

Anglo-French Drugs & Industries Limited

Corporate Identification Number (CIN): L24230KA1923PLC010205

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF ANGLo-FRENCH DRUGS & INDUSTRIES LIMITED FOR THE BUY-BACK OF EQUITY SHARES ON A PROPORTIONATE BASIS THROUGH TENDER OFFER METHOD UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement ("Public Announcement") is being made, in relation to the buy-back of fully paid-up equity shares having a face value of ₹ 10/- (Rupees Ten only) each ("Equity Shares") by Anglo-French Drugs & Industries Limited ("Company") from the existing shareholders/beneficial owners of the Company ("Buy-back") through the tender offer method using the Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting ("Stock Exchange Mechanism") notified by the Securities and Exchange Board of India ("SEBI") vide circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular bearing number CFD/DCR/2/CIR/P/2016/131 dated December 9, 2016 and SEBI circular bearing number SEBI/HO/CFD/DCR/IR/2021/615 dated August 13, 2021 including any amendments or statutory modifications for the time being in force ("SEBI Circulars") or such other circulars or notifications, as may be applicable, pursuant to the provisions of Regulation 7(i) and other applicable provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, including any statutory modification(s), amendment(s) or re-enactments from time to time (hereinafter referred to as "SEBI Buy-back Regulations") and contains the disclosures as specified in Schedule II read with Schedule I of the SEBI Buy-back Regulations.

OFFER TO BUY-BACK UP TO 58,118 (FIFTY EIGHT THOUSAND ONE HUNDRED AND EIGHTEEN) FULLY PAID-UP EQUITY SHARES HAVING FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH OF THE COMPANY ("EQUITY SHARES") AT A PRICE OF ₹ 3,100/- (RUPEES THREE THOUSAND ONE HUNDRED ONLY) PER EQUITY SHARE, PAYABLE IN CASH, FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 18,01,65,800/- (RUPEES EIGHTEEN CRORE ONE LAKH SIXTY FIVE THOUSAND EIGHT HUNDRED ONLY) ON A PROPORTIONATE BASIS FROM ALL THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF THE COMPANY THROUGH THE TENDER OFFER METHOD USING THE STOCK EXCHANGE MECHANISM.

Certain figures contained in this Public Announcement, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two (2) decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column row in certain tables may not conform exactly to the total figure given for that column or row.

1. DETAILS OF THE BUY-BACK OFFER AND BUY-BACK PRICE

1.1. The Board of Directors of the Company (hereinafter referred to as "Board", which expression shall include any committee constituted and authorized by the Board to exercise its powers) at its meeting held on Friday, July 14, 2023 ("Board Meeting Date") has subject to such approvals of statutory and/or regulatory authorities as may be required under applicable laws, approved the proposal for the buy-back of up to 58,118 (Fifty Eight Thousand One Hundred and Eighteen) Equity Shares ("Maximum Buy-back Shares") on a proportionate basis through the tender offer method through the Stock Exchange Mechanism, in accordance with the provisions of the SEBI Buy-back Regulations, the Companies Act, 2013, as amended ("Companies Act") and the rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules") and the Companies (Management and Administration) Rules, 2014, as amended, ("Management Rules"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations") to the extent applicable and SEBI Circulars or notifications, including any amendments thereof, at a price of ₹ 3,100/- (Rupees Three Thousand One Hundred only) per Equity Share ("Buy-back Price"), payable in cash, for an aggregate amount not exceeding ₹ 18,01,65,800/- (Rupees Eighteen Crore One Lakh Sixty Five Thousand Eight Hundred only) ("Buy-back Size") excluding the applicable taxes under Income Tax Act, 1961 such as Buy-back tax and any expenses incurred or to be incurred for the Buy-back, brokerage, costs, fees, turnover charges, securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees to SEBI, Stock Exchange charges, printing and dispatch expenses and other incidental and related expenses and charges ("Transaction Costs").

1.2. The Buy-back is in accordance with Article X of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and rules framed thereunder, including the Share Capital Rules and the Management Rules, to the extent applicable, the SEBI (LODR) Regulations, the SEBI Buy-back Regulations read with SEBI Circulars or notifications, as may be applicable, including any amendment thereof, subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, Bangalore ("ROC"), Stock Exchange, banks, financial institutions and/or other authorities, institutions or bodies/entities, as may be necessary, and subject to completion of such formalities, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.

1.3. The Buy-back Size represents 8.65% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited financial statements of the Company as on March 31, 2023 (being the latest audited financial statements available as on the Board Meeting Date), and is within the limit of 10% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited financial statements of the Company, in compliance with the proviso to Section 68(2)(b) of the Companies Act and proviso to Regulation 5(i)(b) of SEBI Buy-back Regulations and the Maximum Buy-back Shares represents 4.50% of the total number equity shares in the paid-up capital of the Company as per its latest audited financial statements as at March 31, 2023, which is within the limit of 25% as per the provisions of the Companies Act and the SEBI Buy-back Regulations.

