (“**the Rules**”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Secretarial Standards-2 (SS-2), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable laws and regulations, that the resolutions appended below is proposed to be passed by Members through Postal Ballot by way of remote Electronic Voting (e-voting).

In compliance with the provisions of General Circular No 14/2020 dated April 08, 2020, General Circular No 17/2020 dated April 13, 2020, General Circular No 22/2020 dated June 15, 2020 and General Circular No 33/2020 dated September 28, 2020 (“**MCA Circulars**”) issued by Ministry of Corporate Affairs and on account of threat posed by the continuing COVID-19 pandemic situation, the Company is sending Postal Ballot Notice by email to all its Members who have registered their email addresses with the Company or Depository/Depository Participants and the communication of assent/dissent of the Members will only take place through the remote e-voting system. Hard copy of Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal ballot and Members are required to communicate their assent/dissent through the remote e-voting system only. The process of registration of email IDs is provided in the Notes below and the shareholders are requested to follow the same.

An Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons thereof form part of this Postal Ballot notice (“**Postal Ballot Notice**”), along with a Postal Ballot form (the “**Postal Ballot Form**”).

The Board of Directors of the Company (“**the Board**”), at its meeting held on 14th September, 2020, appointed Ms. Shital Darak Mandhana, Practising Company Secretary (FCS No.8041, CP No.14360) of SDM & Associates as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

In compliance with the provisions of Sections 108 and 110 of the Act, read with Rules 20 and 22 of the Rules and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“**Listing Regulations**”) the Company is also offering facility of e-voting to all Members to enable them to cast their votes electronically. Members are requested to follow the procedure as stated in the notes for casting of votes by e-voting. The Company has engaged the services of **National Securities Depository Limited (NSDL)** for the purpose of providing e-voting facility to all its members.

The Scrutinizer will submit her report to the Chairman of the Company or any other person authorised by chairman after completion of scrutiny of votes received through e-voting in a fair and transparent manner. The results shall be declared on or before Sunday, November 8, 2020 and communicated to the Metropolitan Stock Exchange of India Limited (“**the Stock Exchange**”), Depositories and Registrar and Share Transfer Agents. The results will also be displayed on the Company’s website www.afdil.com.

You are requested to peruse the proposed resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

#### **SPECIAL BUSINESS:**

##### **Item No. 1 – Issue of 1,29,000 Equity Shares on preferential basis to Promoter and Promoter Group**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as “**the Act**”) and in accordance with the relevant provisions of the Articles of Association of the Company, and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, [hereinafter referred to as “**SEBI (ICDR) Regulations**”], SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof from time to time), and in accordance with all other applicable rules, regulations, guidelines and clarifications issued thereon from time to time by the Securities and Exchange Board of India (“**SEBI**”), Government of India (“**GOI**”), the Ministry of Corporate Affairs and the Stock Exchange where the shares of the Company are listed (“**Stock Exchange**”) or any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents or sanctions, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, on preferential basis, in one or more tranches, 1,29,000 (One Lakh Twenty Nine Thousand) Equity Shares of face value of ₹ 10/- (Rupees Ten) each fully paid-up for cash at an issue price as may be arrived in accordance



with Chapter V of the SEBI (ICDR) Regulations (hereinafter referred to as the “Issue Price”) by way of preferential allotment (“Preferential Allotment”) on a private placement basis for an aggregate consideration not exceeding ₹ 2,32,20,000/- (Rupees Two Crores Thirty-Two Lakhs and Twenty Thousand Only) to the following allottees forming part of the Promoter & Promoter Group of the Company (hereinafter referred to as the “Proposed Allottees”):

Sr. No.	Names of the Proposed Allottees	No. of Equity shares
1.	Ninaad Finance and Properties Private Limited	1,29,000

**RESOLVED FURTHER THAT** the “Relevant Date” pursuant to Regulation 161 of the SEBI (ICDR) Regulations in relation to the above mentioned Preferential Issue of Equity Shares, is Wednesday, October 7, 2020, which is a date 30 days prior to the date on which the resolution is deemed to be passed i.e., the last date specified for electronic voting.”

**RESOLVED FURTHER THAT** the Equity Shares to be created, offered, issued and allotted to the Promoter shall rank pari passu in all respects with the existing Equity Shares of the Company (including with respect to dividend and voting powers) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Equity Shares under Preferential Allotment shall be subject to lock-in period of three years from the date of trading approval granted in accordance with Regulation 167 (1) of the SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Equity Shares shall be allotted in dematerialized form within a period of 15 days from the date of passing of the Special Resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval from any regulatory authority or the GOI, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolutions, including without limitation issuing clarifications on the issue and allotment of Equity Shares, resolving any difficulties, effecting any modifications to the foregoing (including any modifications to the terms of the issue) preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, including making application to Stock Exchange for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/or such other authorities as may be necessary for the purpose and to delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of Directors or any Director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all questions, difficulties or doubts whatsoever that may arise and take all steps and decisions in this regard.”

