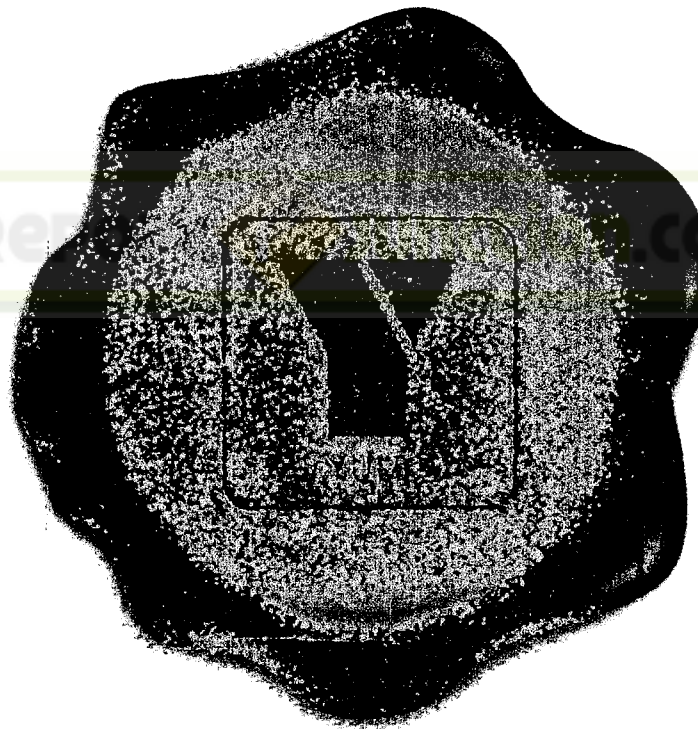


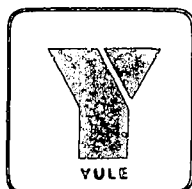
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TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

# ANNUAL REPORT & ACCOUNTS 1996-97



ANDREW YULE AND COMPANY LIMITED





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### Subsidiary Company :

Hooghly Printing Company, Limited





## BOARD OF DIRECTORS

Sujit Chakravorti — *Chairman & Managing Director*

A. K. Basu

Gajendra Haldea

R. K. Kashyap

A. Lahiri

Udayan Ray

S. N. Roy

H. R. Singh

E. I. Thomas

## COMPANY SECRETARY

D. Bose

## REGISTERED OFFICE

'Yule House'

8, Dr. Rajendra Prasad Sarani,  
Calcutta-700 001

### Offices at :

Flat Nos. 401,402 & 504,  
Laxmi Bhavan, 72, Nehru Place,  
New Delhi-110 019

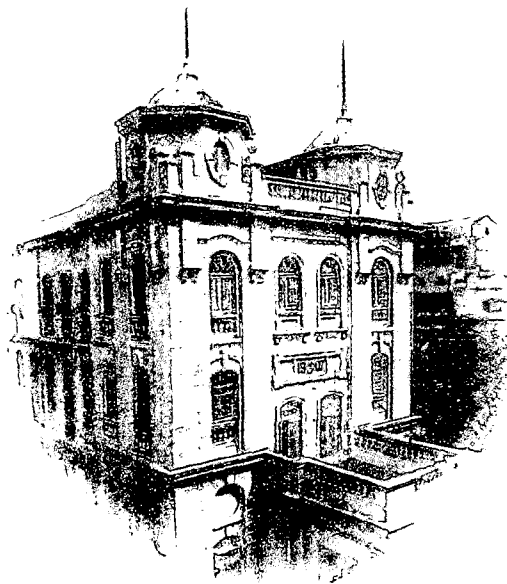
32, Ramjibhai Kamani Marg,  
Kamani Chambers,  
Ballard Estate, Mumbai-400 001

'Mount View'

646, Anna Salai,  
Chennai-600 006

JVL Plaza,

501, Anna Salai,  
Teynampet, Chennai-600 018



**ANDREW YULE & CO. LTD.**

*Auditors*

S. K. Singhania & Company  
Chartered Accountants  
19-A, Chowringhee Road,  
Calcutta-700 087

Saha Ganguli & Associates  
Chartered Accountants  
'Shantiniketan'  
8, Camac Street, 6th Floor  
Calcutta-700 017