1.4. The Equity Shares are listed only on Metropolitan Stock Exchange of India Ltd., Mumbai ("MSEI" or "Stock Exchange").
1.5. The Buy-back shall be undertaken on a proportionate basis from all the equity shareholders/beneficial owners of the Company, including the promoters, members of the promoter group and persons in control of the Company, who hold Equity Shares as on Wednesday, July 26, 2023 ("Record Date") (such shareholders being the "Eligible Shareholders") through the tender offer route prescribed under Regulation 4(iv)(a) and Regulation 6 of the SEBI Buy-back Regulations and shall be implemented using the Stock Exchange Mechanism as specified by SEBI in accordance with the SEBI Circulars. In this regard, the Company will request BSE Limited ("BSE") to provide the acquisition window for facilitating tendering of Equity Shares under the Buy-back and for the purposes of the Buy-back, BSE will be the designated stock exchange.

1.6. In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, Abhay Kanoria Family Trust, represented by Mr. Abhay Kanoria, Trustee, one of the Promoters of the Company has expressed its intention to participate in the Buy-back vide its letter dated July 15, 2023 and may tender, based on its entitlement, up to a maximum of 31,635 Equity Shares or such lower number of Equity Shares, in accordance with the provisions of the SEBI Buy-back Regulations.

1.7. The Buy-back will not result in any benefit to the promoters, members of the promoter group and persons in control of the Company or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buy-back in their capacity as equity shareholders of the Company and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of equity shares which will lead to reduction in the equity share capital of the company post Buy-back. The Buy-back would be subject to the condition of maintaining Minimum Public Shareholding requirements as specified in Regulation 38 of SEBI (LODR) Regulations, 2015, as amended. Any change in the Voting Rights of the Promoters of the Company pursuant to completion of Buy-back will not result in any change in control over the Company.

1.8. Participation in the Buy-back by eligible Shareholders may trigger tax on distributed income to such shareholders ("Buy-back Tax") in India and such tax is to be discharged by the Company as per the procedure laid down in the applicable provisions of the Income Tax Act, 1961 read with applicable rules framed thereunder. The transaction of the Buy-back would also be chargeable to securities transaction tax in India. Any consideration received by Eligible Shareholders pursuant to the Buy-back of shares will not be included in the total taxable income of such shareholders. Participation in the Buy-back by the Non-Resident eligible shareholders may trigger capital gains tax in the hands of such Shareholders in their country of residence. However, in view of the particular nature of tax consequences, the eligible shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buy-back.

1.9. A copy of this Public Announcement is available on the Company's website at www.afdil.com, Manager to the Buy-back's website at www.saffronadvisor.com and is expected to be available on the website of the SEBI at www.sebi.gov.in and on the website of the Stock Exchange at www.mseil.in, during the period of the Buy-back.

2. NECESSITY FOR THE BUY-BACK

The Buy-back is being undertaken by the Company for returning surplus funds to the members in an expedient, effective and efficient manner, after taking into account the strategic and operational cash requirements of the Company in the medium term. The Buy-back will help the Company to achieve, inter-alia, the following objectives: (i) optimize returns to shareholders; (ii) enhance overall shareholder's value; (iii) Exit option to shareholders particularly small shareholders at a premium over market price and; (iv) Creating long term value for shareholders.
The Buy-back would also help in improving financial ratios like earnings per share and return on equity, by reducing the equity base of the Company and will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY-BACK

The Company proposes to buy-back up to 58,118 (Fifty Eight Thousand One Hundred and Eighteen) Equity Shares of the Company (representing 4.50% of the total number equity shares in the paid-up capital of the Company as per its latest audited financial statements as at March 31, 2023).

4. MAXIMUM AMOUNT REQUIRED FOR THE BUY-BACK AND ITS PERCENTAGE OF THE TOTAL PAID UP EQUITY SHARE CAPITAL AND FREE RESERVES AND SOURCES OF FUNDS FROM WHICH BUY-BACK WOULD BE FINANCED

4.1. The maximum amount required for the Buy-back will not exceed ₹ 18,01,65,800/- (Rupees Eighteen Crore One Lakh Sixty Five Thousand Eight Hundred only) ("Buy-back Size"), excluding Transaction Costs.

4.2. The maximum amount aforesaid represent 8.65% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited financial statements of the company as at March 31, 2023 (being the latest audited financial statements available at the Board Meeting Date) and does not exceed 10%, which is in compliance with the proviso to Section 68(2)(b) of the Companies Act and proviso to Regulation 5(i)(b) of the SEBI Buy-back Regulations.

4.3. The funds for the implementation of the Buy-back (including the transaction costs) will be sourced out of free reserves of the Company and/or such other source as may be permitted by the SEBI Buy-back Regulations or the Companies Act.

4.4. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares so bought back to the Capital Redemption Reserve Account, and details of such transfer shall be disclosed in its subsequent audited financial statements.

4.5. The funds borrowed, if any, from banks and financial institutions will not be used for the Buy-back.

5. BUY-BACK PRICE AND THE BASIS OF ARRIVING AT THE BUY-BACK PRICE

5.1. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 3,100/- (Rupees Three Thousand One Hundred only) ("Buy-back Price") per Equity Share.