#### **Item No. 2 – Revision in remuneration of Mr. Abhay Kanoria (DIN: 00108894), Chairman and Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

“**RESOLVED THAT** in continuation to the special resolution passed by Members at its 97th Annual General Meeting held on September 29, 2020 relating to appointment of Mr. Abhay Kanoria (DIN: 00108894) as a Chairman and Managing Director and pursuant to the provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and subject to such other approval(s), sanction(s) and permission(s) as may be applicable / required and subject to such other conditions and modifications as may be prescribed or imposed by any of the authorities, if required/ applicable, in granting such approvals, permissions, sanctions, pursuant to the recommendation of Nomination & Remuneration Committee and approval by the Board of Directors, consent of the Members be and is hereby accorded for revision in the remuneration payable to Mr. Abhay Kanoria, Chairman and Managing Director of the Company upto ₹ 72.90 Lakhs with an annual increase of ₹ 6 lakhs w.e.f 1st July, 2020 on the same terms & conditions as approved by the Members of the Company.

**RESOLVED FURTHER THAT** in continuation of the special resolution passed by the Members at the 97th Annual General Meeting, where in any financial year the Company has no profits or its profits are inadequate, Mr. Abhay Kanoria shall be entitled to receive remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, in its absolute discretion, as may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit.”

#### **Item No. 3 – Revision in remuneration of Mr. Nirbhay Kanoria (DIN: 02558300), President & Whole time Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

“**RESOLVED THAT** in continuation to the special resolution passed by Members at its 97th Annual General Meeting held on September 29, 2020 relating to appointment of Mr. Nirbhay Kanoria (DIN: 02558300) as a President & Whole time Director and pursuant to the

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provisions of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and subject to such other approval(s), sanction(s) and permission(s) as may be applicable / Required and subject to such other conditions and modifications as may be prescribed or imposed by any of the authorities, if required/ applicable, in granting such approvals, permissions, sanctions, pursuant to the recommendation of Nomination & Remuneration Committee and approval by the Board of Directors, consent of the Members be and is hereby accorded for revision in the remuneration payable to Mr. Nirbhay Kanoria, President & Whole time Director of the Company upto ₹ 41.07 Lakhs with an annual increase of ₹ 3 lakhs w.e.f 1st July, 2020 on the same terms & conditions as approved by the Members of the Company.

**RESOLVED FURTHER THAT** in continuation of the special resolution passed by the Members at the 97th Annual General Meeting, where in any financial year the Company has no profits or its profits are inadequate, Mr. Nirbhay Kanoria shall be entitled to receive remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, in its absolute discretion, as may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit."

#### **Item No. 4 – Revision in remuneration of Mr. Uddhav Kanoria (DIN: 00108909), President & Whole time Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**“RESOLVED THAT** in continuation to the resolution passed by Members through Postal ballot on December 28, 2019 relating to appointment of Mr. Uddhav Kanoria (DIN: 00108909) as a President & Whole time Director and pursuant to the provision of Section 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and subject to such other approval(s), sanction(s) and permission(s) as may be applicable / Required and subject to such other conditions and modifications as may be prescribed or imposed by any of the authorities, if required/ applicable, in granting such approvals, permissions, sanctions, pursuant to the recommendation of Nomination & Remuneration Committee and approval by the Board of Directors, consent of the Members be and is hereby accorded for revision in the remuneration payable to Mr. Uddhav Kanoria, President & Whole time Director of the Company upto ₹ 52.15 Lakhs with an annual increase of ₹ 3 lakhs w.e.f 1st July, 2020 on the same terms & conditions as approved by the Board of Directors and Nomination and Remuneration Committee at their Meetings held on 12th November, 2019 and by resolution passed by Members through Postal Ballot on 28th December, 2019.

**RESOLVED FURTHER THAT** in continuation of the resolution passed by Members through postal ballot on 28th December, 2019, where in any financial year the Company has no profits or its profits are inadequate, Mr. Uddhav Kanoria shall be entitled to receive remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, in its absolute discretion, as may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit."

