



ANNUAL REPORT

2020-2021

Andrew Yule & Co. Ltd.
(A Government of India Enterprise)



CORPORATE INFORMATION

Board of Directors

Shri Sanjoy Bhattacharya [DIN:07674268]	– Chairman & Managing Director [holding additional charge of the post of Director (Planning)]
Shri K. Mohan [DIN: 08385809]	– Director (Personnel) [holding additional charge of the post of Director (Finance)]
Shri Jeetendra Singh [DIN:09207792]	– Nominee Director, Govt. of India
Shri Aditya Kumar Ghosh [DIN:09222808]	– Nominee Director, Govt. of India
Shri Vishwanath Giriraj [DIN:01182899]	– Non-Executive Independent Director
Shri Anil Kumar Goyal [DIN:07791721]	– Non-Executive Independent Director
Rear Admiral Anil Kumar Verma [DIN:05177972]	– Non-Executive Independent Director

Audit Committee

Shri Vishwanath Giriraj, Chairman
Shri Anil Kumar Goyal
Rear Admiral Anil Kumar Verma

Nomination & Remuneration Committee

Shri Anil Kumar Goyal, Chairman
Shri Vishwanath Giriraj
Rear Admiral Anil Kumar Verma
Shri Aditya Kumar Ghosh

Stakeholders Relationship Committee

Rear Admiral Anil Kumar Verma, Chairman
Shri Anil Kumar Goyal
Shri Sanjoy Bhattacharya
Shri K. Mohan

CSR Committee

Shri Sanjoy Bhattacharya, Chairman
Shri K. Mohan
Rear Admiral Anil Kumar Verma
Shri Vishwanath Giriraj
Shri Anil Kumar Goyal

Risk Management Committee

Shri Sanjoy Bhattacharya, Chairman
Shri K. Mohan
Shri Vishwanath Giriraj

Committee of the Board of Directors

Shri Sanjoy Bhattacharya, Chairman
Shri K. Mohan

Chief Financial Officer

Shri K. Mohan

Company Secretary

Smt. Sucharita Das

Statutory Auditor

M/s. S. K. Basu & Co.
Chartered Accountants,
20/5/2/2, Bisweswar Banerjee Lane,
Howrah – 711101

Secretarial Auditor

M/s. A. K. Labh & Co.
Company Secretaries,
40, Weston Street, 3rd Floor,
Kolkata – 700013

Cost Auditor

M/s. DGM & Associates,
Cost Accountants,
64, B. B. Ganguli Street (2nd Floor),
Kolkata - 700 012

Registrar & Share Transfer Agent

M/s. MCS Share Transfer Agent Ltd.
383, Lake Gardens, 1st Floor,
Kolkata - 700 045
Telephone : (033) 4072 4051/4052/4053
Fax : (033) 4072 4050
E-mail : mcssta@rediffmail.com

Bankers

Indian Bank (Formerly Allahabad Bank)
Bank of Baroda
Union Bank of India
Punjab National Bank (Formerly United Bank of India)

Registered Office

“Yule House”,
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001
Telephone : (033) 2242 8210 / 8550
Fax : (033) 2242 9770
Website : www.andrewyule.com
E-mail : com.sec@andrewyule.com
CIN – L63090WB1919GOI003229

Northern Regional Office

404, Guru Angad Bhavan,
71, Nehru Place,
New Delhi - 110 019

Note: Name(s) of any Director specified anywhere in this Report shall be read along with the Director Identification Number (DIN) stated against his name.



VISION

To position “YULE” as a leading brand by providing state-of-the-art products and commodity through continuous improvement and innovation.

MISSION

- To make AYCL INR 500 crore Company by FY 2024.
- Tapping new market to promote growth and profitability.
- To deliver quality product and services on time.