5.2. Equity shares of the Company have not been traded on MSEI for last three financial years. Hence the Buy-back Price has been arrived at after considering various other factors such as net-worth of the Company, Book Value and the impact on the earning per Equity Share.

5.3. The Buy-back Price represents a premium of 91.72% over the Book Value per Equity Share, based on the net-worth of the Company basis of audited financial statements of the Company as on March 31, 2023

5.4. There was no trading in the Equity shares of the Company on MSEI, the only stock exchange where the Equity Shares of the Company are listed, during the last twelve months preceding the Board Meeting Date and on the Board Meeting Date i.e., July 14, 2023. (Source: www.mseil.in)

5.5. As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up capital and free reserves after the Buy-back, based on audited financial statements of the Company as on March 31, 2023.

6. DETAILS OF THE SHAREHOLDING AND TRANSACTIONS IN THE EQUITY SHARES OF THE COMPANY

6.1. The aggregate shareholding in the Company of (i) promoters, members of the promoter group ("Promoter Group") and persons in control of the Company; (ii) the directors/partners/trustees of the Promoter Group; and (iii) directors and key managerial personnel of the Company as on the Board Meeting Date i.e., Friday, July 14, 2023 and on the date of the Public Announcement.

(i) Aggregate shareholding of the Promoter Group and persons in control of the Company is given below:

S.No.	Name of the Shareholder	No. of Equity Shares held	% of Shareholding
1.	Abhay Kanoria Family Trust Represented by Mr. Abhay Kanoria, Trustee	7,03,005	54.43
2.	Ninaad Finance and Properties Pvt. Ltd.	1,29,000	9.99
3.	Binod Kumar Kanoria (HUF)	200	0.02
4.	Prabhadevi Kanoria*	3,450	0.26
	TOTAL	8,35,655	64.70

* Prabhadevi Kanoria deceased on June 10, 2023 and Mr. Abhay Kanoria S/o Ms. Prabhadevi Kanoria is her legal successor. Transmission of shares to Mr. Abhay Kanoria is under process.

(ii) Aggregate shareholding of the directors/partners/trustees of the Promoter Group of the company, is given below:

S.No.	Name of the Shareholder	No. of Equity Shares held	% of Shareholding
1.	Atmaram Damodarprasad Sharma	1,460	0.11
2.	Rajanarayanan Venkataraman	250	0.02
	TOTAL	1,710	0.13

(iii) Aggregate Shareholding of the directors and key managerial personnel of the Company, Not Applicable, as none of the directors and key managerial personnel of the Company hold any Equity Shares as on the Board Meeting Date i.e., Friday, July 14, 2023 and on the date of the Public Announcement.

6.2. Aggregate number of Equity Shares purchased or sold by the Promoter Group, persons in control of the Company, directors/partners/trustees of the Promoter Group of the Company and directors and key managerial personnel of the Company, during a period of six months preceding the Board Meeting Date Friday, July 14, 2023 and the date of the Public Announcement:

Name of the Shareholder	No. of Shares acquired/(sold)	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Abhay Kanoria Family Trust	800	Off market Purchase	180	April 17, 2023	180	April 17, 2023

7. INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUY-BACK

7.1. In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, Abhay Kanoria Family Trust, represented by Mr. Abhay Kanoria, Trustee, one of the Promoters of the Company has expressed its intention to participate in the Buy-back vide its letter dated July 15, 2023 and may tender, based on its entitlement, up to a maximum of 31,635 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the SEBI Buy-back Regulations.

7.2. The details of the date and price of acquisition/ sale of the Equity Shares by Abhay Kanoria Family Trust, the promoter of the Company who intend to participate in the Buyback are set out below:

Date of Transaction	Nature of Transaction	No. of Shares acquired/(sold)	Face Value (₹)	Acquisition Price (₹)	Transaction Value (₹)	Cumulative No. of Shares
August 02, 2012	Off-Market Purchase	220	10	30	6,600	220
May 03, 2013	Off-Market Purchase	50	10	35	1,750	270
June 17, 2013	Off-Market Purchase	2,52,175	10	35	88,26,125	2,52,445
July 17, 2013	Gift	1,500	10	-	-	2,53,945
June 20, 2013	Gift	2,280	10	-	-	2,56,225
July 19, 2013	Gift	2,650	10	-	-	2,58,875
March 10, 2014	Off-Market Purchase	100	10	30	3,000	2,58,975
January 06, 2015	Off-Market Purchase	50	10	30	1,500	2,59,025
September 22, 2015	Off-Market Purchase	89,800	10	30	26,94,000	3,48,825
November 16, 2015	Off-Market Purchase	30	10	35	1,050	3,48,855
December 02, 2015	Off-Market Purchase	260	10	35	9,100	3,49,115
December 11, 2015	Off-Market Purchase	50	10	35	1,750	3,49,165
December 23, 2015	Off-Market Purchase	260	10	35	9,100	3,49,425
January 18, 2016	Off-Market Purchase	200	10	35	7,000	3,49,625
January 25, 2016	Off-Market Purchase	100	10	35	3,500	3,49,725
March 21, 2016	Off-Market Purchase	50	10	35	1,750	3,49,775
November 03, 2016	Gift	3,51,970	10	-	-	7,01,745
May 03, 2019	Off-Market Purchase	200	10	40	8,000	7,01,945
July 31, 2019	Off-Market Purchase	260	10	40	10,400	7,02,205
April 17, 2023	Off-Market Purchase	800	10	180	1,44,000	7,03,005