By Order of the Board of Directors  
For **Anglo-French Drugs & Industries Ltd.**

Sd/-

**Deepa Ramachandran**  
Company Secretary  
Membership No. A53546

Date: 14th September, 2020

Place: Bengaluru

#### **Registered Office:**

No.41, 3rd Cross, 5th Block,  
Rajajinagar, SSI Area,  
Bengaluru – 560010  
Karnataka, India.



## Notes:

- The Explanatory Statement pursuant to Section 102 read with Section 110 of the Act stating all material facts and the reasons for the proposals is annexed herewith.
- The Postal Ballot Notice is being sent by email to all the Members whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on Thursday, October 1, 2020 (“cut-off date”) and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company.
- Members whose names appear on the Register of Members/List of Beneficial Owners as on October 1, 2020 will be considered for the purpose of voting. A person who is not a Member as on Cut-off date should treat this notice for information purposes only.
- Resolution(s) passed by Members with requisite majority through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
- Pursuant to the applicable provisions of the Act and Rules framed thereunder and the SEBI Listing Regulations, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their email addresses either with the Depository Participant(s) or the Company. Members who have not registered their email addresses with the Company can now register the same by sending an e-mail to the RTA on [canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in). Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.
- In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-Voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-Voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form.
- Voting rights shall be reckoned on the paid up value of equity shares registered in the name of Members as on October 1, 2020. The e-voting period commences on Thursday, October 8, 2020 at 9:00 a.m. (IST) and ends on Friday, November 6, 2020 at 5:00 p.m (IST). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter and the voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by the Members, they shall not be allowed to change it subsequently.
- Upon completion of the scrutiny of the Forms, the Scrutinizer will submit her report to the Chairman or any other person authorized by the Chairman, and the result of the voting by postal ballot (remote e-voting process) will be announced by the Chairman or any other person of the Company duly authorized, on or before Sunday, November 8, 2020 at the registered office and will also be displayed on the website of the Company [www.afdil.com](http://www.afdil.com) besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents.
- The resolutions, if passed by the requisite majority, shall be deemed to have been passed on Friday, November 6, 2020 i.e. the last date specified for e-voting.
- All documents referred to in the accompanying Notice and Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection in the electronic mode up to the date of declaration of results of the Postal Ballot.
- Voting through electronic means:

**E-voting will commence on Thursday, October 8, 2020 at 9:00 a.m. and ends on Friday, November 6, 2020 at 5:00 p.m.**

**The instructions for e-voting are as follows:**

**STEP 1: Login to NSDL e-voting website**

- The shareholders should log on to the e-voting website <https://www.evoting.nsdl.com/> and click on ‘Shareholder- Login’.
- Insert your user ID & password on the login window and also insert the verification code as shown on the screen.

**User- ID:**

For Members holding 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 holding 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 certificate form	Electronic Voting Event Number (EVEN) followed by your folio number registered with the Company.  For example, if the EVEN is 101456 and your folio number is 01/12***, then your user ID is 1014560112***.

**Password:**

- If you are already registered with NSDL for e-voting, you should use your existing password for login and cast your vote.**
- If you are using NSDL e-voting system for the first time, you would need to use your ‘initial password’ for login, which has been communicated to you by the Company.

3) **If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:**

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

4) **If you have forgotten your password:**

- a) Click on '**Forgot User Details/ Password?**', if holding shares in dematerialised form, or
- b) Click on '**Physical User Reset Password?** ', if holding shares in certificate form.

You may also send an e-mail requesting for password at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your name, PAN, registered address and your demat account number / folio number.

- (iii) Agree to the terms and conditions by clicking the box.
- (iv) Click on '**Login**'. Home page of e-voting opens.

If you are registered for NSDL e-services 'IDEAS', you can login at <https://www.eservices.nsdl.com/> with your existing IDEAS login and click on e-voting to proceed to Step 2 to cast your vote.

**STEP 2: Cast your vote on NSDL e-voting website**

- (i) Click on 'e-voting: Active E-voting Cycles' and select the EVEN of Anglo-French Drugs & Industries Limited.
- (ii) Now you are ready for e-voting as '**Cast vote**' page opens.
- (iii) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
- (iv) Thereafter the message 'Vote cast successfully ' will be displayed.

