



ANDREW YULE & COMPANY LIMITED

[A Government of India Enterprise]

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Transcript of Proceedings of 73rd Annual General Meeting of Andrew Yule & Co. Ltd. held through video conferencing on 30th September, 2021 at 3.30 p.m.

Beginning of the meeting

CMD AYCL:

- ❖ Good afternoon, ladies and gentlemen. Hope, I am audible and visible to all. I, Sanjoy Bhattacharya, Chairman & Managing Director of Andrew Yule & Co. Ltd., welcome you all to the 73rd Annual General Meeting of the Company. It is my privilege to address all of you as the Chairman of the Company. I hope you and your family members are remaining healthy and staying safe.
- ❖ I greatly appreciate your taking the time to attend the 73rd AGM of the Company in spite of the challenging time.
- ❖ I would like to highlight certain points here:
 - Due to continuance of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) vide their respective circulars, have allowed the Companies to hold the AGM through Video Conferencing or Other Audio Visual Means during the calendar year 2021. This AGM is accordingly being held through video conference in compliance with the circulars issued by MCA and SEBI.
 - Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM.
 - All the shareholders who have joined this meeting are by default being placed, by the host, on mute for conducting this meeting smoothly and seamlessly.
- ❖ Before we start the main proceedings of the AGM, let me introduce my colleagues on the Board, who have joined the AGM through video conferencing from their respective locations and the Company Secretary:
 - (1) Shri K. Mohan - Director (Personnel) and in additional charge of the post of Director (Finance),
 - (2) Shri Vishwanath Giriraj - Independent Director and Chairman of the Audit Committee
 - (3) Shri Anil Kumar Goyal - Independent Director and Chairman of the Nomination and Remuneration Committee,
 - (4) Rear Admiral Anil Kumar Verma - Independent Director and also the Chairman of the Stakeholders Relationship Committee,

(5) Smt. Sucharita Das - Company Secretary.

- ❖ I wish to inform the Shareholders that Shri Jeetendra Singh, Govt. Nominee Director of the Company is unable to attend this AGM due to some urgent pre-occupation and Shri Aditya Kumar Ghosh, the other Govt. Nominee Director is attending this AGM as the representative of the President of India in the capacity of a Shareholder.
- ❖ Apart from them, I also acknowledge the attendance of Shri Sovon Basu and Shri Rudraneil Mallick, representatives of the Statutory Auditors, M/s S. K. Basu & Co., Chartered Accountants and Shri Atul Kumar Labh, representative and proprietor of M/s. A. K. Labh & Co., Secretarial Auditor of the Company attending from their respective locations.
- ❖ Participation of shareholders through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013.
- ❖ As the requisite quorum is present through Video Conferencing for AGM, I call the meeting to order.
- ❖ I now request the Company Secretary to take us through the regulatory matters and general instructions pertaining to the Annual General Meeting.

Company Secretary, AYCL

- ❖ Thank you, Sir. Hope, I am audible and visible to all.
- ❖ The facility for joining this AGM through video conference or other audio-visual means is made available for the shareholders on a first-come-first-served basis.
- ❖ The Register of Directors and Key Managerial Personnel and the Register of Contracts or Arrangements have been made available electronically for inspection by the shareholders during the AGM.
- ❖ Some of the shareholders have registered themselves as Speaker Shareholder for the AGM. Accordingly, the floor will be open for those shareholders to ask questions or express their views once announced by the Hon'ble Chairman.
- ❖ The moderator will facilitate this session once the Chairman opens the floor for Question and Answers.
- ❖ Once the Question and Answers floor opens, the moderator will unmute the particular shareholder. Before speaking, shareholders are requested to make sure that their video is on.
- ❖ We would further like to request the shareholders to limit their questions / views to 3 minutes.
- ❖ In case members face any difficulty, they may reach out on the helpline numbers provided in the Notice.

- ❖ Now I would like to request our Chairman to continue with the proceedings of the AGM.

CMD AYCL:

Chairman Speech

I would now like to share with you the performance highlights

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 look 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.

- ❖ Now, in regard to the other proceedings of the AGM, kindly note that the Notice of the 73rd AGM along with the Annual Report for the financial year 2020-21 was sent to the shareholders electronically. With your kind permission, I shall take them as read.
- ❖ The observations made by the Statutory Auditors in their Report on the financials of the Company for the financial year 2020-21 and by the Secretarial Auditor in their Report for the financial year 2020-21 along with the management's response on the observations have been included in detail in the Board's Report in page nos. starting from 29 to 31. Therefore, with your kind permission, I take the Statutory Auditor's Report and the Secretarial Auditor's Report as read.

BUSINESS OF THE MEETING

- ❖ I now take up the resolutions as set forth in the Notice of the 73rd AGM:

Resolution No. 1

Adoption of 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 and Auditor General of India (CAG) thereon.

Resolution No. 2

Appointment of a Director in place of Shri Jeetendra Singh (DIN: 09207792), who retires by rotation and being eligible, offers himself for re-appointment.

Resolution No. 3

Fixation of remuneration payable to the Statutory Auditors of the Company for the financial year 2021-22.

Resolution No. 4

Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2021-22.

- ❖ The details of the resolutions along with explanatory statement is provided in the notice circulated to the shareholders.
- ❖ The e-voting window shall now be activated for allowing the shareholders to vote during the AGM. Shareholders are requested to vote by clicking on the insta poll button visible on your screen.
- ❖ Now, I will invite the shareholders who have registered themselves as speakers to express their views, ask questions and give suggestions.
- ❖ So, I will read out the names of the registered shareholders one by one to give their opinions and would request the Moderator to unmute the Speaker Shareholders one by one.
- ❖ Speaker Shareholders raised their queries one by one.
- ❖ Thank you all for providing your valuable feedback. Now, I would like to answer the questions.
- ❖ CMD answered all the queries raised by the shareholders.
- ❖ I think all the questions are addressed now.
- ❖ I would now conclude the meeting. The e-voting process will continue for next 15 minutes and will be disabled thereafter.
- ❖ Shareholders who have not cast their vote yet are requested to do so.
- ❖ Further, I authorize the Company Secretary of the Company to declare the voting results latest by 5.00 p.m. on Friday, 1st October, 2021 after receiving the Consolidated Scrutinizers' Report. The Results declared along with the Scrutinizer's Report will be intimated to the BSE Limited (BSE), where the shares of the Company are listed and also uploaded on the Company's Website www.andrewyule.com as well as on the Website of NSDL, the authorised agency for providing the remote e-voting facility in connection with the 73rd Annual General Meeting.
- ❖ The resolutions, as set forth in the Notice, shall be deemed to have been passed today subject to receipt of requisite number of votes.

- ❖ I thank all the Shareholders for participation in this AGM. I also thank all the Board Members and Auditors for their participation.
- ❖ I now hereby declare the proceedings of this AGM as closed. Thank you.

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