Mitra Ghosh & Ray  
Chartered Accountants,  
182/8, Sarat Bose Road,  
Calcutta-700 029

*Legal Advisers*

Orr, Dignam & Company,  
29, Netaji Subhas Road,  
Calcutta-700 001

*Principal Bankers*

Allahabad Bank  
Bank of Baroda  
The Hongkong & Shanghai Banking Corporation Ltd.  
State Bank of India  
Union Bank of India  
United Bank of India



## NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of Andrew Yule & Company Limited will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Calcutta-700 001 on Wednesday, the 24th December, 1997 at 11.00 a.m. to transact the following business :

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 1997, Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri S. N. Roy who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS :**

To consider and, if thought fit, to pass with or without modifications the following resolutions :-

#### **As an Ordinary Resolution :**

3. "RESOLVED that Shri H. R. Singh be and is hereby appointed a Director of the Company."

#### **As Special Resolutions :**

4. "RESOLVED that pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 1,91,13,140 Ordinary Shares of Rs. 10 each, 67,210 4½% Cumulative Preference Shares of Rs. 100 each, 10,000 9% Cumulative Preference Shares of Rs. 100 each, 2,217 6½% Free of Income-tax Cumulative First Preference Shares of Rs. 100 each and 9,259 9.3% Cumulative Second Preference Shares of Rs. 100 each, to Rs. 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 (Seven Crores fifty lakhs) Equity Shares of Rs. 10 each."
5. "RESOLVED that subject to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 the existing Clause 5 of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause 5 :
  5. The Authorised Share Capital of the Company is Rs. 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 (Seven Crores fifty lakhs) Equity Shares of Rs. 10 each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."
6. "RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article No. 5(i) to (v) and 6 of the Articles of Association of the Company be and are hereby deleted and be substituted in its place by the following new Article :
  5. The Authorised Share Capital of the Company is Rs. 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 (Seven Crores fifty lakhs) Equity Shares of Rs. 10 each with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."
7. "RESOLVED that pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals/sanctions and permissions as may

**ANDREW YULE & CO. LTD.**

be required from the Central Government, different Institutions and Authorities and in accordance with the guidelines of Securities And Exchange Board of India (SEBI) for preferential allotment of shares, the consent, approval and authority of the Company be and are hereby accorded to the Board of Directors to issue upto 3,94,90,000 Equity Shares of Rs. 10/- each out of the unissued share capital of the Company for cash, at par to the President of India without offering to any other existing shareholders of the Company on such time as the Board of Directors may in its absolute discretion deem fit and proper."

"RESOLVED further that the above new equity shares to be issued shall rank pari passu in all respects with the existing equity shares of the Company."

"RESOLVED further that for the purpose giving effect to this resolution the Board of Directors be and is authorised to do all such acts, deeds, matters and things as may, in its absolute discretion deem necessary, proper or desirable and to settle any question or difficulty or doubt that may arise in regard to the issue and allotment of such shares as aforesaid or any other matters incidental or consequential thereto."

**As an Ordinary Resolution :**

8. "RESOLVED that Shri Shyam Sundar Gupta be and is hereby appointed a Director of the Company."

The Registers of Members and Transfer Registers of the Company will remain closed from 26th November to 5th December, 1997, both days inclusive.



*Registered Office :*

'Yule House'

8, Dr. Rajendra Prasad Sarani,

Calcutta-700 001.

25th November, 1997.

By order of the Board,

D. BOSE,

Company Secretary.

- Notes :
1. A member who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. Proxies, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.
  2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the items of Special Business is annexed.
  3. Members holding shares in more than one account are requested to intimate the Share Department of the Company the Ledger Folios to enable the Company to consolidate the same into one account.
  4. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends declared upto the financial year ended 31st March, 1994 which remained unclaimed/unpaid have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim such dividends from the Registrar of Companies, West Bengal, Nizam Palace, II MSO Building, 234/4, A.J.C. Bose Road, Calcutta-700 020.
  5. KINDLY BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.





## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No 3 :

Shri H. R. Singh, Director to the Government of India, Department of Heavy Industry, Ministry of Industry, was appointed a Director of the Company on 18th September, 1997 in terms of Section 262 of the Companies Act, 1956 (the Act) to fill-up the casual vacancy caused by the resignation of Shri A. K. Mohapatra. He will hold office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Act from a member proposing the appointment of Shri H. R. Singh as a Director of the Company at this Annual General Meeting and Shri Singh has consented to act as such, if appointed.

