

**ANDREW YULE & COMPANY LIMITED**

[A Government of India Enterprise]

CIN: L63090WB1919GOI003229

Regd. Office : "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata - 700001

Tel: (033) 2242 8210/8550; Fax: (033) 2242 9770; E-mail: com.sec@andrewyule.com; Website: www.andrewyule.com

Rs in Lakhs

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021**

Particulars		Standalone				
		3 months ended 31.03.2021	Preceeding 3 months ended on 31.12.2020	Corresponding 3 months ended in the previous year 31.03.2020	Year to date 31.03.2021	Year to date 31.03.2020
		[Unaudited]	[Unaudited]	[Unaudited]	(Audited)	[Audited]
[1]	Income from Operations					
[a]	Net Sales/Income from Operations	5,623.25	10,640.91	4,083.37	32,838.94	29,707.98
[b]	Other Operating Income	176.23	26.67	108.53	211.84	205.65
[2]	Other Income	210.78	1,250.83	734.07	3,055.86	3,082.59
[3]	Total Income	6,010.27	11,918.41	4,925.97	36,106.65	32,996.22
[4]	Expenses					
[a]	Cost of Materials Consumed	2,329.63	2,165.56	1,107.25	8,830.59	8,800.52
[b]	Purchases of Stock-in-trade	-	-	-	-	-
[c]	Changes in Inventories of Finished Goods,	1,599.04	1,564.94	1,951.78	247.76	(20.18)
[d]	Employee Benefits Expense	3,706.25	5,408.48	3,352.10	18,157.27	17,648.44
[e]	Finance Cost	116.64	164.89	188.87	809.62	845.19
[f]	Depreciation and Amortisation Expense	199.54	143.75	156.74	667.21	657.56
[g]	Other Expenses	1,133.25	1,583.44	1,268.14	5,923.85	7,190.08
	Total Expenses	9,084.35	11,031.06	8,024.88	34,636.30	35,121.61
[5]	Profit/(Loss) before Tax[3-4]	(3,074.08)	887.36	(3,098.91)	1,470.35	(2,125.39)
[h]	Profit/ Loss arising out of Discontinued Operation	-	-	-	-	-
[6]	Tax Expense	(649.39)	-	(73.37)	(649.39)	(73.37)
[7]	Net Profit/(Loss) for the period [5-6]	(2,424.69)	887.36	(3,025.54)	2,119.74	(2,052.02)
[8]	Other Comprehensive Income					
	(a) Remeasurement of Investment	-	(4.01)	(9.59)	(4.01)	(476.59)
	(b) Adjustment of actuarial gains/losses nett of deferred tax	(115.55)	187.10	1,552.59	70.52	960.93
	Total Other Comprehensive Income	(115.55)	183.09	1,543.00	66.51	484.34
[9]	Total Comprehensive Income for the period[7+8]	(2,540.24)	1,070.45	(1,482.54)	2,186.25	(1,567.68)
[10]	Earnings per equity share (not annualised)					
	(a) Basic	(0.50)	0.18	(0.62)	0.43	(0.42)
	(b) Diluted	(0.50)	0.18	(0.62)	0.43	(0.42)
[11]	Paid-up Equity Share Capital	9,779.02	9,779.02	9,779.02	9,779.02	9,779.02
	(Face Value of Rs.2/- per share)					

*Signature* *S. Ban*

1) The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules 2016.

2) The above Audited Financial Results for the quarter and year ended 31st March 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meeting held on 22nd June 2021 and 23rd June 2021 respectively.

3) This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) The Company has adopted INDAS-116 effective 01/04/2019 in the following manners:

a) The standards have been applied to only such cases wherever executed lease agreements and/or Notifications issued by the concerned Lessor Government are in hands of the Company and for the balance period of such lease as on 01/04/2019, except for cases mentioned in (b) below.

b) In case of lease of lands from the Government of Assam for the Tea gardens in Assam, the Company, in conjunction with Indian Tea Association, has noted that, section 9 of the Assam Land and Revenue Regulation, 1886 provides a land lessee, right of use, occupancy and other relevant rights subject to payment of revenues, taxes, cesses and rates from time to time as may be due in respect of said land and thus, there is no fixed or defined period of lease. As such, INDAS116 should not accordingly be applicable in case of Assam.

5) Figures of the previous year has been rearranged and regrouped wherever necessary.

6) Impact on Financial position of the Company due to COVID-19 Pandemic

The impact of Government imposed Lockdown due to Covid-19 pandemic was temporary. As result of lockdown/restrictions, production could not be carried out till approvals from local government authorities was received. In light of the above, the company considering all internal & external factors, has made a detailed assessment of its liquidity position including its cash flow, business outlook and of the recoverability and carrying amounts of its assets as on 31/03/2021 and has concluded that no material adjustment are required in Standalone/Consolidated Unaudited Financial Results

M/s. S.K.BASU & CO.

Chartered Accountants

F.No.-301026E

*S. Basu*

S.Basu

Partner (M.No.: 053225)

Place : Kolkata

Date : 23rd June 2021



*Shri K. Mohan*

SHRI K. MOHAN

DIRECTOR (PERSONNEL)/ADDL. CHARG OF FINANCE

DIN. 08385809

ANDREW YULE & COMPANY LIMITED

*Sanjoy Bhattacharya*

SANJOY BHATTACHARYA  
CHAIRMAN & MANAGING DIRECTOR  
DIN :07674268



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Rs in Lakhs

**SEGMENT-WISE REVENUE, RESULTS, ASSETS & LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021**

Particulars		Standalone				
		3 months ended 31.03.2021	Preceding 3 months ended 31.12.2020	Corresponding 3 months ended in the previous year 31.03.2020	Year to date 31.03.2021	Year to date 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	Audited	Audited
[1]	<b>Segment Revenue [ Net Sales/Income from each segment]</b>					
[a]	Tea	2,540.06	7,923.63	2,608.07	23,650.25	20,615.36
[b]	Electrical-Kolkata	327.81	835.47	333.35	2,220.87	2,067.91
[c]	Electrical-Chennai	1,595.10	906.23	527.73	3,644.28	3,273.69
[d]	Engineering	1,207.63	991.14	688.42	3,336.20	3,719.62
[e]	Unallocated	128.88	11.13	50.08	199.18	263.73
	<b>Total</b>	<b>5,799.48</b>	<b>10,667.60</b>	<b>4,207.65</b>	<b>33,050.78</b>	<b>29,940.31</b>
	Less: Inter Segment Revenue	-	-	15.75	-	26.68
	<b>Net Sales/Income from Operations</b>	<b>5,799.48</b>	<b>10,667.60</b>	<b>4,191.90</b>	<b>33,050.78</b>	<b>29,913.63</b>
[2]	<b>Segment Results</b>					
	[Profit(+)/Loss(-) before tax and interest from each Segment]					
[a]	Tea	(2,880.32)	831.36	(2,167.29)	2,406.63	(221.04)
[b]	Electrical-Kolkata	(174.76)	(400.21)	(495.00)	(1,097.51)	(1,934.95)
[c]	Electrical-Chennai	137.37	(133.32)	(41.96)	(170.00)	(164.00)
[d]	Engineering	105.78	(47.71)	(138.08)	(271.28)	(112.16)
	<b>Total</b>	<b>(2,811.93)</b>	<b>250.12</b>	<b>(2,842.33)</b>	<b>867.84</b>	<b>(2,432.15)</b>
	Less:					
	[i] Interest	116.64	164.89	188.87	809.62	845.19
	[ii] Other unallowable Expenditure net off Unallocable Income	145.51	(802.14)	67.70	(1,412.13)	(1,151.96)
	<b>Total Profit/(Loss) before tax</b>	<b>(3,074.08)</b>	<b>887.37</b>	<b>(3,098.90)</b>	<b>1,470.35</b>	<b>(2,125.38)</b>
	<b>Segment Assets</b>					
	Tea	21,597.34	26394.00	19,885.35	21,597.34	19,885.35
	Electrical-Kolkata	4,284.05	5010.29	4,528.13	4,284.05	4,528.13
	Electrical-Chennai	6,584.39	6061.83	5,745.96	6,584.39	5,745.96
	Engineering	5,299.21	5067.93	4,840.02	5,299.21	4,840.02
	Unallocated Corporate	6,966.94	8074.12	7,727.59	6,966.94	7,727.59
	<b>Total</b>	<b>44,731.93</b>	<b>50,608.17</b>	<b>42,727.05</b>	<b>44,731.93</b>	<b>42,727.05</b>
	<b>Segment Liabilities</b>					
	Tea	9,765.51	11405.61	10,169.40	9,765.51	10,169.40
	Electrical-Kolkata	6,326.81	7660.84	7,795.13	6,326.81	7,795.13
	Electrical-Chennai	3,896.07	3490.37	2,784.29	3,896.07	2,784.29
	Engineering	3,557.69	3511.54	3,194.00	3,557.69	3,194.00
	Unallocated Corporate	1,765.30	2579.01	1,549.71	1,765.30	1,549.71
	<b>Total</b>	<b>25,311.38</b>	<b>28,647.37</b>	<b>25,492.53</b>	<b>25,311.38</b>	<b>25,492.53</b>
	<b>Segment Capital Employed ( Segment Assets- Segment Liabilities)</b>					
	Tea	11,831.83	14,988.39	9,715.95	11,831.83	9,715.95
	Electrical-Kolkata	(2,042.76)	(2,650.55)	(3,267.00)	(2,042.76)	-3,267.00
	Electrical-Chennai	2,688.32	2,571.46	2,961.67	2,688.32	2,961.67
	Engineering	1,741.52	1,556.39	1,646.02	1,741.52	1,646.02
	Unallocated Corporate	5,201.64	5,495.11	6,177.88	5,201.64	6,177.88
	<b>Total</b>	<b>19,420.55</b>	<b>21,960.80</b>	<b>17,234.52</b>	<b>19,420.55</b>	<b>17,234.52</b>