**Other Instructions**

- a. Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / authorisation letter together with attested specimen signature of the authorized signatory(ies) who is / are authorized to vote, to the Scrutinizer through e-mail at [procs.legal@gmail.com](mailto:procs.legal@gmail.com) with a copy marked to NSDL's e-mail ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- b. In case of any query / grievance, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact:
  - Mr. Pratik Bhatt, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 at telephone nos. 1800-222-990 (toll free) or 022-2499 4738 or at email ID [pratikb@nsdl.co.in](mailto:pratikb@nsdl.co.in) ;
  - At telephone nos. of the Company 080 23156757 or at e-mail ID [compliance@afdil.com](mailto:compliance@afdil.com)
- c. There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- d. The e-voting period commences on Thursday, October 8, 2020 at 9:00 a.m. and ends on Friday, November 6, 2020 at 5:00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, October 1, 2020, 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 a Member, he or she will not be allowed to change it.

12. In case of members who have not registered their email address:

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the remote e-Voting system only. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- Members, who are holding shares in physical/electronic form and their email addresses are not registered with the Company/ their respective Depository Participants, are requested to register their email addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Notice of Postal Ballot by email to [compliance@afdil.com](mailto:compliance@afdil.com). Members holding shares in demat form can update their email address with their Depository Participants.
- Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of Postal Ballot and thereafter shall be disabled from the records of the RTA immediately after the Postal Ballot. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.



## Explanatory statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013

### Item No.1

In order to meet the funding and business related requirements of the Company including but not limited to funding business growth, capital expenditure, exploring new initiatives and for other general corporate purposes, the Board of Directors in its meeting held on Monday, September 14, 2020 accorded its approval for raising funds through issuance of upto 1,29,000 (One Lakh Twenty Nine Thousand) equity shares to the proposed allottees as set out below being promoters/members of the promoter group of the Company ("Proposed Allottees") on a preferential basis by way of private placement subject to approval of the members of the Company.

As per Section 62(1)(c) of the Companies Act, 2013 (as amended) read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, a listed issuer is permitted to make a preferential issue of specified securities, if a special resolution has been passed by its members.

Accordingly, the approval of the members of the Company is being sought, by way of a special resolution, to create, offer, issue and allot equity shares by way of preferential allotment to the Proposed Allottees for an aggregate consideration not exceeding ₹ 2,32,20,000/- (Rupees Two Crores Thirty-Two Lakhs and Twenty Thousand Only).

The relevant details/disclosures of the issue and other particulars as required in terms of the Act and SEBI (ICDR) Regulations, 2018 in relation to the aforesaid Special Resolution is given as under:

#### A) Objects of the Preferential Issue:

The object(s) of the preferential issue is to meet funding requirements for Company's growth and to meet working capital requirement and repayment of debts.

#### B) Maximum number of specified securities to be issued:

The Board intends to offer, issue and allot 129,000 (One Lakh Twenty Nine Thousand) Equity Shares of the Company for cash to the Promoter and Promoter Group on a preferential basis by way of private placement for an aggregate consideration not exceeding ₹ 2,32,20,000/- (Rupees Two Crores Thirty-Two Lakhs and Twenty Thousand Only).

#### C) Issue Price and Relevant Date:

The Equity Shares to be issued by way of Preferential Allotment shall be allotted for cash at an issue price determined in accordance with the relevant provisions of the SEBI (ICDR) Regulations. The Relevant Date for the said issue shall be Wednesday, October 7, 2020 i.e. 30 days prior to the date on which the resolution is deemed to be passed i.e. the last date specified for Postal ballot through e-voting.

#### D) Proposal / Intent of the Promoters, Directors or Key Managerial Personnel of the Company to subscribe to the offer:

None of the Promoters/Directors or Key Managerial Personnel, except for Mr. Abhay Kanoria, Mr. Uddhav Kanoria and Mr. Nirbhay Kanoria intend to subscribe to the offer.

#### E) Shareholding Pattern of the Company before and after the preferential issue:

Sr. No	Category	Pre-issue*		Post-issue**	
		No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
A.	Promoters' Holding				
1.	Indian				
	Individual/HUF	3650	0.31	3650	0.28
	Bodies Corporate			129,000	9.99
	Any other - Trust	702,205	60.40	702,205	54.37
	<b>Sub-Total (A)</b>	<b>705,855</b>	<b>60.71</b>	<b>834855</b>	<b>64.64</b>
B.	Non Promoters' Holding				
	Institutional Investors	210,150	18.08	210,150	16.27
2.	Individuals	146,300	12.58	146,300	11.33
	Bodies Corporate	60,410	5.20	60,410	4.68
	Others (including NRI & HUF)	39,785	3.43	39,785	3.08
	<b>Sub-Total (B)</b>	<b>456,645</b>	<b>39.29</b>	<b>456,645</b>	<b>35.36</b>
	<b>Grand Total</b>	<b>11,62,500</b>	<b>100</b>	<b>12,91,500</b>	<b>100</b>

#### NOTES:-

\*Pre-issue shareholding pattern has been prepared based on shareholding of the Company as on September 11, 2020.

