



ANNUAL REPORT

2021-2022

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



CORPORATE INFORMATION

Board of Directors

Shri Sanjoy Bhattacharya [DIN: 07674268]	— Chairman & Managing Director
Shri K. Mohan [DIN: 08385809]	— Director (Personnel) and in additional charge of Director (Finance)
Shri Rajinder Singh Manku [DIN: 09706881]	— Director (Planning) [w.e.f. 18.08.2022]
Shri Vijay Mittal [DIN: 09548096]	— Nominee Director, Govt. of India [w.e.f. 28.03.2022]
Shri Aditya Kumar Ghosh [DIN: 09222808]	— Nominee Director, Govt. of India [w.e.f. 01.07.2021]
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
Shri Om Prakash Mittal [DIN: 00512243]	— Non-Executive Independent Director [w.e.f. 02.11.2021]
Shri Sunder Pal Singh [DIN: 09438081]	— Non-Executive Independent Director [w.e.f. 16.12.2021]
Smt. Namita Devi alias Smt. Lovely Gupta [DIN: 07436235]	— Non-Executive Independent Director [w.e.f. 02.11.2021]

Audit Committee

Shri Vishwanath Giriraj, Chairman
Shri Anil Kumar Goyal
Rear Admiral Anil Kumar Verma
Shri Om Prakash Mittal
Smt. Namita Devi

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

Rear Admiral Anil Kumar Verma, Chairman
Shri Anil Kumar Goyal
Shri K. Mohan
Shri Om Prakash Mittal
Shri Sunder Pal Singh
Smt. Namita Devi

Corporate Social Responsibility Committee

Shri Sanjoy Bhattacharya, Chairman
Shri K. Mohan
Rear Admiral Anil Kumar Verma
Shri Vishwanath Giriraj
Shri Anil Kumar Goyal
Shri Om Prakash Mittal
Shri Sunder Pal Singh
Smt. Namita Devi

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
Shri Rajinder Singh Manku

Chief Financial Officer

Shri K. Mohan

Company Secretary

Smt. Sucharita Das
(ICSI Membership No. F5159)

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

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

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
Bank of Baroda
Union Bank of India
Punjab National Bank

Northern Regional Office

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

Note: Name(s) of any Director or Key Managerial Personnel specified anywhere in this Report shall be read along with the Director Identification Number (DIN) or Membership No. stated against his / her name as the case may be.



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)



Shri Rajinder Singh Manku
Director (Planning)

GOVERNMENT NOMINEE DIRECTORS



Shri Vijay Mittal
Jt. Secretary, MHI



Shri Aditya Kumar Ghosh
Dy. Secretary, MHI

INDEPENDENT DIRECTORS



Shri Vishwanath Giriraj



Shri Anil Kumar Goyal



Rear Admiral Anil Kumar Verma



Shri Om Prakash Mittal



Shri Sunder Pal Singh



Smt. Namita Devi



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CHAIRMAN'S STATEMENT



Shri Sanjoy Bhattacharya
Chairman & Managing Director

Dear Shareholders,

It is my privilege to present, on behalf of the Board of Directors of Andrew Yule & Co. Ltd., the 74th Annual Report of your Company for the Financial Year 2021-22, highlighting the Company's performance in operational, financial, social, environmental and human capital aspects.

Over the past two years, the pandemic has affected our lives, business and growth. But I believe that these challenges have made us more agile, resilient and responsible not only at individual level but at organizational level too.

Highlights and achievements of the Company

You will be happy to know that your Company has performed consistently despite growing complexities in the industry and the continued uncertainty surrounding global economies. Profit before Tax (PBT) during the financial year 2021-22 stood at Rs.11.13 crore [Rs.14.70 crore in 2020-21] and Total Comprehensive Income (TCI) stood at Rs. (-)0.16 crore [Rs.21.86 crore in 2020-21] after "Exceptional Items", Tax expenses and other comprehensive income.

With the support from the Ministry of Heavy Industries, we have been able to close the loss making Electrical-Kolkata Unit by giving VRS to its employees, the amount of which is indicated in "Exceptional Items".