Andrew Yule & Company Limited  
Standalone Balance Sheet as at 31st March 2021

In Rs. Lakhs

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	10268.68	9,432.83
(b) Capital work-in-progress	3	7523.24	7,739.27
(c) Intangible Assets	3	6.55	7.44
(d) Financial Assets			
(i) Investment	4	1219.21	2,681.19
(ii) Others	5	74.19	16.81
(e) Income Tax Assets (net)	6	1561.16	1,232.64
(f) Other non-current assets	7	397.06	397.06
<b>Total Non - Current Assets</b>		<b>21050.09</b>	<b>21,507.25</b>
<b>Current assets</b>			
(a) Inventories	8	4562.39	4,798.74
(b) Financial Assets			
(i) Investment	9	0.35	0.35
(ii) Trade Receivables	10	6343.13	5,131.44
(iii) Cash and cash equivalents	11	6798.38	6,407.02
(iv) Loans	12	0.44	0.44
(v) Other financial assets	13	2301.17	2,028.93
(d) Other current assets	14	3675.98	2,852.89
<b>Total Current Assets</b>		<b>23681.84</b>	<b>21,219.81</b>
<b>Total Assets</b>		<b>44731.93</b>	<b>42,727.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	9779.02	9,779.02
(b) Other Equity	16	9641.53	7,455.50
<b>Total equity</b>		<b>19,420.55</b>	<b>17,234.52</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	53.81	-
(ii) Other financial liabilities	18	28.80	28.80
(b) Provisions	19	2561.65	1,828.46
(c) Other non-current liabilities	20	442.23	415.04
(d) Deferred Tax Liability		1076.24	1,894.71
<b>Total non-current liabilities</b>		<b>4,162.73</b>	<b>4,167.01</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	6976.62	8,055.23
(ii) Trade and other payables	22	5996.54	5,091.50
(iii) Other financial liabilities	23	5963.25	5,761.00
(b) Other current liabilities	24	1250.88	1,228.27
(c) Provisions	25	961.36	1,189.53
<b>Total Current Liabilities</b>		<b>21,148.65</b>	<b>21,325.53</b>
<b>Total liabilities</b>		<b>25,311.38</b>	<b>25,492.53</b>
<b>Total Equity &amp; Liabilities</b>		<b>44,731.93</b>	<b>42,727.05</b>

For S.K Basu & Co.  
Chartered Accountants

F.No.: 301026E

*S. Basu*  
S. Basu

Partner (M.No.: 053225)

Place : Kolkata

Date : 23rd June 2021



For Andrew Yule & Company Limited

*Shri K. Mohan*  
SHRI K. MOHAN  
DIRECTOR (PERSONNEL)/ADDL.  
CHARG OF FINANCE  
DIN. 08385809

*Shri Sanjoy Bhattacharya*  
SHRI SANJOY BHATTACHARYA  
CHAIRMAN & MANAGING  
DIRECTOR  
DIN :07674268



## ANDREW YULE &amp; COMPANY LIMITED

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st March, 2021

Rs in Lacs

	Year ended 31st March, 2021		Year ended 31st March, 2020	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and extraordinary Items		1,470.35		(2,125.38)
Adjustments for :				
Depreciation/Impairment of Assets	665.75		657.56	
Amortisation of Intangible Assets	1.46			
Interest expense	756.32		744.35	
(Profit)/Loss on Sale of Fixed Assets				
(Profit)/Loss on Sale of Investments			(409.50)	
Gain on Acquisition of Land by Government				
Interest Income	(325.27)		(389.28)	
Dividend Income	(2,196.66)		(1,700.71)	
Provision no longer Required Written back	(0.58)			
Liabilities no longer required written back	(101.81)			
Net Gain on Foreign Currency Translation			(2.88)	
Gain on Remeasurement of Long Term Trade Receivables				
Gain on Remeasurement of Investments	(4.01)		(89.02)	
Excess provision for YASF written back			(25.25)	
Provision for TDS Recoverable			1.02	
Provision for Doubtful Debts	103.88		320.19	
Provision for Doubtful Loans, Advances and Deposits	83.64		16.22	
Provision for Recoverable Electrical Duty	23.95			
Provision for NSC	0.35			
Provision for Stock/Stores Obsolescence	11.27		21.92	
Changes in fair value of financial assets at fair value through P&L			(476.59)	
Actuarial Gains and Losses	(98.56)		1,107.68	
Adjustment against P&L	(0.21)			
		(1,080.48)		(224.30)
Operating profit before changes in amount of Current Liabilities and Current Assets		389.87		(2,349.68)
Adjustment for				
Changes in Current Assets	(2,425.10)		920.21	
Inventories	236.35		540.29	
Changes in Current Liabilities	378.22		(1,666.81)	
		(1,810.53)		(206.31)
Cash Generated from Operations		(1,420.66)		(2,555.99)
Tax paid		-		-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(1,420.66)</b>		<b>(2,555.99)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(1,501.60)		(3,156.51)
Sale of Fixed Assets		215.46		
Purchase of Investments		-		(1,478.15)
Other Financial Assets		(385.90)		
Dividend Received		2,196.66		1,700.71
Sale Proceeds of Investment		1,461.98		501.40
Interest Received		325.27		389.28
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>2,311.87</b>		<b>(2,043.27)</b>

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<b>[C] CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest Paid		(756.32)		(744.35)
Dividend Paid				
Short Term Borrowings (Repaid)/Taken and other financial liabilities				3,644.91
Long Term Borrowings (Repaid)/Taken		256.47		(0.68)
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>		<b>(499.85)</b>		<b>2,899.88</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		391.36		(1,699.38)
CASH AND CASH EQUIVALENTS (Opening Balance)		6,407.02		8,123.21
CASH AND CASH EQUIVALENTS (Closing Balance)		6,798.38		6,423.83
[1] The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standard) Rules, 2006				
[2] Cash and Cash Equivalents include :				
	As at 31st March, 2021		As at 31st March, 2020	
Balance with Banks (Refer Note below)	574.87		758.85	
Cheques in Hand			51.00	
Cash in Hand	43.05		23.18	
Postage and Stamps in hand				
Remittance in Transit				
Deposit with Bank maturing within 3 months	6,180.47			
Margin Money with Bank maturing within 3 months				
Deposit with Bank maturing after 3 months				
Deposit Account Margin				5,590.80
	6,798.38			6,423.83
[a] includes `16.84 lakhs attached by Provident Fund Authority				
[b] Previous year's figures have been regrouped/rearranged wherever necessary				

For S.K.BASU & CO.  
Chartered Accountants  
F.No.: 301026E



*S. Basu*  
S.BASU

PARTNER (M.No.:053225)  
Place: Kolkata  
Date: 23rd June 2021

For Andrew Yule & Company Limited

*[Signature]*  
SHRI K. MOHAN  
DIRECTOR (PERSONNEL)/ADDL.  
CHARGE OF FINANCE  
DIN. 08385809

*[Signature]*  
SHRI SANJOY BHATTACHARYA  
CHAIRMAN AND MANAGING DIRECTOR  
DIN. 07674268





# S. K. BASU & CO

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITORS REPORT

To the Members of Andrew Yule & Company Limited

Report on the Audit of Standalone IND-AS Financial Statements

#### (1.) Qualified Opinion

We have audited the Standalone Ind AS Financial Statements of Andrew Yule and Company Limited ("The Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, and the Statement of Profit and Loss (Including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, subject to the qualifications mentioned hereinafter in this report, the aforesaid standalone IND AS Financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### (2) Basis for Qualified Opinion

In the absence of Balance confirmation certificates from a considerable number of Sundry Debtors and Sundry Creditors from all divisions of the Company, no opinion can be formed about the correctness of the balances of Sundry Debtors and Sundry Creditors. Effect of the above, if any on profit and loss is not ascertainable.