7.3. The Buy-back will not result in any benefit to the promoters, members of the promoter group and persons in control of the Company or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buy-back in their capacity as equity shareholders of the Company and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of equity shares which will lead to reduction in the equity share capital of the company post Buy-back. The Buy-back would be subject to the condition of maintaining Minimum Public Shareholding requirements as specified in Regulation 38 of SEBI (LODR) Regulations, 2015, as amended. Any change in the Voting Rights of the Promoters of the Company pursuant to completion of Buy-back will not result in any change in control over the Company.

8. NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

9. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE SEBI BUY-BACK REGULATIONS AND THE COMPANIES ACT

- all the equity shares for buy-back are fully paid-up;
- the Company shall not issue and allot any Equity Shares or other specified securities including by way of bonus or convert any outstanding employee stock options/outstanding instruments into Equity Shares from the Board Meeting Date, till the date of payment of consideration to shareholders who have accepted the Buy-back;
- the Company shall not raise further capital for a period of one year from the expiry of the Buy-back period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buy-back, except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- the Company has not undertaken a buy-back of any of its securities during the period of one year immediately preceding the Board Meeting Date;
- the Company shall not buy-back locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- the Company shall not buy-back its shares from any person through negotiated deal whether on or off the stock exchange or through spot transactions or through any private arrangement in the implementation of the Buy-back; the Buy-back Size i.e., ₹ 18,01,65,800/- (Rupees Eighteen Crore One Lakh Sixty Five Thousand Eight Hundred only) does not exceed 10% of the aggregate of the fully paid-up Equity Share Capital and Free Reserves of the Company as per latest audited financial statements of the Company as on March 31, 2023;
- the Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act;
- the Company shall not withdraw the Buy-back after the Public Announcement of the Buy-back is made;
- the Company shall not make any offer of buy-back within a period of one year reckoned from the expiry of the Buy-back period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buy-back; there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act;
- the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share Capital and Free Reserves after the Buy-back, based on audited financial statements of the Company as on March 31, 2023;
- there are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, interest payment thereon, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company;
- the Company shall not directly or indirectly facilitate the Buy-back:
 - through any subsidiary company including its own subsidiary companies, if any; or
 - through any investment company or group of investment companies
- the Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the SEBI Buy-back Regulations and the Companies Act within 7 (seven) working days of the expiry of the Buy-back period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buy-back; the consideration for the Buy-back shall be paid only by way of cash;
- that the maximum number of shares proposed to be purchased under the Buy-back shall not exceed 25% of the total number of fully paid-up Equity Shares in the paid-up Equity Share Capital of the Company as per the latest audited balance sheet of the Company as on March 31, 2023;
- the Company shall not allow buy-back of its shares unless the consequent reduction of its share capital is affected;
- the Company shall not utilize any funds borrowed from banks and financial institutions in fulfilling its obligation under the Buy-back;
- the Company shall not buy-back its shares or other specified securities so as to delist its shares or other specified securities from the stock exchange as per Regulation 4(v) of SEBI Buy-back Regulations;
- the promoters and their associates be advised that they shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchange or off market transactions (including inter-se transfer of Equity Shares among the promoters and members of the promoter group) from the Board Meeting Date till the closing of the Buy-back Offer; the statements contained in all the relevant documents in relation to the Buy-back shall be true, material and factual and shall not contain any mis-statements or misleading information;
- the Company shall comply with the statutory and regulatory timelines in respect of the Buy-back in such manner as prescribed under the Companies Act and/or the SEBI Buy-back Regulations and any other applicable laws;
- the Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the Equity Shares bought back through the Buy-back to the Capital Redemption Reserve account;
- Covenants in relation to our financing arrangements / borrowings with banks, financial institutions and other entities ("Lenders") are not being breached pursuant to the Buy-back and accordingly the prior consent of the Lender(s) of the Company, as required Regulation 5(i)(c) and Schedule I (xii) of the SEBI Buy-back Regulations, is not applicable.
- the Company confirms that the public shareholding post buy-back will not follow below the minimum level as required under as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. CONFIRMATIONS FROM THE BOARD OF DIRECTORS OF THE COMPANY

As required by clause (x) of schedule I in accordance with Regulation 5(v)(b) of the SEBI Buy-back Regulations, the Board hereby confirms that it has made a full inquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, has formed an opinion that:

- That immediately following the Board Meeting Date i.e., July 14, 2023 there will be no grounds on which the Company can be found unable to pay its debts;
- That as regards its prospects for the year immediately following that date that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- In forming their opinion for the above purposes, the directors shall take into account the liabilities as if the company were being wound up under the provisions of the Companies Act, 1956 or Companies Act 2013 or the Insolvency and Bankruptcy Code 2016 (including prospective and contingent liabilities);

11. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated July 14, 2023 received from M/s. KAMG & Associates, Chartered Accountants, the Statutory Auditor of the Company ("Auditor's Report") addressed to the Board is reproduced below:

Quote
INDEPENDENT AUDITOR'S REPORT ON THE PROPOSED BUY-BACK OF EQUITY SHARES PURSUANT TO THE REQUIREMENTS OF THE COMPANIES ACT, 2013 AND CLAUSE (XI) OF SCHEDULE I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018 AS AMENDED

To
The Board of Directors,
Anglo-French Drugs & Industries Limited,
V Block, No. 41, 3rd Cross, Rajajinagar, Bengaluru-560 010, Karnataka, India.

Dear Sir/ Madam,
Re: Statutory Auditor's Report in respect of proposed buy-back of equity shares by Anglo-French Drugs & Industries Limited ("Company") pursuant to the requirements of the Companies Act, 2013 ("Companies Act") and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buy-back Regulations")

- This Report is issued in accordance with the terms of our engagement letter dated July 10, 2023 with Anglo-French Drugs & Industries Limited ("Company").
- The Board of Directors of the Company have approved a proposal for buy-back of Equity Shares by the Company at its Meeting held on July 14, 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Act and the SEBI Buy-back Regulations.

3. We have been requested by the Management of the Company to provide a report on the accompanying Statement of Permissible Capital Payment for the buy-back of equity shares ("Annexure A") (hereinafter referred to as the "Statement"). This Statement has been prepared by the Management, which we have initiated for the purposes of identification only.

4. Management's Responsibility:

4.1. The preparation of the Statement, in compliance with Section 68(2)(c) of the Companies Act and proviso to Regulation 5(i)(b) of the SEBI Buy-back Regulations and compliance with the SEBI Buy-back Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4.2. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will be able to pay its debts from the date of board meeting approving the buy-back of its equity shares i.e., July 14, 2023 (hereinafter referred as "Board Meeting Date") and will not be rendered insolvent within a period of one year from the Board Meeting Date at which the proposal for buy-back of equity shares was approved by the Board of Directors of the Company and informing the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016. As the SEBI Buy-back Regulations and the Companies Act do not define the term "insolvent", the Company has applied the guidance provided in paragraphs 25 and 26 of Ind AS 1, Presentation of Financial Statements, which relate to the assessment of the Company's ability to continue as a going concern for a period of one year from July 14, 2023.

4.3. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI Buy-back Regulations and the Companies Act.

Auditor's Responsibility:

7. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide a reasonable assurance that:

- We have inquired into the state of affairs of the Company in relation to the annual audited financial statements for the year ended March 31, 2023;
 - the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the annual audited financial statements for the year ended March 31, 2023 in accordance with Section 68(2)(c) of the Act and proviso to Regulation 5(i)(b) of the SEBI Buy-back Regulations; and
 - the Board of Directors of the Company, in their Meeting held on July 14, 2023 have formed the opinion as specified in Clause (x) of Schedule I to the SEBI Buy-back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent (as defined in the Management Responsibility clause above) within a period of one year from the aforesaid date with regard to the proposed buy-back are declared.
8. The annual financial statements referred to in paragraph 7 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated May 09, 2023. We conducted our audit of the annual financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
9. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:
- Examined that the amount of permissible capital payment for the buy-back as detailed in Annexure A is in accordance with the Section 68(2)(c) of the Act and proviso to Regulation 5(i)(b) of the SEBI Buy-back Regulations; and
 - In