\*\*Assuming the post issue holding of all the other shareholders will remain the same, as it was on the date, on which the Pre-issue shareholding pattern was prepared.

**F) Time frame within which the preferential issue shall be completed:**

As required under Regulation 170 of the SEBI (ICDR) Regulations, the Company shall complete the allotment of Equity Shares as aforesaid on or before the expiry of 15 (Fifteen) days from the date of passing of the Special Resolutions by the shareholders granting consent for preferential issue or in the event allotment of Equity Shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (Fifteen) days from the date of such approval(s), as the case may be.

**G) Identities of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:**

**Issue of Equity shares:**

Name of the Proposed Allottees	Category	*Pre-preferential shareholding (as on September 11, 2020)		No. of shares to be allotted	** Post-preferential shareholding		Change in control
		No. of shares	% of shares		No. of shares	% of shares	
Ninaad Finance and Properties Private Limited	Promoter and Promoter Group	-	-	1,29,000	1,29,000	9.99	No change in control
Abhay Kanoria Family Trust	Promoter and Promoter Group	702,205	60.40	-	702,205	54.37	No change in control
* The entire pre-preferential shareholding of Abhay Kanoria Family Trust has been locked-in pursuant to Section 167(6) of SEBI (ICDR) Regulations, 2018.							
** The ultimate holder is identified as Abhay Kanoria Family Trust represented by its Trustee Mr. Abhay Kanoria who is the natural person ultimately controlling the Proposed allottee.							

**H) Undertaking by the Company**

The Company hereby undertakes that it will re-compute the price of the Equity Shares in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, if it is required to do so.

The Company is listed on Metropolitan Stock Exchange of India Limited. Since the Equity Shares of the Company are infrequently traded, the price shall be determined in accordance with Regulation 165 of the SEBI (ICDR) Regulations.

**I) Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees**

– Not Applicable

**J) Lock-in Requirements:**

- i. The Equity Shares to be allotted on a preferential basis to the Promoter shall be locked-in for a period of 3 years from the date of trading approval granted for the Equity Shares being issued pursuant to the proposed Preferential Allotment, in accordance with Regulation 167 (1) of the SEBI (ICDR) Regulations.
- ii. The entire pre-preferential allotment shareholding of allottees shall be locked-in from the relevant date up to a period of 6 months from the date of trading approval granted for the Equity Shares to be allotted pursuant to the proposed Preferential Allotment, in accordance with Regulation 167 (6) of the SEBI (ICDR) Regulations.

**K) Other Disclosures:**

- i. A copy of the certificate from M/s. KAMG & Associates, the Statutory Auditors of the Company, certifying that the preferential issue is being made in accordance with the requirements contained in Chapter V of the SEBI (ICDR) Regulations shall be made available on the website of the Company www.afdil.com to facilitate online inspection by the Members until Friday, November 6, 2020.
- ii. All the Equity Shares held by the Proposed Allottees in the Company are in dematerialized form only.
- iii. None of the Company, the Promoter or the Directors has been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- iv. The Promoter and members of the Promoter Group have not sold Equity Shares of the Company in the 6 months preceding the Relevant Date.
- v. The Company has not made any preferential allotment of Equity Shares during the last financial year.

Except Mr. Abhay Kanoria, Mr. Uddhav Kanoria and Mr. Nirbhay Kanoria, none of the other Directors, KMPs and their relatives, other than to the extent of their shareholding in the Company, if any, is concerned /interested, financially or otherwise, in the above resolution.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. The Board recommends the resolution at Item No. 1 for approval of the Members as a Special Resolution.



#### Item No.2, 3 and 4

- A.** The Members of the Company at the Annual General Meeting held on 29th September, 2020 had re-appointed Mr. Abhay Kanoria (DIN: 00108894) as Chairman and Managing Director for a term of three (3) years effective from 1st April, 2020 to 31st March, 2023 on terms and conditions as approved by special resolution passed by Members. Mr. Abhay Kanoria has significantly contributed to the growth and profitability of the Company. Under his able guidance, the Company has revived successfully as a profit-making entity.

As per provisions of Section 197 of Companies Act, 2013 read with Part A of Section II of Part II of Schedule V, the overall remuneration payable to Mr. Abhay Kanoria is within the ceiling limits specified. The revised remuneration payable to Mr. Abhay Kanoria shall be upto ₹ 72.90 lakhs for FY 2020-21 with an annual increase of ₹ 6 lakhs per annum. All necessary disclosures and explanation as required under Schedule V of the Act is provided herein.