BOARD OF DIRECTORS

FUNCTIONAL DIRECTORS



Shri Sanjoy Bhattacharya
Chairman & Managing Director



Shri K. Mohan
Director (Personnel)

GOVERNMENT NOMINEE DIRECTORS



Shri Jeetendra Singh
Jt. Secretary, DHI



Shri Aditya Kumar Ghosh
Dy. Secretary, DHI

INDEPENDENT DIRECTORS



Shri Vishwanath Giriraj



Shri Anil Kumar Goyal



Rear Admiral Anil Kumar Verma



Table of Contents	Page
Chairman's Statement.....	5
Notice to Members	7
Board's Report along with Annexures	17
Corporate Governance Report	53
 STANDALONE FINANCIAL STATEMENTS	
Independent Auditor's Report	74
Comments of the Comptroller & Auditor General of India	85
Other Notes to the Financial Statements	86
Balance Sheet	98
Statement of Profit & Loss	99
Statement of Changes in Equity	100
Statement of Cash Flow	101
Notes to the Financial Statements	103
 CONSOLIDATED FINANCIAL STATEMENTS	
Independent Auditor's Report	130
Comments of the Comptroller & Auditor General of India	143
Other Notes to the Financial Statements	144
Balance Sheet	156
Statement of Profit & Loss	157
Statement of Cash Flow	158
Statement of Changes in Equity	160
Notes to the Financial Statements	161
Statement under Section 129(3) of the Companies Act, 2013 in form AOC-1	190

CHAIRMAN'S STATEMENT



Shri Sanjoy Bhattacharya
Chairman & Managing Director

Dear Shareholders,

I am privileged to present the 73rd Annual Report of your Company for FY 2020-21 and sincerely hope that all of you are safe and in good health. The outbreak of Covid-19 has been an immense threat to human life and has also adversely affected the global economy. But India has coped up well and is showing signs of recovery.

It is an honour and give me immense satisfaction to appraise you about the financial performance and achievements of your Company during the FY 2020-21 and its future outlook. Despite the initial contraction, our business had a V-shaped recovery and recorded expected growth in FY 2020-21.

Highlights and achievements of the Company

You will be happy to know that your Company has performed consistently and improved its fundamentals despite growing complexities in the industry and the continued uncertainty surrounding global economies. Profit before Tax (PBT) during the financial year 2020-21 stood at Rs.14.70 crore [Rs.(-)21.25 crore in 2019-20] and Total Comprehensive Income (TCI) stood at Rs. 21.86 crore [Rs.(-)15.68 crore in 2019-20] after making necessary Income Tax provisions and other adjustment of losses under the category of other comprehensive income.

Your Company puts its focus on the present, but always has its eyes on the future.

Despite the challenging times, the market capitalization of the Company has grown from Rs.376.98 crore as on 31st March, 2020 to Rs.965.68 crore as on 31st March, 2021 reflecting steady investor confidence in your Company.

However, there was a negative impact on the cash position of the Company due to increase in capital expenditure and wage hike of tea workers along with the additional liability of your Company towards payment of salary and wages of employees absorbed from Hooghly Printing Co. Ltd. (HPCL) as also the liability for payment of unsecured creditors of HPCL pursuant to NCLT's approval for merger of HPCL with your Company consequent upon Government order.

Due to insufficient free cash surplus position, the Board was unable to recommend any dividend for the financial year 2020-21.

Corporate Governance:

Your company always strives to attain the highest level of Corporate Governance practices. Implementation of Integrity Pact, adoption of code of conduct and a well-defined Internal Control Framework add to the transparency of the Company's business practices. AYCL is complying with the Government Guidelines and listing regulations on Corporate Governance. A report on Corporate Governance compliance forms a part of the Board's Report. Your Company has been getting "Excellent" rating from Department of Public Enterprises (DPE) for complying with various norms of Corporate Governance. I am sure that this trend will continue.

Outlook

Tea Division:

The tea division of AYCL puts emphasis on "Quality" and is recognized as one of the top-quality tea producers in the Tea Industry. Production and manufacture of crop is also showing an uptrend with its planned uprooting, re-planting and rejuvenation programme, projecting a long-term sustainability and viability.

With various certifications, reputation in bulk tea business, niche positioning in green and speciality teas (both domestic and international), enhanced retail and e-commerce efforts, outlook for the division is very positive.