We have conducted our auditing in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of The Companies Act, 2013. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of The Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirement of the ICAI's Code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### (3) Emphasis of Matter:

Without qualifying our audit report, we draw attention to the following:

- a. In the absence of IT system audit, security of accounting/operational data, recovery of data through IT disaster management system and manual intervention at crucial levels of data transfer and at the time of consolidation result in high audit risk.
- b. The absence of exercise of adequate controls in the process of maintaining the records of the companies lease deeds and title deeds enhances the audit risk.
- c. Electrical Division has not contributed an amount of Rs. 742.70 lakhs and Tea Division has not contributed an amount of Rs. 604.11 lakh to the Company's gratuity fund which is utilised towards payment of gratuity to employees on retirement.
- d. Provident Fund recoverable of Rs. 42.97 Lakhs (Refer note No.56 of the financial statements) pending over 10 years from PF department of Government of India has been provided for in the accounts.
- e. Lease agreement of three tea gardens namely Banerhat, Choonabhutti and Haritalguri-3(of New Dooars)andBrentford Unit of Electrical Division, Kolkata has not been renewed since long.However, lease rent is being paid by the Company. Salami asked for by the West Bengal Government amounting to Rs.177.66 lakhs (PY- Rs. 177.66 lakhs) as per Note No. 54 is shown under "Claims not acknowledged as debts". The matter should be resolved immediately as it disputes the Company's ownership of the tea gardens under its operation.
- f. All the inoperative bank accounts of the Company in its various divisions should be closed to mitigate the fraud risk. Also many bank accounts have authorized signatories who have retired/resigned from the Company. These former employees should be replaced as signatories by the officials who are currently in the employment of the Company.
- g. BSE has imposed a fine for every quarter of 2020-21 on the Company for non compliance of the requirements of the Regulation 17(1) of the SEBI ( LODR) Regulations, 2015 pertaining to the composition of the Board including



failure to appoint a woman director. These fines have not been paid by the Company as appointment of Directors is done by the Companies administrative ministry. The Company has taken up the matter with its administrative ministry and BSE pursuant to which the fines for the first three quarters have been waived by BSE and the fine for the fourth quarter of the year amounting to Rs. 5,31,000/- is pending. No provision for the same has been made in the accounts.

- h. Hooghly Printing Company Limited (HPCL), (transferor company) had declared closure of its business operations with effect from 21<sup>st</sup> January, 2019 pursuant to its merger with the Andrew Yule and Company Limited (Transferee company) under a scheme of amalgamation. The matter had been referred to NCLT under Section 232 of The Companies Act, 2013. NCLT has granted its approval vide its Order dated 3<sup>rd</sup> May, 2021. Pursuant to this order, all properties, assets, rights, powers and undertakings of the transferor company, as well as the liabilities, obligations, duties of the transferor company will be transferred to the transferee company. All suits and legal proceedings for and against the transferor company will also be valid against the transferee company from the "effective date" of transfer. As per Note No: 58, the effective date of transfer being 04<sup>th</sup> June, 2021, the merger of assets and liabilities of the transferor company with the transferee company will impact the standalone accounts of Andrew Yule and Company Limited when it is given effect in the financial year 2021-22.
- i. The Company has assessed the effect on its operations due to the nationwide lockdown arising out of COVID 19 and concluded that no material adjustment are required for the same in the accounts as per Note No.57 of the financial statements.
- j. The Company has made an interest payment of Rs. 45.82 Lakhs to GST department mainly due to not making timely (monthly) reconciliation of GST Input Credit among other reasons during the Financial year 2018-19 and such irregularities due to non reconciliation continue till date.
- k. There are a large number of debit balances in Trade Payables accounts which should be reconciled and adjusted with relevant heads of account.
- l. The Company held preference shares in WEBFIL amounting to Rs. 204.40 lakhs and accumulated dividend amounting to Rs. 161.68 lakhs is receivable. WEBFIL has not paid dividend since inception and has defaulted in redemption of its preference shares on due date i.e 1st April 2021. They have communicated vide letter no AY/PREF/96 dated 31.03.2021 requesting deferment of payment in four annual instalments due to stress in the company due to ongoing pandemic out of which the first instalment amounting to Rs. 91.52 lakhs has already been paid on 1.4.21. No evaluation of Expected Credit Loss (ECL) has been made by the Company and no resulting provision has been created.
- m. Unadjusted advances of tea division include Rs 6.98 crores for paying gratuity to workers remained outstanding for the last one year and has not been recovered from the Yule Group Gratuity Fund. Also an amount of Rs. 62 lakhs for electricity duty remained outstanding for more than three years which was included under Bills receivable account which has been provided for. There are old outstanding advances lying in all divisions of the Company which should be adjusted after scrutiny.
- n. The Company had a practice of charging interest on inter garden balances which has been discontinued since long. However, interest accrued and due on these amounting to Rs. 15 lakhs approx are still being carried forward. The same should be adjusted after scrutiny.
- o. The Company should implement procedures for physical verification of assets at reasonable intervals commensurate with the size and nature of its business.
- p. In tea division an amount of Rs.82.36 lakhs paid by the Company on behalf of the employees on account of electricity charges and labour line electrification are not being recovered and the same has been provided for in the accounts.
- q. In tea division, an amount of Rs.1.30 lakhs being unpaid bonus to workers pertaining to financial years 2014-15 to 2017-18 has not been deposited in Labour Welfare Fund (LWF). The amount of interest and penalty if payable on the same could not be ascertained.
- r. In some cases, the income tax deducted at source required to be made as per the Income Tax Act is overlooked or delayed. Control over TDS deductions needs to be improved upon both manually and by the system.
- s. In the 242nd meeting of the Board of Directors held on 2nd June, 2021, the recommendation to the Board for consideration/approval of the proposal for closure of Electrical-Kolkata operations through VRS/VSS route from own resources by September, 2021 have been approved by the Audit Committee and recommended to the Board for its approval, subject to the approval of the ministry concerned and other necessary approvals. The effect of the same on the financials is yet to be ascertained by the management.

#### (4) Information other than the Standalone Ind AS Financial Statements and Auditors Report thereon:

The Company's Board of Directors are responsible for the information. The other information comprises the information included in the Management Discussion and Analysis, Boards Report including the Annexure to Boards Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditors report thereon. The report is expected to be made available to us after the date of this audit report.

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## (5) Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion in these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in this report.

S.N.	KEY AUDIT MATTER	AUDITORS RESPONSE
1.	<b>Revenue Recognition</b>  Revenue from the sale of goods (hereinafter referred to as revenue) is recognized when the significant risks and rewards of ownership of goods is passed to the buyer. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns or allowances, trade discounts and volume rebates.  The timing of revenue recognition is relevant to the reported performance of the Company. Revenue is a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Our audit procedures included the following: Assessed the Company's Revenue Recognition policies in line with IND AS 115 (Revenue from Contracts with Customers) and tested thereof: Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of controls over recognition of revenue. Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition. Tested the effectiveness of such controls over revenue cut off at year end. On a sample basis tested supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end. Compared revenue with historical trends where appropriate conducted further enquiries and testing. Assessed disclosures in financial statements in respect of revenue as specified in IND AS 115. In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Company's legal and finance departments. We read the summary of litigation matters provided by the Company's/ Unit's Legal and Finance Team. We read, where applicable, external legal or regulatory advice sought by the Company. We discussed with the Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Company's assessment of the likelihood, magnitude and accounting of any liability that may arise. In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Standalone Ind AS financial statements
2.	<b>Provisions and Contingent Liabilities</b> The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities. Management's disclosures with regards to contingent liabilities are presented in Note No.36-to the Standalone Ind AS Financial Statements. The assessment of the risks associated with the litigations is based on complex assumptions. The amounts involved and the application of accounting standards to determine the amount if any to be provided as a liability or disclosed as a contingent liability are inherently subjective. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Accordingly, this matter is considered to be a key audit matter.	We followed audit procedures to assess vulnerability of the internal financial control due to some instances of non adherence to delegation of financial authority and consequent risk involved. We used substantive procedures on a larger sample to
3.	<b>Delegation of Powers:</b> Delegation of financial authority to various cadres of Management is essential for approving day to day affairs of the Company including disbursement of funds. The existing delegation of Authority of various cadres was from the Chief Executive Grade F to Manager C2. The said delegation of powers was not exhaustive and also	



not followed strictly resulting in vulnerability in internal financial control. Considering the risks of violation of delegated authority we have considered the delegation of power as a Key Audit Matter.

mitigate the said risk. We discussed with the Management our findings regarding the risks involved. Consequently the Committee of the Board of Directors amended the schedule of authorized signatories including delegation of powers on 19<sup>th</sup> February 2021 to cover the total structure of delegation.