The Board recommends appointment of Shri H. R. Singh as a Director.

No Director other than Shri Singh has any interest or concern in the proposed resolution.

### Item Nos. 4, 5 & 6 :

The present Authorised Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty crores). It is proposed to increase the Authorised Capital to Rs. 75,00,00,000 (Rupees Seventy Five crores) in the manner as set out in the Notice in accordance with Sections 16 and 94 of the Companies Act, 1956. The increase in the Authorised Capital of the Company is proposed for issue of fresh equity shares to the Central Government in the name of the President of India in conversion of the financial assistance extended by the Central Government, into the equity share capital of the Company as per their stipulation.

The alteration of the Capital Clause of the Memorandum of Association and substitution of Article Nos. 5(i) to (v) and 6 of the Articles of Association by insertion of new Article is consequential to the increase in the authorised capital of the Company.

The Board of Directors recommends the resolutions for approval of the shareholders.

None of the Directors of the Company has any interest or concern in the resolutions.

### Item No. 7 :

As the members are aware there has not been infusion of any long term funds into the Company during the last 15 years and the entire increase in the business and growth of the Company had been funded through enhanced loans and borrowings. This resulted in steep increase in the interest burden which had eroded the profitability of the Company and it incurred substantial loss in the years 1994-95 and 1996-97 excepting in 1995-96 when a marginal profit was recorded. Consequent to above the tangible net worth of the Company was affected severely, loans risen sharply resulting in adverse Debt/Equity ratio.

Therefore, to ensure turn around of the Company and put it on the path of profitability a Business and Financial Restructuring Plan of the Company had already been submitted to the Central Government. As the approval thereof was likely to be delayed and the financial position of the Company worsened further, the Ministry of Industry was requested to extend financial assistance from the Central Government, the largest shareholder, to the Company on most urgent basis in the prevailing critical juncture.

The Central Government considered the issue sympathetically and has sanctioned to the Company the financial assistance of Rs. 39.49 crores for meeting expenditure on plan scheme. However, the Central Government while sanctioning such much needed assistance has particularly stipulated that the Company shall have to issue fresh equity shares of face value of Rs. 10 each at par in the name of the President of

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India equivalent to the aforesaid sanctioned amount. Consequent to this the Central Government has already released an amount of Rs. 18.46 crores and the balance sum of Rs. 21.03 crores is expected to be provided during the latter part of the current year.

The decision of the Central Government to participate in the equity capital of the Company in the manner aforesaid is beneficial to the interest of the Company particularly in view of the fact that it has come to the rescue of the Company in its dire need by injecting fresh fund despite the inability of the Company to declare any dividend for the years 1994-95, 1995-96 and 1996-97.

In case, however, the fresh equity shares at par equivalent to the amount sanctioned cannot be issued to the Central Government such amount would be converted and treated as loan by the Government carrying interest at the market rate. In such circumstances, the position of the Company would deteriorate further.

Under the circumstances explained above, the Company will be required to issue 3,94,90,000 equity shares at par from time to time for a total face value of Rs. 39.49 crores to the Central Government in the name of the President of India.

The Securities and Exchange Board of India (SEBI) has already conveyed its approval to the proposed conversion of financial assistance upto Rs. 11.68 crores into the equity shares of Rs. 10 each at par in relaxation of SEBI Preferential Offer Guidelines dated 4th August, 1994. The approval of SEBI for conversion of the balance amount into equity shares will be sought for in due course.

The proposal is being placed before the members as a "Special Resolution" in terms of Section 81 (1A) of the Companies Act, 1956 as the aforesaid Equity Shares will be issued to the Central Government in the name of the President of India.

The Board of Directors recommends that the proposed Special Resolution be passed.

None of the Directors has any interest or concern in the proposed resolution.

**Item No. 8 :**

The Company has received a Notice under Section 257 of the Companies Act, 1956 from Shri Shyam Sundar Gupta, a Shareholder, Businessman and the Founder Chairman of Shareholders' Welfare Forum, proposing his candidature as a Director of the Company at this Annual General Meeting.

Accordingly a resolution to this effect has been proposed.

No Director has any interest or concern in the proposed resolution.