Electrical – Chennai Operations:

Despite decline in last year, Transformer industry is anticipated to grow at a Compounded Annual Growth Rate (CAGR) of over 6.89% in the next six years.

AYCL- Chennai Operation's market share with respect to its existing product range (i.e Transformer of 8 MVA to 63 MVA, 132 kV Class) is 2% (approx).

Outlook for the business is positive considering sector growth stated above. This unit's product has a good range, brand image and decent infrastructure. It's turn-around looks feasible next year from the present minor loss-making scenario.

Engineering Division

The unit has high efficiency product range as per industry requirement and competes well in the market. Production processes and infrastructure match the best in the industry. Labour and other operations cost will come down in terms of percentage of revenue with increasing sale and market share in near future.

Considering these factors, the outlook for the business is positive in spite of the losses being incurred by the unit. This unit's business has a good brand image, product range, decent infrastructure and a turn-around is possible by FY23.

Forward Looking Statement

In Tea, your company will embark on modernization and modification of existing plant and machinery with a CAPEX spread of INR 3.70 crore (approx.) in four Dual (CTC + Orthodox) gardens over the next 2 years. This along with better capacity utilisation in other factories is expected to add one million kg capacity. Acquisition of Tea gardens is also being considered to add one million kg capacity in next 2 years' time. Tea business of the Company is thereby expected to grow with a CAGR of 9.1 % and reach a top line of INR 300 crore by FY24. Profit is also expected to grow accordingly, provided that the wage and other costs remain stable along with market price of tea. Uprooting and replanting, in-filling of vacant patches, improvement in Fine Leaf Count (FLC), use of bio-fertilizer and bio-insecticides will be pursued vigorously to improve tea bush health and tea quality to command better price.

Engineering and Electrical-Chennai Operations are now expected to do much better as their order book position is very good in the current year.

All these will make it possible for Andrew Yule to grow with a CAGR of 11.6% to become INR 500 crore Company by FY24.

Before I conclude, on behalf of the Board of Directors, I wish to convey our sincere regards and deep gratitude to our valued stakeholders for their continued support and trust. You always have been the motivational force that has facilitated us to move ahead. I also put my heartfelt appreciation for all AYCL employees who took on a courageous responsibility to achieve the goals even during the worst COVID-19 situation.

At the same time, I wish to acknowledge the valuable guidance given by the Board of Directors of the company without which it would have not been possible to lead the Company with energy and enthusiasm. I look forward to continued support and commitment from all stakeholders of the Company to reach new heights and enhancing stakeholders' value.

Place: Kolkata
Date: 29th September, 2021

Sanjoy Bhattacharya
Chairman & Managing Director



ANDREW YULE & COMPANY LIMITED

(A Government of India Enterprise)

CIN: L63090WB1919GOI003229

Registered Office: "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001

Tel.: (033) 2242-8210/8550; Fax: (033) 2242-9770;

E-mail: com.sec@andrewyule.com; Website: www.andrewyule.com

NOTICE TO MEMBERS

Notice is hereby given that the 73rd Annual General Meeting of the members of Andrew Yule & Company Limited will be held on Wednesday, the 29th day of September, 2021 at 3.30 p.m. to transact the following business through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 including the Audited Consolidated Financial Statements for the year ended on that date together with the Reports of the Board of Directors, Auditors and Comments of the Comptroller & Auditor General of India (CAG) thereon and in this regard, to consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company including Audited Consolidated Financial Statements for the year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon and Comments of the Comptroller & Auditor General of India be and are hereby received, considered and adopted."

2. To consider continuation of the appointment of Shri Jeetendra Singh (DIN: 09207792), Part-time Official Director (Govt. Nominee) as a Director liable to retire by rotation at this Annual General Meeting as per applicable provisions of the Companies Act, 2013 subject to the terms and conditions as determined by the Government of India vide their Order F.No. 10-10/9/2018-PE.I dated 16th June, 2021 and further order(s) in this regard, if any and in this regard, to consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT approval be and is hereby accorded for continuation of the appointment of Shri Jeetendra Singh (DIN: 09207792), Part-time Official Director (Govt. Nominee) as a Director liable to retire by rotation at this Annual General Meeting as per applicable provisions of the Companies Act, 2013 subject to the terms and conditions as determined by the Government of India vide their Order F.No. 10-10/9/2018-PE.I dated 16th June, 2021 and further order(s) in this regard, if any."