**(6) Responsibility of the Management and those charges with Governance for the Standalone Ind-AS financial statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Companies financial reporting process.

**(7) Auditor's responsibilities for the Audit of the Standalone Ind AS Financial statements:**

Our objectives are to obtain reasonable assurance about whether the standalone IND AS financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

As part of our audit, in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the IND AS financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Companies Act, 2013 we are also responsible for expressing an opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the managements use of going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on



the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the IND AS financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **(8) Other Matters;**

Due to the COVID-19 pandemic, nationwide lockdown and other travel restrictions imposed by the Government/local administration, some of the audit processes were carried out by electronically by remote access. The necessary records were made available by the management through digital media and were accepted as audit evidence while reporting for the current period.

#### **(9) Report on Other Legal and Regulatory Requirements:**

(1) As required by The Companies (Auditors Report) Order, 2016 (The Order), issued by the Central Government of India, in terms of sub section 11 of section 143 of The Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

(a) Read with our comments in Emphasis of matter paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from units not visited by us.

(c) The Balance Sheet, the Statement of Profit and Loss including The Statement of Other Comprehensive Income and Statement of Cash Flows dealt with by this Report are in agreement with the books of account,

(d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015.

(e) Section 164 (2) of the Act regarding disqualification for appointment of Director is not applicable to Government Companies vide notification no. GSR.463E dated 5<sup>th</sup> June, 2015.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in "Annexure B".

(g) With respect to the matters required to be reported upon as per directions of The Comptroller and Auditor General of India as per the provisions of Section 143(5) of The Companies Act, 2013, refer to our report in Annexure C.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements – Refer Note 36 to the IND AS financial statements;

(ii) The Company has not entered into any long-term contracts including derivative contracts for which there were material foreseeable losses.

(iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)

Place: KOLKATA

DATE: 23rd JUNE, 2021

( S.Basu )  
PARTNER  
(MN: 053225)



**Annexure-A to the Independent Auditors Report:**

**Referred to in Para 9(1) of our report of even date:**

(1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) No laid down procedures of physical verification of fixed assets at reasonable intervals were made available to us. The Company provided signed copies of the assets registers as evidence of physical verification, which in our opinion was not commensurate with the size and nature of business of the Company.

(c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties are held in the name of the Company. However, title deeds of three properties located in Kolkata were lost out of which certified copies of two title deeds of Minto Park property, have been obtained and one at Pearl Apartments, is still pending. Further two lease deeds in respect of two tea gardens Tinkong and Basmatia are reportedly lying with the Allahabad Bank but the bank has not issued any certificate confirming possession of those lease deeds by them.

(2) According to the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of The Companies Act, 2013, except advances given to the subsidiaries of Hooghly Printing Company Limited -Rs. 281.05 lakhs, Yule Electrical Ltd. RS.4.51lakhs and Yule Engineering Ltd. Rs. 2.84 Lakhs which are interest free in nature.

(4) According to the information and explanations given to us, the Company has not given loans, guarantees, made investments in and or purchased securities in respect of which provisions of Section 185 and 186 of The Companies Act, 2013 are applicable except advances given to subsidiaries of Hooghly Printing Company Ltd. -Rs. 281.05 lakhs, Yule Electrical Ltd. RS.4.51 lakhs and Yule Engineering Ltd. Rs. 2.84 Lakhs which are interest free in nature.

(5) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 78 or any other relevant provisions of the act and rules framed thereunder.

(6) According to the information and explanations given to us, the Cost Records are maintained by the Company for all the products as per requirements of the relevant act and rules framed thereunder.

(7) (a) According to the information and explanations given to us and on the basis of examination of the books of accounts and records, the Company has been regular in depositing undisputed statutory dues including provident Fund, Employees State Insurance, Income Tax, Sales tax, service tax, GST, customs duty, excise duty, VAT cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable which were outstanding at the year end for a period of more than six months from the date they became payable.

7(b) According to the information and explanations given to us, the Company has not deposited the following dues on account of disputes with the appropriate authorities.

Name of the Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the amount is pending.
Income tax act	Penalty	4.65	2004-05	CIT(Appeals)
Income Tax Act	Income Tax	1929.53	2010-11 to 2014-15	NCLT and CIT(Appeals)
WB Sales Tax and VAT	West Bengal Sales Tax & VAT	1802.31	1979-80 to 2006-07-Rs.462.14 Lakhs 1973-74 to 2003-04-Rs.366.79 Lakhs 1985-86 to 2003-04- Rs.908.04 Lakhs 1980-81 to 1984-85-	Appellate & Revision Board WB Taxation Tribunal Calcutta High Court SOD

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			Rs.49.33 Lakhs 2016-17- Rs. 16.01 Lakhs	Sr.Joint Commissioner
Assam Sales tax and VAT	Assam Sales Tax & VAT	152.93	1996-97 to 1998-99- Rs.152.93 Lakhs	Appellate Authority Revenue Board
Orissa Sales Tax and VAT	Orissa Sales Tax & VAT	111.88	1999-2000 -Rs.106.24 Lakhs  2001-02-Rs.5.64 Lakhs	Appellate Authority Tribunal, Cuttack 2nd Appellate Authority Berhampore
Central Excise	Central Excise	513.59	2006-07 to 2009-10-Rs.331.98 Lakhs 2013-14 to 2016-17-Rs.181.61 lakhs	Appeal to CESTAT  Commissioner of Central Excise
Service tax	Service Tax	1.45	2006-07 to 2007-08-Rs.1.45 Lakhs	Appeal at CESTAT
	Total	4516.34		

(8) According to the information and explanations given to us and based on the examination of the books and records of the company, the Company has not defaulted in the repayment of dues to banks and financial institutions.

(9) Based on the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly the provisions of Clause 3 (ix) of CARO are not applicable to the company.

(10) Based on the audit procedures performed and according to the information and explanations given by the management, no fraud on or by the Company or its officers/employees has been committed, noticed or reported during the year.

(11) Section 197 of The Companies Act, 2013 regarding payment of managerial remuneration is not applicable to the Company being a government company vide notification no. GSR. 463E dated 5<sup>th</sup> June, 2015.

(12) As per information and explanations given to us, the Company is not a NIDHI Company. Therefore, the provisions of Clause 3(xii) are not applicable to the Company.

(13) As per information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Note No. 39 of the Standalone Financial Statements as required by the applicable Ind-AS.

(14) Based on the audit procedures performed and according to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of CARO are not applicable to the Company and hence not commented upon.

(15) Based on the audit procedures performed and according to the information and explanations given by the management, the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of CARO are not applicable to the Company.

(16) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India act, 1934 and accordingly, the provisions of Clause 3 (xvi) of the order are not applicable to the Company.

For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)

Place: KOLKATA

DATE: 23rd June, 2021

( S.Basu )  
PARTNER  
(MN: 053225)

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## **Annexure B to the Independent Auditors Report**

**Referred to in Para 9(2)(f) of our report of even date:**

### **Report on the Internal Financial Controls under Clause(i) of Sub Section 3 of Section 143 of the Companies Act , 2013 (The Act).**

(1). We have audited the internal financial controls over financial reporting of Andrew Yule and Company Limited (The Company) as on 31<sup>st</sup> March , 2021 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

#### **Managements Responsibility for Internal Financial controls**

(2). The Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records , and the timely preparation of reliable financial information as required under the Companies Act, 2013.