Unquote**12. RECORD DATE AND SHAREHOLDER ENTITLEMENT**

- 12.1. As required under the SEBI Buy-back Regulations, the Company has fixed Wednesday, July 26, 2023 as the Record Date (“**Record Date**”) for the purpose of determining the entitlement and the names of the Eligible Shareholders, who will be eligible to participate in the Buy-back.
- 12.2. As per the SEBI Buy-back Regulations and such other circulars or notifications, as may be applicable, the Eligible Shareholders as on the Record Date will receive a Letter of Offer along with a Tender Form including Form SH-4, as applicable, (“**Letter of Offer**”) indicating the entitlement of the Eligible Shareholder for participating in the Buy-back. Even if the Eligible Shareholder does not receive the Letter of Offer, the Eligible Shareholder may participate and tender Equity Shares in the Buy-back.
- 12.3. As required under the SEBI Buy-back Regulations, the Letter of Offer shall be dispatched within two (2) working days from the Record Date.
- 12.4. The Equity Shares to be bought back as a part of the Buy-back is divided in two categories: (a) reserved category for small shareholders (defined below); and (b) general category for all other eligible shareholders.
- 12.5. As defined in Regulation 2(i)(n) of the SEBI Buy-back Regulations, a “Small Shareholder” is a shareholder of the Company who holds Equity Shares having market value, on the basis of closing price of such Equity Shares on stock exchange as on Record Date, is not more than ₹ 2,00,000 (Indian Rupees Two Lakh only).
- 12.6. In accordance with the proviso to Regulation 6 of the SEBI Buy-back Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buy-back. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”.
- 12.7. Based on the shareholding on the Record Date, the Company will determine the entitlement of each eligible shareholder, including small shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each eligible shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders in the Buy-back.
- 12.8. In accordance with Regulation 9(x) of the SEBI Buy-back Regulations, in order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios does not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and their entitlement under the Buy-back. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical Equity Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buy-back will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the registrar and transfer agent as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body-broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
- 12.9. After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.
- 12.10. Shareholders’ participation in Buy-back will be voluntary. Shareholders holding Equity Shares of the Company can choose to participate and receive cash in lieu of Equity Shares accepted under the Buy-back, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buy-back, without any additional investment. Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Shareholders holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buy-back.
- 12.11. The maximum tender under the Buy-back by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
- 12.12. The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buy-back Regulations. The settlement of the tenders under the Buy-back will be done using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offer under Takeovers, Buy-Back and Delisting” (“**Stock Exchange Mechanism**”) notified by the SEBI Circulars.
- 12.13. The Buy-back from shareholders who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indian, etc., shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended, and the rules and regulations framed there under, and such approvals shall be required to be taken by such non-resident shareholders themselves.
- 12.14. Detailed instructions for participation in the Buy-back (tender of Equity Shares in the Buy-back) as well as the relevant timetable will be included in the Letter of Offer which will be sent through email along with the tender form in due course to the shareholders holding Equity Shares of the Company as on the Record Date, who have their email IDs registered with the Company/Registrar and Transfer Agent/ Depository. However, on receipt of a request by the Manager to the Buy-back or Registrar to the Offer to receive a copy of Letter of Offer in physical format from such Shareholder (to whom Letter of Offer and tender form were emailed), the same will be sent physically. For all the remaining Shareholders who do not have their email IDs registered with the Company/ Registrar and Transfer Agent/ Depository, the Letter of Offer along with tender form will be sent physically.

13. PROCESS AND METHODOLOGY FOR THE BUY-BACK

- 13.1. The Buy-back is open to all eligible shareholders of the Company, holding Equity Shares either in physical form (“**Physical Shares**”) or in the dematerialized form (“**Demat Shares**”) on the Record Date.
- 13.2. The Buy-back shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offer under Takeovers, Buy-Back and Delisting” (“**Stock Exchange Mechanism**”) notified by the SEBI Circulars and in accordance with the procedure prescribed in the Companies Act and the SEBI Buy-back Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 13.3. For implementation of the Buy-back, the Company has appointed Choice Equity Broking Private Limited as the registered broker to the Company (“**Company’s Broker**”) to facilitate the process of tendering of Equity Shares through the Stock Exchange Mechanism for the Buy-back and through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company’s Broker are as follows:
Name: Choice Equity Broking Private Limited
Address: Sunil Patodia Tower, JB Nagar, Andheri (East), Mumbai-400099;
Contact Person: Mr. Jeetender Joshi (Senior Manager);
Telephone. + 91 22-67079857;
E-mail ID: jeetender.joshi@choiceindia.com;
Website: www.choiceindia.com
Investor Grievance Email ID: ig@choiceindia.com
SEBI Registration No: INZ000160131

- 13.4. The Company will request BSE Limited (“**BSE**”), being the designated stock exchange (“**Designated Stock Exchange**”), to provide a separate window (“**Acquisition Window**”) to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buy-back. The details of the Acquisition Window will be as specified by BSE from time to time.
- 13.5. At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through the Company’s Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective stock-brokers (“**Shareholder Broker**”) during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares.
- 13.6. In the event the Shareholder Broker(s) of any Eligible Shareholder is not registered with BSE as a trading member/ stock-broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register themselves by using quick unique client code (“**UCC**”) facility through the BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register using UCC facility through any other BSE registered broker, Eligible Shareholders may approach Company’s Broker i.e., Choice Equity Broking Private Limited to place their bids, subject to completion of KYC requirements as required by the Company’s Broker.