As draught affected all tea gardens in Assam and Bengal, additional capital expenditure was done to save young tea bushes. Also, there was wage hike for tea workers and 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. All these had negative impact on the cash position of the Company. The Company also requires to settle E-KO's liability on account of creditors balance.

Thus, due to insufficient free cash surplus position, the Board was unable to recommend any dividend for the financial year 2021-22.

Outlook

Tea Division:

As tea is seasonal business, there is usually operational loss in Q1 and Q4. Excessive rain and flooding in Q1 in the ongoing financial year caused huge crop loss for AYCL and the Tea Industry as well and there has been another increase in daily wages of workers by 15% in West Bengal Tea Estates from 1st January, 2022 and for Assam Tea Estates from 1st August, 2022. This will have an impact of INR 18 crore approx. on the wage bill of AYCL for FY23.

Effort is on to make up the aforesaid production loss partly in Q2 and Q3 and also to improve quality to fetch more price compared to last year to make up for the revenue loss.

You will be happy to know that we are going to install 3 (three) new Withering Troughs to increase production capacity by 3.5 lakh Kg in Hoolungooree Tea Estate with Capex of Rs.60 lakh (approx.).

One new factory outlet for retail tea has been opened in Engineering factory in August, 2022 and is doing good business.

Retail sale has grown by 78% in FY22 and expected to increase by 30% in FY23.

Export will be all time high as export order received in Q1 is worth INR 26.86 crore (vis-à-vis INR 5.42 crore in FY 22).

Your Company has entered into speciality tea segment and four (04) new blends were launched by Hon'ble Minister and Hon'ble Secretary, Ministry of Heavy Industry (MHI) in October, 2021. These have got good response from the market.



You will be pleased to know that a 3 (three) Room Heritage Bungalow has been inaugurated by Hon'ble Minister, MHI on 16th May, 2022 in our MIM Tea Estate for tourists which is having increased footfall since then.

Further tender has been floated for EPC contractor for expansion of MIM Tea Resort by setting up 8 cottages (16 rooms) for Tea Tourism in MIM Tea Estate, Darjeeling. Estimated completion is by August, 2023. When it gets fully operational, both top and bottom line of MIM Tea Estate shall improve significantly.

Engineering Division:

With increase in order trend in Engineering division, 263 nos impellers were made in FY22 vis-à-vis 243 nos in FY21. AYCL also plans to enhance the capacity further to 360 impellers by FY24. With continuous endeavour on all these fronts, Order Booking in Engineering division has improved by 24% (INR 49.85 crore in FY22 vis-à-vis INR 40.16 crore in FY21). The order booking in FY23 is likely to be INR 55 crore.

The Division's expertise in retrofitting for higher energy efficiency has improved order booking in Steel and Cement sector.

With strength and opportunities stated above, Engineering division is estimated to have a top line growth of 38% by FY24.

Electrical-Chennai Operation:

Capacity utilisation of Electrical-Chennai (E-CO) has been low in Q1 because of low working capital and IR issue. Higher Capacity utilisation is expected in next 3 Quarters in view of sizable order in hand.

Modernization/Capacity enhancement of Electrical- Chennai operation to be achieved by upgrading the testing facility to NABL accredited with a CAPEX spread of INR 0.70 crore (approx.) in FY23 and FY24. With all round efforts, Order Booking has improved by 16X (INR 114.76 crore in FY22 vis-à-vis INR 7.17 crore in FY21). Electrical-Chennai Operation business is estimated to have a top line growth of 75% by FY24.

With Tea division, Engineering division and Electrical-Chennai Operations' estimated business growth as stated above, AYCL's business is estimated to have a top line growth of 33% by FY24.

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 for 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 Ministry of Heavy Industries and 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, 2022

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 74th Annual General Meeting of the members of Andrew Yule & Company Limited will be held on Thursday, 29th September, 2022 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, 2022 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 for the financial year ended 31st March, 2022 including the audited consolidated financial statements for the year ended on that date 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 Aditya Kumar Ghosh (DIN: 09222808), 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 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 Aditya Kumar Ghosh (DIN: 09222808), 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 2022-23 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 resolutions:

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, 2023."