#### **Auditors Responsibility**

(3). Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting ( the " Guidance Note") and the Standards on Auditing issued by ICAI and the Standards on Auditing as specified under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls . Those Standards and Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained if such controls operated effectively in all material respects.

(4). Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting, assessing a risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors judgment , including the assessment of the risks of material misstatement of the IND AS financial statements , whether due to fraud or error.

(5). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

(6.) The Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company , (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company , and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition , use or disposition of the Company's assets that could have a material effect on the IND AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**



(7). Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

(8) Based on our audit and the information and explanations given to us, we are of the opinion that:

(a) The flow of financial data from divisions, units and gardens are not seamlessly integrated with Head office accounts. It involves manual interventions at various stages of accounting.

(b) Absence of guidelines of IT general controls and segregation of duties does not give reasonable assurance regarding fair maintenance and accurate reflection of records with reasonable details for transactions and disposition of assets of the Company.

© Since the inception of computerization, IT systems audit has not been carried out.

(d) IT disaster recovery plan has not been defined.

(e) The company has not obtained balance confirmation certificates from a considerable number of sundry debtors and creditors.

(f) At the time of payment of medical bills, providing a doctors prescription as per Company's rule no. 6 is not followed in some cases.

(g) Brokerage of sale of tea is charged at 1% of the sale value before taxes. The program for recording sales of tea division (Crop book) gives a misleading picture in the crop book and is ignored for the purpose of brokerage payment. This irregularity should be rectified at the earliest to give the correct picture in the crop book.

(h) In tea division, the system of recording and creating provisions on expenses and liabilities should be improved upon.

(i) In some cases, the income tax deducted at source required to be made as per the Income Tax Act is overlooked or delayed. Control over TDS deductions needs to be improved upon both manually and by the system.

In view of the above observations, Internal financial Controls of the company as at 31<sup>st</sup> March, 2021 is inadequate with respect to its size, diversity and complexity of operations based on internal control over financial reporting criteria as stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)

Place: KOLKATA

DATE: 23rd June, 2021

(S.Basu)  
PARTNER  
(MN: 053225)

### Annexure C to the Independent Auditors Report

Directions under Section 143(5) of The Companies Act, 2013 on the basis of our audit of standalone financial statements of Andrew Yule and Company Limited for the FY 2020-21.

We give below the answer to the questions and information asked for in the above mentioned directions:

S.N.	Directions	Our Answer
1.	Whether the Company has system in place to process all the accounting transactions through IT system.? If yes, the implications of processing the accounting transactions outside IT system on the integrity of the accounts along with the financial implications , if any, may be stated.	The Company does not presently possess an ERP accounting system or a fully integrated IT system among its units and Head Office and as such, necessary accounting integration is being done through separate data entry mode and by applying standalone IT software. The method adopted by the Company leaves a scope of absence of data integrity, thereby increasing the risk.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc.made by a lender to the Company due to the Companys inability to repay the loan? If yes, the financial impact may be stated.	There is no instance of restructuring/waiver/write offs of existing loans availed by the Company.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	All funds received/receivable for specific schemes from Central/State agencies were properly accounted for under Note No. 20 relating to the head of "Other non current liabilities"

For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)

Place: KOLKATA

DATE: 23rd June , 2021

( S.Basu )  
PARTNER  
(MN: 053225)

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# **S. K. BASU & CO**

## **CHARTERED ACCOUNTANTS**

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### **COMPLIANCE CERTIFICATE**

We have conducted the audit of the Standalone accounts of Andrew Yule and Company Limited for the year ended 31st March, 2021 in accordance with the directions/sub directions issued by The Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013 and certify that we have complied with all the directions/subdirections issued to us.

**For S.K.BASU & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM NO: 301026E)**

**Place: KOLKATA**

**DATE: 23rd June, 2021**

**( S.Basu )**  
**PARTNER**  
**(MN: 053225)**

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**ANDREW YULE & COMPANY LIMITED**  
**ANNEXURE-I**

**Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results-Standalone and Consolidated separately)**

**Statement on Impact on Audit Qualifications (Standalone) for the Financial Year ended March 31, 2021**  
**(See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)**

	Particulars	Audited Figures (as reported before adjustment of qualifications)	Audited Figures (audited figures after adjustment of qualifications)
1	Turnover/Total Income	36,106.65	36,106.65
2	Total Expenditure	34,636.30	34,636.30
3	Net Profit/ (Loss)	1,470.35	1,470.35
4	Earning Per Share	0.43	0.43
5	Total Assets	44,731.93	44,731.93
6	Total Liabilities	44,731.93	44,731.93
7	Net Worth	19,420.55	19,420.55
8	Any other Financial Items(as felt appropriate by the Management)	-	-

Audit Qualifications		
(a)	Details of the Qualifications	(1) In the absence of Balance Confirmation Certificates, no opinion can be formed about the correctness of the balances of Sundry Debtors and Creditors. Also recoverability of Sundry Debtors and actual obligations to Sundry Creditors are not ascertainable
(b)	Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified opinion
(c)	Frequency of Qualification	The qualifications have appeared from the last year i.e. 2019-20
(d)	For Audit Qualifications where the impact is quantified by the auditor, Management views	Nil
(e)	For Audit Qualifications where the impact is not quantified by the Auditor,	Qualification (1)- Adequately mentioned as per NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021, note no. 55 which are as under : The Company has system of seeking year ending balance confirmation certificates from Debtors and Creditors. However, the company has maintained the figures available in accounts for cases wherein, no response from Debtors/ Creditors is received.
	(i) Management estimation on the Impact of Audit Qualification	Nil
	(ii) Management is unable to estimate the impact, reasons for the same	As Stated in Note-55
	(iii) Auditors comment on (i) and (ii) above	

Signatories :		
1)	CEO/Managing Director	<i>[Signature]</i>
2)	CFO	<i>[Signature]</i>
3)	Audit Committee Chairman	<i>V. G. Prasad</i>
4)	Statutory Auditor	<i>S. Banu</i> 23/6/21
Place: Kolkata		
Date: 23rd June, 2021		



**ANDREW YULE & COMPANY LIMITED**

[A Government of India Enterprise]

CIN: L63090WB1919GOI003229

Regd. Office : "Yule House", 8, Dr. Rajendra Prasad Sarani, Kolkata - 700001

Tel: (033) 2242 8210/8550; Fax: (033) 2242 9770; E-mail: com.sec@andrewyule.com; Website: www.andrewyule.com

Rs in Lakhs

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021**

Particulars		Consolidated				
		3 months ended 31.03.2021	Preceeding 3 months ended on 31.12.2020	Corresponding 3 months ended in the previous year 31.03.2020	Year to date 31.03.2021	Year to date 31.03.2020
		[Unaudited]	[Unaudited]	[Unaudited]	(Audited)	[Audited]
[1]	Income from Operations					
[a]	Net Sales/Income from Operations	5,623.25	10,640.91	4,083.37	32,838.94	29,707.98
[b]	Other Operating Income	176.23	26.67	108.53	211.84	205.65
[2]	Other Income	210.78	1,250.83	734.07	3,055.86	3,082.59
[3]	Total Income	6,010.27	11,918.41	4,925.98	36,106.65	32,996.23
[4]	Expenses					
[a]	Cost of Materials Consumed	2,329.63	2,165.56	1,107.25	8,830.59	8,800.52
[b]	Purchases of Stock-in-trade	-	-	-	-	-
[c]	Changes in Inventories of Finished Goods,	1,599.04	1,564.94	1,951.78	247.76	(20.18)
[d]	Employee Benefits Expense	3,706.25	5,408.48	3,352.10	18,157.27	17,648.44
[e]	Finance Cost	116.64	164.89	188.87	809.62	845.19
[f]	Depreciation and Amortisation Expense	199.54	143.75	156.74	667.21	657.56
[g]	Other Expenses	1,133.49	1,583.61	1,268.76	5,924.90	7,190.80
	Total Expenses	9,084.58	11,031.23	8,025.50	34,637.35	35,122.34
[5]	Profit/(Loss) before Tax[3-4]	(3,074.32)	887.18	(3,099.53)	1,469.30	(2,126.11)
[h]	Profit/ Loss arising out of Discontinued Operation	(58.10)	(8.60)	(40.46)	(72.96)	(148.20)
[6]	Tax Expense	(649.39)	-	(105.81)	(649.39)	(105.81)
[7]	Net Profit/(Loss) for the period [5-6]	(2,483.03)	878.58	(3,034.18)	2,045.73	(2,168.50)
	Share of Profit from Group Companies	826.35	369.40	-	1,467.57	
	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates	(1,656.68)	1,247.98	(3,034.18)	3,513.30	(2,168.50)
[8]	Other Comprehensive Income					
	(a) Remeasurement of Investment	-	(4.01)	(9.59)	(4.01)	(476.59)
	(b) Adjustment of actuarial gains/losses nett of deferred tax	(115.55)	187.10	1,552.59	70.52	960.93
	Total Other Comprehensive Income	(115.55)	183.09	1,543.00	66.51	484.34
[9]	Total Comprehensive Income for the period[7+8]	(1,772.23)	1,431.07	(1,491.18)	3,579.81	(1,684.16)
[10]	Earnings per equity share (not annualised)					
	(a) Basic	(0.34)	0.26	(0.62)	0.72	(0.44)
	(b) Diluted	(0.34)	0.18	(0.62)	0.72	(0.44)
[11]	Paid-up Equity Share Capital	9,779.02	9,779.02	9,779.02	9,779.02	9,779.02
	(Face Value of Rs.2/- per share)					

*dy* *P. Ram*

1) The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules 2016.