3. To authorize the Board of Directors to fix remuneration of Statutory Auditors of the Company for the financial year 2021-22 in compliance with the orders and directions of appointment by the Comptroller & Auditor General of India.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution:

4. As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of Rs. 1,50,000/- per annum plus applicable taxes, if any, payable to M/s. DGM & Associates, Cost Accountants (Firm Registration No: 000038) who have been appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year ending on 31st March, 2022."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:

"Yule House",

8, Dr. Rajendra Prasad Sarani,

Kolkata - 700 001

Date: 13th August, 2021

By Order of the Board

Sucharita Das

Company Secretary

Membership No. FCS5159



NOTES:

1. In view of the continuing Covid-19 pandemic, physical distancing being a norm to be followed and in compliance with the General Circular No. 14/2020 dated April 08, 2020; General Circular No.17/2020 dated April 13, 2020; General Circular No. 20/2020 dated May 05, 2020; General Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued by the Ministry of Corporate Affairs (MCA Circulars) from time to time, the AGM of the Company will be held through Video Conferencing/Other Audio Visual Means (VC/OAVM).
2. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs and the Circular No. SEBI/ HO/ CFD /CMD1/ CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/ CMD2/CIR /P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI), the physical attendance of the Members at the AGM has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting, is annexed to this Notice.
4. The Register of the Members and the Share Transfer Registers of the Company will remain closed from 23rd September, 2021 (Thursday) to 29th September, 2021 (Wednesday), both days inclusive.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and to vote through e-voting, by email through its registered email address to com.sec@andrewyule.com.
6. An authorised representative of the President of India, holding shares in the Company, may appoint authorised representative of the President of India to attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
9. M/s. MCS Share Transfer Agent Limited, 383 Lake Gardens, 1st Floor, Kolkata - 700045 has been appointed as Registrar and Share Transfer Agent (RTA) of the Company.
10. Dividends for the financial year ended 31st March, 2015, 31st March, 2017 and 31st March, 2018 which remained unpaid or unclaimed will be due to be transferred to the Investor Education and Protection Fund of the Central Government on 3rd September, 2022, 25th October, 2024 and 2nd November, 2025, respectively.

In terms of section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, shares of the Company in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25th November, 2020 (date of last Annual General Meeting) on the website of the Company (www.andrewyule.com), as also on the website of the Ministry of Corporate Affairs.



The Members are requested to take note that unclaimed dividends be claimed immediately for the financial year ended 31st March, 2015, 31st March, 2017 and 31st March, 2018 to avoid transfer of the shares to the IEPF Account although the shares transferred to the IEPF Account can be claimed back.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the 73rd AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the said Notice and Annual Report 2020-21 will also be available on the Company's website www.andrewyule.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing e-voting facility) <https://www.evoting.nsdl.com>.
12. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or to the Registrar of the Company, the details of such folios for consolidating their holding in one folio.
13. Members desirous of making a nomination in respect of their shareholding in physical form, as permitted under section 72 of the Companies Act, 2013, are requested to submit the prescribed form SH-13 and SH-14, as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, to the office of the Registrar and Share Transfer Agent.
14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank Details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company or to Company's Registrar and Share Transfer Agent.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Share Department of the Company or to Company's Registrar and Share Transfer Agent.
16. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
18. Additional information pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice. The Director has furnished the requisite declarations for his appointment/re-appointment.
19. Kindly note that pursuant to the amendment to regulation 40 of SEBI (LODR) Regulations, 2015, as amended, SEBI has mandated that transfer of securities of listed companies would be carried out in dematerialized form only with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Ltd. (MCS), for assistance in this regard.
20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
21. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to com.sec@andrewyule.com.