Mr. Abhay Kanoria is a Member of Audit Committee and Nomination and Remuneration Committee of the Company. He is not holding any other Committee positions on the Board of other Companies. He forms a part of the Promoter & Promoter Group of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Abhay Kanoria are as under:

**I. Basic Salary** at the rate of ₹330,000/- per month.

**II. Perquisites and allowances:**

- a. Rent free accommodation or House Rent Allowance in lieu thereof, and other perquisites like reimbursement of expenditure incurred on Gas, Electricity, Power, Water and Furnishings.
- b. Use of office car with driver. Use of the car for private purpose to be billed by Company to Mr. Abhay Kanoria.
- c. Contributions to Provident Fund, Gratuity Fund and Superannuation Scheme as per Rules of the Company.
- d. Coverage under Personal Accident Insurance as per Rules of the Company.
- e. Free residential telephone facility excluding long distance personal calls.
- f. The re-imbursement of medical expenses for himself and family for domiciliary treatment up to a limit of ₹15,000/- in a year and coverage under Company's MEDICLAIM policy with Insurance Company for self and family.
- g. Commission at the rate of 2% of the net profits of the Company.
- h. Leave Travel Concession for self and family once a year, in accordance with the Rules of the Company.
- i. Earned leave as per the rules of the Company; encashment of un-availed leave at the end of the tenure.
- j. First Class Air or Air-conditioned/Executive Class Rail fares at his option for self to his home-town in India on termination of the Agreement.
- k. For the purpose of computation of the said ceiling, contributions to the Provident Fund and Superannuation Scheme, to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity and encashment of un-availed leave, shall not be included.
- l. The perquisites and allowances are to be valued as per the Income Tax Rules, wherever applicable and actual cost to the Company in other cases.

**III.** The total remuneration including Salary, Perquisites and allowances shall not exceed the limits stipulated in Part II of Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.

**IV.** The Agreement may be terminated at any time by either party giving to the other six English Calendar months' prior notice in writing or salary in lieu thereof.

- B.** The Members of the Company at the Annual General Meeting held on 29th September, 2020 had re-appointed Mr. Nirbhay Kanoria (DIN: 02558300) as President & Whole-time Director for a term of three (3) years effective from 1st February, 2020 to 31st January, 2023 on terms and conditions as approved by special resolution passed by Members. Mr. Nirbhay Kanoria has been associated with the Company since 11 years and currently heads the Marketing & Administration divisions of the Company.

As per provisions of Section 197 of Companies Act, 2013 read with Part A of Section II of Part II of Schedule V, the overall remuneration payable to Mr. Nirbhay Kanoria is within the ceiling limits specified. The revised remuneration payable to Mr. Nirbhay Kanoria shall be upto ₹ 41.07 lakhs for FY 2020-21 with an annual increase of ₹ 3 lakhs per annum. All necessary disclosures and explanation as required under Schedule V of the Act is provided herein.

Mr. Nirbhay Kanoria not holding any other Committee positions on the Board of other Companies. He forms a part of the Promoter & Promoter Group of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Nirbhay Kanoria are as under:

**I. Basic Salary** at the rate of ₹1,52,300/- per month.

**II. Perquisites and allowances:**

- a. Rent free accommodation or House Rent Allowance in lieu thereof, and other perquisites like reimbursement of expenditure incurred on Gas, Electricity, Power, Water and Furnishings.
- b. Use of Company maintained car with driver. Use of the car for personal use to be billed to Mr. Nirbhay Kanoria.



- c. Contributions to Provident Fund and Superannuation Scheme as per Rules of the Company and contribution to Gratuity Fund computed at half a month's salary for every completed year of Service.
  - d. Personal Accident Insurance, annual premium.
  - e. Free residential telephone facility excluding long distance personal calls.
  - f. The reimbursement of Medical expenses for himself and family on domiciliary treatment up to a limit as per Rules of the Company and coverage under Company's group MEDICLAIM policy with an Insurance Company for self and family.
  - g. Leave Travel Concession for self and family once a year, in accordance with the Rules of the Company.
  - h. Leave as per the rules of the Company; encashment of un-availed earned leave at the end of tenure.
  - i. First Class Air or Air-conditioned/Executive Class Rail fares at his option for self to his home-town in India on termination of the Agreement.
  - j. For the purpose of computation of the said ceiling, contributions to the Provident Fund and Superannuation Scheme, to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity and encashment of un-availed leave, shall not be included.
  - k. The perquisites and allowances are to be valued as per the Income Tax Rules, wherever applicable and actual cost to the Company in other cases.
- III. The total remuneration payable by the Company including Salary, Perquisites and allowances and remuneration payable to him by other companies shall not exceed the limits stipulated in Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.
- IV. The Agreement may be terminated at any time by either party giving to the other six English Calendar months' prior notice in writing or salary in lieu thereof.
- C. The Members of the Company through Postal ballot had re-appointed Mr. Uddhav Kanoria (DIN: 00108909) as President & Whole-time Director for a term of three (3) years upto 9th August, 2021 on terms and conditions as approved by resolution passed by Members. Mr. Uddhav Kanoria has been associated with the Company since 2006 and currently heads the Exports and Institutional divisions of the Company.