2) The above Audited Financial Results for the quarter and year ended 31st March 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meeting held on 22nd June 2021 and 23rd June 2021 respectively.

3) This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) The Company has adopted INDAS-116 effective 01/04/2019 in the following manners:

a) The standards have been applied to only such cases wherever executed lease agreements and/or Notifications issued by the concerned Lessor Government are in hands of the Company and for the balance period of such lease as on 01/04/2019, except for cases mentioned in (b) below.

b) In case of lease of lands from the Government of Assam for the Tea gardens in Assam, the Company, in conjunction with Indian Tea Association, has noted that, section 9 of the Assam Land and Revenue Regulation, 1886 provides a land lessee, right of use, occupancy and other relevant rights subject to payment of revenues, taxes, cesses and rates from time to time as may be due in respect of said land and thus, there is no fixed or defined period of lease. As such, INDAS116 should not accordingly be applicable in case of Assam.

5) Figures of the previous year has been rearranged and regrouped wherever necessary.

6) Impact on Financial position of the Company due to COVID-19 Pandemic

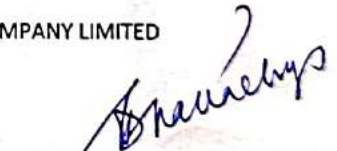
The impact of Government imposed Lockdown due to Covid-19 pandemic was temporary. As result of lockdown/restrictions, production could not be carried out till approvals from local government authorities was received. In light of the above, the company considering all internal & external factors, has made a detailed assessment of its liquidity position including its cash flow, business outlook and of the recoverability and carrying amounts of its assets as on 31/03/2021 and has concluded that no material adjustment are required in Standalone/Consolidated Unaudited Financial Results

M/s. S.K.BASU & CO.  
Chartered Accountants  
F.No.-301026E  
  
S. Basu  
Partner (M.No.: 053225)  
Place : Kolkata  
Date : 23rd June 2021



  
SHRI K. MOHAN  
DIRECTOR (PERSONNEL)/ADDL. CHARG OF FINANCE  
DIN. 08385809

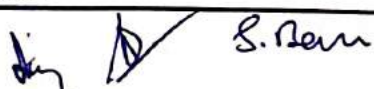
ANDREW YULE & COMPANY LIMITED

  
SANJOY BHATTACHARYA  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 07674268



## SEGMENT-WISE REVENUE, RESULTS, ASSETS &amp; LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021

Particulars		Consolidated				
		3 months ended 31.03.2021	Preceding 3 months ended 31.12.2020	Corresponding 3 months ended in the previous year 31.03.2020	Year to date 31.03.2021	Year to date 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	Audited	Audited
[1]	<b>Segment Revenue [ Net Sales/Income from each segment]</b>					
[a]	Tea	2,540.06	7,923.63	2,608.07	23,650.25	20,615.36
[b]	Electrical-Kolkata	327.81	835.47	333.35	2,220.87	2,067.91
[c]	Electrical-Chennai	1,595.10	906.23	527.73	3,644.28	3,273.69
[d]	Engineering	1,207.64	991.14	688.42	3,336.21	3,719.62
[e]	Unallocated	128.88	11.13	50.08	199.18	263.73
[f]	Printing	-	-	-	-	-
	<b>Total</b>	<b>5,799.49</b>	<b>10,667.59</b>	<b>4,207.65</b>	<b>33,050.79</b>	<b>29,940.31</b>
	Less: Inter Segment Revenue	-	-	15.75	-	26.68
	<b>Net Sales/Income from Operations</b>	<b>5,799.49</b>	<b>10,667.59</b>	<b>4,191.90</b>	<b>33,050.79</b>	<b>29,913.63</b>
[2]	<b>Segment Results</b>					
	[Profit(+)/Loss(-) before tax and interest from each Segment]					
[a]	Tea	(2,880.32)	831.36	(2,167.29)	2,406.63	(221.04)
[b]	Electrical-Kolkata	(174.76)	(400.21)	(495.00)	(1,097.51)	(1,934.95)
[c]	Electrical-Chennai	137.37	(133.32)	(41.96)	(170.00)	(164.00)
[d]	Engineering	105.78	(47.71)	(138.08)	(271.28)	(112.16)
[e]	Printing	(58.10)	(8.60)	(148.20)	(72.96)	(148.20)
	<b>Total</b>	<b>(2,870.03)</b>	<b>241.52</b>	<b>(2,990.53)</b>	<b>794.88</b>	<b>(2,580.35)</b>
	Less:					
	[i] Interest	116.64	164.89	188.87	809.62	845.19
	[ii] Other unallowable Expenditure net off Unallocable Income	(1,329.99)	(1,171.37)	(145.23)	(3,528.04)	(1,257.04)
	<b>Total Profit/(Loss) after tax</b>	<b>(1,656.68)</b>	<b>1,248.00</b>	<b>(3,034.17)</b>	<b>3,513.30</b>	<b>(2,168.50)</b>
	<b>Segment Assets</b>					
	Tea	21,597.34	26,394.00	19,885.35	21,597.34	19,885.35
	Electrical-Kolkata	4,284.05	5,010.29	4,528.13	4,284.05	4,528.13
	Electrical-Chennai	6,584.39	6,061.83	5,745.96	6,584.39	5,745.96
	Engineering	5,299.21	5,067.93	4,840.02	5,299.21	4,840.02
	Printing	142.32	212.58	212.72	142.32	212.72
	Unallocated Corporate	25,654.80	25,990.14	25,019.46	25,654.80	25,019.46
	<b>Total</b>	<b>63,562.11</b>	<b>68,736.77</b>	<b>60,231.64</b>	<b>63,562.11</b>	<b>60,231.64</b>
	<b>Segment Liabilities</b>					
	Tea	9,765.51	11,405.61	10,169.40	9,765.51	10,169.40
	Electrical-Kolkata	6,326.81	7,660.84	7,795.13	6,326.81	7,795.13
	Electrical-Chennai	3,896.07	3,490.37	2,784.29	3,896.07	2,784.29
	Engineering	3,557.69	3,511.54	3,194.00	3,557.69	3,194.00
	Printing	381.41	448.04	449.66	381.41	449.66
	Unallocated Corporate	1,768.23	2,581.80	1,549.71	1,768.23	1,549.71
	<b>Total</b>	<b>25,695.72</b>	<b>29,098.20</b>	<b>25,942.19</b>	<b>25,695.72</b>	<b>25,942.19</b>
	<b>Segment Capital Employed ( Segment Assets- Segment Liabilities)</b>					
	Tea	11,831.83	14,988.39	9,715.95	11,831.83	9,715.95
	Electrical-Kolkata	(2,042.76)	(2,650.55)	(3,267.00)	(2,042.76)	(3,267.00)
	Electrical-Chennai	2,688.32	2,571.46	2,961.67	2,688.32	2,961.67
	Engineering	1,741.52	1,556.39	1,646.02	1,741.52	1,646.02
	Printing	(239.09)	(235.46)	(236.94)	(239.09)	(236.94)
	Unallocated Corporate	23,886.57	23,408.34	23,469.75	23,886.57	23,469.75
	<b>Total</b>	<b>37,866.39</b>	<b>39,638.57</b>	<b>34,289.45</b>	<b>37,866.39</b>	<b>34,289.45</b>