"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."

5. As an Ordinary Resolution:

To accord consent for continuation of appointment of Shri Om Prakash Mittal (DIN: 00512243) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the terms and conditions as determined by the Government of India, Shri Om Prakash Mittal (DIN: 00512243), who was appointed as a Part-time Non-Official Independent Director on the Board of Directors of



ANDREW YULE & COMPANY LIMITED

the Company by the Ministry of Heavy Industries, Government of India vide Order F.No.10(33)/2010-PE.I/CPSE-I dated 2nd November, 2021 and subsequently pursuant to the provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Act and regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Shri Mittal was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 2nd November, 2021 and who has submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member, signifying his intention to propose Shri Om Prakash Mittal as a candidate for the office of the Director of the Company, be and is hereby accorded for continuation of appointment as a Part-time Non-Official Independent Director of the Company w.e.f. 2nd November, 2021, whose term shall not be subject to retirement by rotation, to hold office for a period of 3 (three) consecutive years from the date of notification of appointment or until further order by the Government of India, whichever is earlier."

6. As an Ordinary Resolution:

To accord consent for continuation of appointment of Shri Sunder Pal Singh (DIN: 09438081) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the terms and conditions as determined by the Government of India, Shri Sunder Pal Singh (DIN: 09438081), who was appointed as a Part-time Non-Official Independent Director on the Board of Directors of the Company by the Ministry of Heavy Industries, Government of India vide Order F.No.10(33)/2010-PE.I/CPSE-I dated 2nd November, 2021 and subsequently pursuant to the provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Act and regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Shri Singh was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 16th December, 2021 and who has submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member, signifying his intention to propose Shri Sunder Pal Singh as a candidate for the office of the Director of the Company, be and is hereby accorded for continuation of appointment as a Part-time Non-Official Independent Director of the Company w.e.f. 16th December, 2021, whose term shall not be subject to retirement by rotation, to hold office for a period of 3 (three) consecutive years from the date of notification of appointment or until further order by the Government of India, whichever is earlier."

7. As an Ordinary Resolution:

To accord consent for continuation of appointment of Smt. Namita Devi alias Smt. Lovely Gupta (DIN: 07436235) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the terms and conditions as determined by the Government of India, Smt. Namita Devi alias Smt. Lovely Gupta (DIN: 07436235), who was appointed as a Part-time Non-Official Independent Director on the Board of Directors of the Company by the Ministry of Heavy Industries, Government of India vide Order F.No.10(33)/2010-PE.I/CPSE-I dated 2nd November, 2021 and subsequently pursuant to the provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Act and regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Smt. Devi was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 2nd November, 2021 and who has submitted a declaration that she meets the criteria of independence under section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member, signifying his intention to propose Smt. Namita Devi alias Smt. Lovely Gupta as a candidate for the office of the Director of the Company, be and is hereby accorded for continuation of appointment as a Part-time Non-Official Independent Director of the Company w.e.f. 2nd November, 2021, whose term shall not be subject to retirement by rotation, to hold office for a period of 3 (three) consecutive years from the date of notification of appointment or until further order by the Government of India, whichever is earlier."

Registered Office:
"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001
Date: 12th August, 2022

By Order of the Board

Sucharita Das
Company Secretary
Membership No. FCS5159



NOTES:

1. In view of the prevailing circumstances due to the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated 08.04.2020, 13.04.2020, 05.05.2020, 13.01.2021, 08.12.2021, 14.12.2021 and 05.05.2022, respectively, issued by the Ministry of Corporate Affairs from time to time (collectively referred to as 'MCA Circulars'), read with Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12.05.2020, 15.01.2021 and 13.05.2022, respectively, issued by the Securities and Exchange Board of India ("SEBI Circulars"), the 74th AGM of the Company will be held through Video Conferencing/Other Audio Visual Means (VC/OAVM). The recorded transcript of the AGM will be hosted on the website of the Company.
2. Pursuant to the aforesaid MCA Circulars read with the SEBI Circulars, 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, 2022 (Friday) to 29th September, 2022 (Thursday), 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, 24th 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.