- 13.7. Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will only be allowed during the tendering period of the Buy-back. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as “one bid” for the purposes of acceptance.
- 13.8. The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.
- 13.9. Further, the Company will not accept Equity Shares tendered for Buy-back which are under restraint order of the court or any other competent authority for transfer/sale and/or title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.
- 13.10. Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form.**
- a) Eligible Shareholders who desire to tender their demat shares under the Buy-back would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buy-back.
- b) The Shareholder Broker would be required to place an order/ bid on behalf of the Eligible Shareholder who wish to tender demat shares in the Buy-back using the Acquisition Window of the Designated Stock Exchange (BSE). For further details, Eligible Shareholders may refer to the circulars issued by BSE and Indian Clearing Corporation Limited (“**Clearing Corporation**”).
- c) The relevant details and the settlement number under which the lien will be marked on the Equity Shares tendered for the Buy-back shall be informed in a separate circular that will be issued by the Designated Stock Exchange and/or the Clearing Corporation.
- d) The lien shall be marked by the Shareholder Broker in demat account of the Eligible Shareholders for the Equity Shares tendered in the Buy-back. The details of the shares marked as lien in the demat account of the Eligible Shareholder shall be provided by the depositories to the Clearing Corporation. In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buy-back shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“**IDT**”) instruction shall be initiated by the Eligible Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Eligible Shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of Equity Shares blocked in the Eligible Shareholders demat account shall be provided by the target depository to the Clearing Corporation.
- e) For custodian participant orders for demat shares, early pay-in is mandatory prior to confirmation of order/ bid by custodian participant. The custodian participant shall either confirm or reject the orders no later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- f) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/ bid has been placed. TRS will contain details of order submitted like bid ID number, application number, DP ID, Client ID, number of Equity Shares tendered etc. In case of non-receipt of the completed tender form and other documents, but lien marked on Equity Shares and a valid bid in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- g) It is clarified that in case of demat shares, submission of the tender form and TRS is not mandatory. After the receipt of the demat shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.
- h) Eligible shareholders who have tendered their demat shares in the buy-back shall also provide all relevant documents, which are necessary to ensure transferability of the demat shares in respect of the tender form to be sent. Such documents may include (but not be limited to): (i) duly attested power of attorney, if any person other than the eligible shareholder has signed the tender form; (ii) duly attested/notarized copy of death certificate and succession certificate/ legal heirship certificate or probated will, in case any eligible shareholder is deceased, or court approved scheme of merger/ amalgamation for a company; and (iii) in case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- i) The Eligible Shareholders will have to ensure that they keep the depository participant (“**DP**”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buy-back decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of buy-back of shares by the Company.

13.11. Procedure to be followed by registered Equity Shareholders holding Equity Shares in the Physical Form:

- a) In accordance with SEBI Circular dated July 31, 2020 (Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144), shareholders holding shares in physical form are allowed to tender such shares in a buy-back undertaken through tender offer route. However, such tendering shall be as per the provisions of the SEBI Buy-back Regulations and terms of Letter of Offer.
- b) Eligible Shareholders who are holding physical shares and intend to participate in the Buy-back will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (a) the Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (b) original share certificate(s), (c) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (d) self-attested copy of PAN Card(s) of all Eligible Shareholders, (e) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar card, voter identity card or passport.
- c) Based on aforesaid documents, the concerned Shareholder Broker shall place an order/bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buy-back, using the acquisition window of BSE. Upon placing the bid, the Shareholder broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio number, certificate number, distinctive number, number of Equity Shares tendered, etc.
- d) Any Shareholder Broker/ Eligible Shareholder who places a bid for physical shares, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buy-back (at the address mentioned at paragraph 16 below) on or before the Buy-back closing date. The envelope should be superscribed as “**Anglo-French Drugs & Industries Limited Buy-back Offer 2023**”. One copy of the TRS will be retained by the Registrar to the Buy-back and it will provide acknowledgement of the same to the Shareholder Broker.
- e) The Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for Buy-back by the Company shall be subject to verification as per the SEBI Buy-back Regulations and any further directions issued in this regard. The Registrar to the Buy-back will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buy-back confirms the bids, they will be treated as ‘confirmed bids’.
- f) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buy-back before the closure of the tendering period of the Buy-back.
- g) An unregistered shareholder holding physical shares may also tender their Equity Shares in the Buy-back by submitting the duly executed transfer deed for transfer of shares, purchased prior to the Record Date, in their name, along with the offer form, copy of their PAN Card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any. In the tendering process, the Shareholder’s Broker may also process the orders received from the Eligible Shareholders.
- 13.12. Participation in the Buy-back by eligible Shareholders may trigger tax on distributed income to such shareholders (“**Buy-back Tax**”) in India and such tax is to be discharged by the Company as per the procedure laid down in the applicable provisions of the Income Tax Act, 1961 read with applicable rules framed thereunder. The transaction of the Buy-back would also be chargeable to securities transaction tax in India. Any consideration received by Eligible Shareholders pursuant to the Buy-back of shares will not be included in the total taxable income of such shareholders. Participation in the Buy-back by the Non-Resident eligible shareholders may trigger capital gains tax in the hands of such Shareholders in their country of residence. However, in view of the particular nature of tax consequences, the eligible shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buy-back.
- 13.13. The Buy-back from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt / provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

- 13.14. The reporting requirements for non-resident shareholders under RBI, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/ or the Seller Member through which the Eligible Shareholder places the bid.

14. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per the SEBI Buy-back Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- The Company will pay the consideration to the Buy-back to the Company’s Broker who will transfer the funds pertaining to the Buy-back to the Clearing Corporation’s bank accounts as per the prescribed schedule. The settlement of fund obligation for demat shares shall be affected as per the SEBI Circulars and as prescribed by BSE and Clearing Corporation from time to time. For demat shares accepted under the Buy-back, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation. If Eligible Shareholders’ bank account details are not available or if the funds transfer instruction is rejected by the RBI/ the concerned bank(s), due to any reason, then the amount payable to the concerned shareholders will be transferred to the settlement account of the Shareholder Broker for onward transfer to such Eligible Shareholders.
- For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Shareholder Broker’s settlement accounts for releasing the same to the respective Eligible Shareholder’s account.
- In case of certain Eligible Shareholders viz., NRIs, non-residents etc. (where there are specific RBI and other regulatory requirements pertaining to funds payout) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker’s settlement accounts for releasing the same to the respective Eligible Shareholder’s account. For this purpose, the client type details would be collected from the depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the BSE and the Clearing Corporation from time to time.
- Details in respect of shareholder’s entitlement for tender offer process will be provided to the Clearing Corporation by the Company or Registrar to the Buy-back. On receipt of the same, Clearing Corporation will cancel lien on the excess or unaccepted blocked shares in the demat account of the shareholder. On the settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the eligible shareholder.
- Any excess demat shares or unaccepted demat shares, if any, tendered by the eligible shareholders would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholders’ DP Account. In case of custodian participant orders, excess demat shares or unaccepted demat shares, if any, will be returned to the respective custodian depository pool account. In the case of inter depository, Clearing Corporation will cancel the excess or unaccepted shares in target depository. The source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with bid accepted detail as received from the Company or the Registrar to the Buy-back. Post receiving the IDT message from target depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target depository to the extent of accepted bid shares from shareholder’s demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buy-back (“**Company Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- The Eligible Shareholders of the demat shares will have to ensure that they keep the depository participant (“**DP**”) account active and unblocked to receive credit in case of return of demat shares, due to rejection or due to non-acceptance in the Buy-back. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of buy-back of shares by the Company.
- Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the Eligible Shareholder(s) directly by the Registrar to the Buy-back. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back by the Equity Shareholders holding Equity Shares in the physical form.
- The Shareholder Broker(s) would issue a contract note to their respective Eligible Shareholders for the Equity Shares accepted under the Buy-back. The Company Broker would issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- Eligible Shareholders who intend to participate in the Buy-back should consult their respective Shareholder Broker(s) for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Shareholder Broker(s) upon the Eligible Shareholders for tendering Equity Shares in the Buy-back (secondary market transaction). The Buy-back consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company and the Manager to the Buy-back accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Eligible Shareholders’ sole risk. Eligible Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Buy-back are completed.
- The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the SEBI Buy-back Regulations.

15. COMPLIANCE OFFICER

The Board at their meeting held on Friday, July 14, 2023 designated Ms. Manee Sreee Aneetha, Company Secretary and Compliance Officer for the purpose of the Buy-back (“**Compliance Officer**”). Investors may contact the Company Secretary and Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e., from 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Ms. Manee Sreee Aneetha, Company Secretary and Compliance Officer

Anglo-French Drugs & Industries Limited

Registered Office: 41, 3rd Cross, V Block, Rajajinagar, Bengaluru-560 010, Karnataka, India

Corporate Identification Number: L24230KA1923PLC010205

Tel. No.: +91-80-2315 4770; **Fax:** +91-80-2338 9963;

Email: compliance@afdil.com; **Website:** www.afdil.com

16. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUY-BACK

In case of any query, the Eligible Shareholders may contact the Registrar to the Buy-back on all working days except Saturday, Sunday and public holidays between 10.00 a.m. and 5.00 p.m. at the following address:



Cameo Corporate Services Limited

Unit : Anglo French-Buyback

“Subramanian Building”, No.1, Club House Road, Chennai-600 002, Tamilnadu, India

Tel: +91 44 4002 0741 / 4002 0706 / 4002 0780 / 4002 0700; **Fax:** +91 44 2846 0129

Email: priya@cameoindia.com; **Website:** www.cameoindia.com

SEBI Registration: INR000003753; **Contact Person:** Ms. Sreepriya. K

17. MANAGER TO THE BUY-BACK

The Company has appointed the following as Manager to the Buy-back:



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East),

Mumbai - 400 059, Maharashtra, India. **Tel. No.:** +91 22 49730394

Email: buybacks@saffronadvisor.com; **Website:** www.saffronadvisor.com

Investor Grievance: investorgrievance@saffronadvisor.com

Corporate Identification Number: U67120MH2007PTC166711

SEBI Registration Number: INM000011211

Contact Person: Mr. Narendran Kumar Gamini / Mr. Satej Darde

18. DIRECTORS’ RESPONSIBILITY

As per Regulation 24(i)(a) of the SEBI Buy-back Regulations, the Board accepts full responsibility for all the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, etc., which may be issued in relation to the Buy-back, and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

For and on behalf of the Board of Directors of **Anglo-French Drugs & Industries Limited**

Abhay Kanoria Sd/-	Uddhav Kanoria Sd/-	Manee Sreee Aneetha Sd/-
Chairman & Managing Director DIN: 00108894	Whole Time Director DIN: 00108909	Company Secretary and Compliance Officer ICSI Membership Number: 32388

Place: Bengaluru

Date: July 17, 2023