In Rs. Lakhs

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	10268.68	9,432.83
(b) Capital work-in-progress	3	7523.24	7,739.27
(c) Intangible Assets	3	6.55	7.44
(d) Non Current Assets held for Sale or as held for distribution to owners	4	46.43	83.14
(e) Financial Assets			
(i) Investment	5	20252.69	20,247.10
(ii) Others	6	74.19	16.81
(iii) Loans	7	0.30	0.64
(f) Income Tax Assets (net)	8	1567.93	1,270.61
(g) Other non-current assets	9	397.06	397.06
<b>Total Non - Current Assets</b>		<b>40137.07</b>	<b>39,194.90</b>
<b>Current assets</b>			
(a) Inventories	10	4590.97	4,827.32
(b) Financial Assets			
(i) Investment	11	0.35	0.35
(ii) Trade Receivables	12	6323.77	5,112.08
(iii) Cash and cash equivalents	13	6798.44	6,407.08
(iv) Loans	14	0.44	0.44
(v) Other financial assets	15	2318.88	2,048.78
(d) Other current assets	16	3392.19	2,640.74
<b>Total Current Assets</b>		<b>23425.04</b>	<b>21,036.79</b>
<b>Total Assets</b>		<b>63562.12</b>	<b>60,231.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	9779.02	9,779.02
(b) Other Equity	18	28087.38	24,507.77
<b>Total equity</b>		<b>37,866.40</b>	<b>34,286.79</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	53.81	-
(ii) Other financial liabilities	20	28.80	28.80
(b) Provisions	21	2561.65	1,828.46
(c) Other non-current liabilities	22	442.23	464.84
(d) Deferred Tax Liability		1081.99	1,900.46
<b>Total non-current liabilities</b>		<b>4,168.48</b>	<b>4,222.56</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	6943.60	8,053.91
(ii) Trade and other payables	24	6278.53	5,373.49
(iii) Other financial liabilities	25	6023.11	5,821.17
(b) Other current liabilities	26	1306.93	1,284.25
(c) Provisions	27	975.07	1,189.53
<b>Total Current Liabilities</b>		<b>21,527.24</b>	<b>21,722.34</b>
<b>Total liabilities</b>		<b>25,695.72</b>	<b>25,944.90</b>
<b>Total Equity &amp; Liabilities</b>		<b>63,562.12</b>	<b>60,231.69</b>

For S.K. Basu & Co.

Chartered Accountants

F.No.: 301026E

S. Basu

Partner (M.No.: 053225)

Place : Kolkata

Date : 23rd June 2021



For Andrew Yule & Company Limited

SHRI K. MOHAN

DIRECTOR (PERSONNEL)/ADDL.  
CHARG OF FINANCE

DIN. 08385809

SHRI SANJOY BHATTACHARYA

CHAIRMAN & MANAGING  
DIRECTOR

DIN : 07674268



## ANDREW YULE &amp; COMPANY LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st March, 2021

Rs in Lacs

	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax and extraordinary items	2,936.87	(2,126.11)
Adjustments for :		
Depreciation/Impairment of Assets	665.75	657.56
Amortisation of Intangible Assets	1.46	
Interest expense	756.32	744.35
Changes in Long Term Provisions	710.58	
(Profit)/Loss on Sale of Investments		(409.50)
Gain on Acquisition of Land by Government		
Interest Income	(325.27)	(389.28)
Dividend Income	(2,196.66)	(1,700.71)
Provision no longer Required Written back	(0.58)	
Liabilities no longer required written back	(101.81)	-
Net Gain on Foreign Currency Translation		(2.88)
Gain on Remeasurement of Long Term Trade Receivables		-
Gain on Remeasurement of Investments	(4.01)	(89.02)
Excess provision for YASF written back		(25.26)
Diminution in value of Non Trade Investments		42.97
Provision for TDS Recoverable		1.02
Provision for Doubtful Debts	103.88	320.19
Provision for Doubtful Loans, Advances and Deposits	83.64	16.22
Provision for Recoverable Electrical Duty	23.95	
Provision for NSC	0.35	
Non Current Assets held for sale Written Down	36.71	
Increase in Group Share of Profit of Associates	(1,467.57)	
Provision for Stock/Stores Obsolescence	11.27	21.92
Changes in fair value of financial assets at fair value through P&L		(476.59)
Actuarial Gains and Losses	(98.56)	960.93
Adjustment against P&L	(0.21)	
Changes in Income Tax Assets	(297.32)	
Cash Generated from Discontinued Operations	(72.96)	(148.20)
Other Expenses		962.25
	(2,171.04)	485.97
<b>Operating profit before changes in amount of Current Liabilities and Current Assets</b>	<b>765.83</b>	<b>(1,640.14)</b>
Adjustment for		
Changes in Current Assets	(2,337.10)	1,328.35
Inventories	236.35	540.29
Changes in Current Liabilities	(211.94)	(1,705.68)
Other Assets		41.33
	(2,312.69)	204.29
<b>Cash Generated from Operations</b>	<b>(1,546.86)</b>	<b>(1,435.85)</b>
Tax paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(1,546.86)</b>	<b>(1,435.85)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1,501.60)	(3,026.64)
Sale of Fixed Assets	215.46	
Purchase of Investments	1,461.98	(2,335.57)
Non Current asset Held for Sale	-	
Sale Proceeds of Investments		458.43
Other Financial Assets		
Dividend Received	2,196.66	1,700.71
Interest Received	325.27	389.28
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>2,697.77</b>	<b>(2,813.79)</b>



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<b>[C] CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest Paid				
Other Current Liabilities		(756.32)		(744.35)
Short Term Borrowings (Repaid)/Taken and other financial liabilities		(57.04)		
Long Term Borrowings (Repaid)/Taken		53.81		3,284.47
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>		<b>(759.55)</b>		<b>2,540.12</b>
Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]		391.36		(1,709.52)
CASH AND CASH EQUIVALENTS (Opening Balance)		6,423.89		8,133.41
CASH AND CASH EQUIVALENTS (Closing Balance)		6,815.25		6,423.89
[1] The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standard) Rules, 2006				
[2] Cash and Cash Equivalents include :				
Balance with Banks (Refer Note below)		<b>As at 31st March, 2021</b>		<b>As at 31st March, 2020</b>
Cheques in Hand		591.73		758.91
Cash in Hand				51.00
Postage and Stamps in hand		43.05		23.18
Remittance in Transit				
Deposit with Bank maturing within 3 months				
Margin Money with Bank maturing within 3 months				
Deposit with Bank maturing after 3 months				
Deposit Account Margin		6,180.47		5,590.80
		6,815.25		6,423.89
[a] includes 16.84 lakhs attached by Provident Fund Authority				
[b] Previous year's figures have been regrouped/rearranged wherever necessary				

For S.K.BASU & CO.  
Chartered Accountants  
F.No.: 301026E

*S. Basu*

S.BASU

PARTNER (M.No.: 053225)

Place: Kolkata

Date: 23/6/21



For Andrew Yule & Company Limited

*[Signature]*  
SHRI K. MOHAN  
DIRECTOR (PERSONNEL)/ADDL.  
CHARGE OF FINANCE  
DIN. 08385809

*[Signature]*  
SHRI SANJOY BHATTACHARYA  
CHAIRMAN AND MANAGING DIRECTOR

DIN. 07674268





# **S. K. BASU & CO**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITORS REPORT**

**To the Members of Andrew Yule & Company Limited**

**Report on the Audit of Consolidated IND-AS Financial Statements**

#### **(1.) Qualified Opinion**

We have audited the Consolidated Ind AS Financial Statements of Andrew Yule and Company Limited ("The Holding Company") and considered financial statements of Subsidiaries and Associates (Together referred to as "The Group") audited by other auditors which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, and the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, subject to the qualifications mentioned hereinafter in this report, the aforesaid Consolidated IND AS Financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2021, consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended :

#### **( 2 )Basis for Qualified Opinion**

a.) In the absence of Balance confirmation certificates from a considerable number of Sundry Debtors and Sundry Creditors, no opinion can be formed about the correctness of the balances of Sundry Debtors and Sundry Creditors. Effect of the above , if any on profit and loss is not ascertainable.

b. ) Auditors of subsidiary companies, namely Yule Electrical Limited and Yule Engineering Limited have qualified their reports stating that the said companies are not a going concern as defined in AS-1 as there were no operating activities in the concerned year as well as in the recent past and the same has not been disclosed in "Notes to Financial Statements" which constituted a departure from IND AS-1 issued by ICAI. Also no agreement related to the terms of payment and interest payable if any , was available for unsecured borrowings from Andrew Yule and Company Ltd. Further, confirmation of Loan taken from others were not available to the auditors of Yule Electrical Limited.

c ) Auditors of Associate Companies namely The New Beerbhoom Coal Company Limited and Katras Jherriah Coal Company Limited have qualified their respective audit reports as follows:

(i) In the case of New Beerbhoom Coal Company Limited -" a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and on realisability of advance income tax recoverable Rs. 4.09 lakhs and not valuing investments in shares of WEBFIL Ltd.- Rs. 4.62 lakhs (valued at intrinsic value) and BKNY & CO., Partnership firm -Rs.1.04 lakhs(valued at cost) at fair value and are unable to ascertain the extent of liabilities from pre nationalization period amounting to Rs.11.88 lakhs and other liabilities of Rs. 1.04 lakhs."