As per provisions of Section 197 of Companies Act, 2013 read with Part A of Section II of Part II of Schedule V, the overall remuneration payable to Mr. Uddhav Kanoria is within the ceiling limits specified. The revised remuneration payable to Mr. Uddhav Kanoria shall be upto ₹ 52.15 lakhs for FY 2020-21 with an annual increase of ₹ 3 lakhs per annum. All necessary disclosures and explanation as required under Schedule V of the Act is provided herein.

Mr. Uddhav Kanoria is a Member of Stakeholders' Relationship Committee of the Company. He is not holding any other Committee positions on the Board of other Companies. He forms a part of the Promoter & Promoter Group of the Company.

I. **Basic Salary** at the rate of ₹2,03,000/- per month.

II. **Perquisites and allowances:**

- a. Rent free accommodation or House Rent Allowance in lieu thereof, and other perquisites like reimbursement of expenditure incurred on Gas, Electricity, Power, Water and Furnishings.
- b. Use of Company maintained car with driver. Use of the car for personal use to be billed to Mr. Uddhav Kanoria.
- c. Contributions to Provident Fund and Superannuation Scheme as per Rules of the Company and contribution to Gratuity Fund computed at half a month's salary for every completed year of Service.
- d. Personal Accident Insurance, annual premium.
- e. Free residential telephone facility excluding long distance personal calls.
- f. The reimbursement of Medical expenses for himself and family on domiciliary treatment up to a limit as per Rules of the Company, per annum and coverage under Company's group MEDICLAIM policy with an Insurance Company for self and family.
- g. Leave Travel Concession for self and family once a year, in accordance with the Rules of the Company.
- h. Leave as per the rules of the Company; encashment of un-availed earned leave at the end of tenure.
- i. First Class Air or Air-conditioned/Executive Class Rail fares at his option for self to his home-town in India on termination of the Agreement.
- j. The Cost to the Company in respect of all perquisites shall not, together with the salary and commission exceed the limits, stipulated in Part II of Section II of Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.
- k. For the purpose of computation of the said ceiling, contributions to the Provident Fund and Superannuation Scheme, to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity and encashment of un-availed leave, shall not be included.
- l. The perquisites and allowances are to be valued as per the Income Tax Rules, wherever applicable and actual cost to the Company in other cases.



- III. The total remuneration including Salary, Perquisites and allowances shall not exceed the limits stipulated in Part II of Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.
- IV. The Agreement may be terminated at any time by either party giving to the other six English Calendar months' prior notice in writing or salary in lieu thereof.

**Statement pursuant to the provisions of Part II of Section II of Schedule V of the Companies Act, 2013**

**I. General Information**

**(1) Nature of Industry**

The Company is engaged in the business of manufacture, sale and distribution of Pharmaceutical formulations and Nutraceutical/ Dietary Supplements.

**(2) Date or Expected date of Commencement of Commercial Production:**

The Company was incorporated on 1st February, 1923.

**(3) In case of new Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in prospectus – Not Applicable**

**(4) Financial Performance based on given indicators**

The financial performance of the Company in the last 2 years is as follows:-

(₹ in Lakhs)

Particulars	Year ended on	
	31.03.2020	31.03.2019
Net Sales and Other Income	13173	12984
Operating Profit (EBITDA including Other Income)	620	88
Less: Depreciation/ Amortisation Expenses	(254)	(173)
Profit Before Tax (PBT)	366	(85)
Profit After Tax (PAT)	287	(50)

**(5) Foreign Investment or Collaborations, if any – As on date, the Company has a wholly owned subsidiary in Singapore.**

**II. Information about the Appointees**

Sr. No.	Details	Mr. Abhay Kanoria	Mr. Nirbhay Kanoria	Mr. Uddhav Kanoria
1.	<b>Background Details</b>	Mr. Abhay Kanoria is a B.Sc graduate with specialization in Chemistry and is a person with varied business interests and industry experience. Mr. Abhay Kanoria has been associated with the Company since 1986 and brings a rich experience in the Pharmaceutical industry for more than three decades. .	Mr. Nirbhay Kanoria is a graduate in Business administration and Arts with Marketing and Economics as main and has been associated with the Company for over 11 years. He presently heading the Administration and Marketing Departments of the Company & New business.	Mr. Uddhav Kanoria brings more than 15 years of experience in the field of strategic business development and managing business operations. He currently heads the Exports & Institutional divisions of the Company.
2.	<b>Past Remuneration</b>	₹ 49.48 lacs	₹ 29.39 lacs	₹ 38.15 lacs
3.	<b>Job profile and suitability</b>	General Administration in Pharmaceuticals & Textile Industry	Sales, Marketing & HR	Strategic business development and overall management of business operations
4.	<b>Remuneration proposed</b>	₹ 72.90 Lakhs with an annual increase of ₹ 6 lakhs	₹ 41.07 Lakhs with an annual increase of ₹ 3 lakhs	₹ 52.15 Lakhs with an annual increase of ₹ 3 lakhs
5.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>			
	The proposed remuneration is sought to be paid as appropriate remuneration due to inadequacy of profits and comparative remuneration profile would not be a determining factor. However, taking into consideration the size of the Company, the profile of all the above 3 Directors and the responsibilities shouldered on them, the Nomination and Remuneration Committee at their meeting had considered the remuneration payable to all the above 3 Directors and found the same competitive in line with his experience, skill and expertise in the Pharmaceutical Industry.			
6.	<b>Pecuniary relationship directly or indirectly with the Company or relation with the managerial personnel, if any</b>			
	Besides the remuneration payable to them as Managerial Personnel, all the 3 Directors abovementioned belong to the Promoter & Promoter Group of the Company.			

## III. Other Information:

### 1. Reasons of loss or inadequate profits

Due to COVID-19 pandemic and the lockdowns prevailing across the Country, the Company foresees growth at a slower pace. The impact was seen in previous few months affecting both domestic and exports. The growth in the Pharma sector over the years has been in the range of 6 to 9 %. It is expected to continue at the same level. It may be noted that reasons for losses were beyond the control of the Company and those reasons cannot be attributed to laxity in performance of the Management of the Company.

### 2. Steps taken or proposed to be taken for improvement

The Company has adopted a cautious approach and is focusing on employee safety and conserving cash. The Company has cut down all avoidable costs and is focusing on pitching new market opportunities by launching products (immunity boosters, Zinc tablets) etc. in Nutraceutical and dietary segments. Despite COVID, the Company has since emerged stronger from the slowdown and rightly positioned itself to take advantage in the next growth phase.

### 3. Expected increase in productivity and profits in measurable terms

The Company will continue its efforts to increase the sales and profitability. The Company is witnessing and will continue to witness strong demand for exports from Southeast Asian and South African countries. On the other hand, the Company is continuing its progress through numerous product developments to gain competitive edge in the market whilst keeping its customers business needs at the forefront. There are new product launches planned for the next 3-5 years and the Company has been using the digital medium and innovative ways like virtual launches to reach the customers.

Based on Financial Results of the Company as on the 31st March, 2020 and other relevant factors including prevailing market conditions, the Company has inadequate profits for payment of Managerial remuneration and therefore it is considered desirable to obtain approval from Members by way of a special resolution.

The aforesaid remuneration has been recommended by Nomination and Remuneration Committee and approved by the Board of Directors at their respective meetings held on 14th September, 2020.

All other terms and conditions of the appointment approved by the Members at the AGM held on 29th September, 2020 except the abovementioned shall remain unchanged.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

Except Mr. Abhay Kanoria, Mr. Uddhav Kanoria and Mr. Nirbhay Kanoria, none of the other Directors, KMPs and their relatives are concerned /interested, financially or otherwise, in the above resolutions set out in Item nos. 2 to 4.

The Board recommends the resolutions at Item No. 2 to 4 for approval of the Members as a Special Resolution.

By Order of the Board of Directors  
For **Anglo-French Drugs & Industries Ltd.**

Sd/-

**Deepa Ramachandran**  
**Company Secretary**  
**Membership No.: A53546**

Date: September 14, 2020  
Place: Bengaluru

### Registered Office:

No.41, 3rd Cross, 5th Block,  
Rajajinagar, SSI Area,  
Bengaluru – 560010  
Karnataka, India