In the case of Yule Agro Industries Ltd. (subsidiary company of New Beerbhoom Coal Company Limited) , the auditors have qualified their report as follows: the company has not carried out any business for the last several years and has no property, plant and equipment to do any business and also that the Company had issued 4500, 8% Cumulative Redeemable preference Shares at face value of Rs. 100/- each on 6th December, redeemable after 6 years from the date of issue. However , as at 31st March, 2021, neither the period of redemption has been extended , nor any payment has been made for redemption till date of audit report.

(ii) In the case of Katras Jherriah Coal Company limited " a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and on realisability /recognition of the following amounts receivable from Central Government of Rs.1.78 lakhs, claims payable pending with appellate courts amounting to Rs. 28.60 lakhs , claims of creditors against the company amounting to Rs. 36.19 lakhs, advance income tax recoverable Rs. 10.54 lakhs and not valuing investments in New Beerbhoom Coal Company Ltd.-Rs. 0.46 lakhs(valued at NAV) and BKNY & CO., Partnership firm -Rs.0.90 lakhs(valued at cost) at fair value."

We have conducted our auditing in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of The Companies Act, 2013. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of The Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirement of the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **(3) Emphasis of Matter:**

**Without qualifying our audit report, we draw attention to the following:**

- a. In the absence of IT system audit, security of accounting/operational data, recovery of data through IT disaster management system and manual intervention at crucial levels of data transfer and at the time of consolidation result in high audit risk.
- b. The absence of exercise of adequate controls in the process of maintaining the records of the companies lease deeds and title deeds enhances the audit risk.
- c. Electrical Division has not contributed an amount of Rs. 742.70 lakhs and Tea Division has not contributed an amount of Rs. 604.11 lakhs to the Company's gratuity fund which is utilised towards payment of gratuity to employees on retirement.
- d. Provident Fund recoverable of Rs. 42.97 Lakhs (Refer note No.56 of the financial statements) pending over 10 years from PF department of Government of India has been provided for in the accounts.
- e. Lease agreement of three tea gardens namely Banerhat, Choonabhutti and Haritalguri-3(of New Dooars) and Brentford Unit of Electrical Division , Kolkata has not been renewed since long. However , lease rent is being paid by the Company. Salami asked for by the West Bengal Government amounting to Rs.177.66 lakhs (PY-Rs. 177.66 lakhs) as per Note No. 54 is shown under "Claims not acknowledged as debts". The matter should be resolved



- immediately as it disputes the Company's ownership of the tea gardens under its operation.
- f. All the inoperative bank accounts of the Company in its various divisions should be closed to mitigate the fraud risk. Also many bank accounts have authorized signatories who have retired/resigned from the Company. These former employees should be replaced as signatories by the officials who are currently in the employment of the Company.
  - g. BSE has imposed a fine for every quarter of 2020-21 on the Company for non compliance of the requirements of the Regulation 17(1) of the SEBI ( LODR) Regulations, 2015 pertaining to the composition of the Board including failure to appoint a woman director. These fines have not been paid by the Company as appointment of Directors is done by the Companies administrative ministry. The Company has taken up the matter with its administrative ministry and BSE pursuant to which the fines for the first three quarters have been waived by BSE and the fine for the fourth quarter of the year amounting to Rs. 5,31,000/- is pending . No provision for the same has been made in the accounts.
  - h. Hooghly Printing Company Limited (HPCL) , (transferor company) had declared closure of its business operations with effect from 21<sup>st</sup> January, 2019 pursuant to its merger with the Andrew Yule and Company Limited (Transferee company) under a scheme of amalgamation. The matter had been referred to NCLT under Section 232 of The Companies Act, 2013. NCLT has granted its approval vide its Order dated 3<sup>rd</sup> May, 2021. Pursuant to this order, all properties, assets , rights, powers and undertakings of the transferor company, as well as the liabilities, obligations, duties of the transferor company will be transferred to the transferee company. All suits and legal proceedings for and against the transferor company will also be valid against the transferee company from the "effective date" of transfer. As per Note No: 58 , the effective date of transfer being 04th June, 2021 , the merger of assets and liabilities of the transferor company with the transferee company will impact the standalone accounts of Andrew Yule and Company Limited when it is given effect in the financial year 2021-22.
  - i. The Company has assessed the effect on its operations due to the nationwide lockdown arising out of COVID 19 and concluded that no material adjustment are required for the same in the accounts as per Note No.57 of the financial statements.
  - j. The Company has made an interest payment of Rs. 45.82 Lakhs to GST department mainly due to not making timely (monthly) reconciliation of GST Input Credit among other reasons during the Financial year 2018-19 and such irregularities due to non reconciliation continue till date.
  - k. There are a large number of debit balances in Trade Payables accounts which should be reconciled and adjusted with relevant heads of account.
  - l. The Company held preference shares in WEBFIL amounting to Rs. 204.40 lakhs and accumulated dividend amounting to Rs. 161.68 lakhs is receivable. WEBFIL has not paid dividend since inception and has defaulted in redemption of its preference shares on due date i.e 1st April 2021. They have communicated vide letter no AY/PREF/96 dated 31.03.2021 requesting deferment of payment in four annual instalments due to stress in the company due to ongoing pandemic out of which the first instalment amounting to Rs. 91.52 lakhs has already been paid on 1.4.21. No evaluation of Expected Credit Loss (ECL) has been made by the Company and no resulting provision has been created.
  - m. Unadjusted advances of tea division include Rs 6.98 crores for paying gratuity to workers remained outstanding for the last one year and has not been recovered from the Yule Group Gratuity Fund . Also an amount of Rs. 62 lakhs for electricity duty remained outstanding for more than three years which was included under Bills receivable account which has been provided for .  
There are old outstanding advances lying in all divisions of the Company which should be adjusted after scrutiny.



- n. The Company had a practice of charging interest on inter garden balances which has been discontinued since long. However, interest accrued and due on these amounting to Rs. 15 lakhs approx are still being carried forward. The same should be adjusted after scrutiny.
- o. The Company should implement procedures for physical verification of assets at reasonable intervals commensurate with the size and nature of its business.
- p. In tea division an amount of Rs.82.36 lakhs paid by the Company on behalf of the employees on account of electricity charges and labour line electrification are not being recovered and the same has been provided for in the accounts.
- q. In tea division, an amount of Rs.1.30 lakhs being unpaid bonus to workers pertaining to financial years 2014-15 to 2017-18 has not been deposited in Labour Welfare Fund (LWF). The amount of interest and penalty if payable on the same could not be ascertained.
- r. In some cases, the income tax deducted at source required to be made as per the Income Tax Act is overlooked or delayed. Control over TDS deductions needs to be improved upon both manually and by the system.
- s. In the 242nd meeting of the Board of Directors held on 2nd June, 2021, the recommendation to the Board for consideration/approval of the proposal for closure of Electrical-Kolkata operations through VRS/VSS route from own resources by September, 2021 have been approved by the Audit Committee and recommended to the Board for its approval, subject to the approval of the ministry concerned and other necessary approvals. The effect of the same on the financials is yet to be ascertained by the management.  
**Emphasis of matter reported by the auditors of Hooghly Printing Co. Ltd.:**
- t. Attention is drawn to the Notes on financial statements describing the effects of uncertainties relating to the Covid 19 pandemic outbreak on the Company's operation and Managements evaluation of its impact on the accompanying financial statements as at 31st March, 2021, which is dependent on future developments.
- u. The company has certain balance receivables from payables from certain parties which are subject to reconciliation and confirmation.
- v. Material uncertainty relating to going concern: Attention is drawn to the Notes on financial statements indicating that the Company has accumulated losses and its net worth has been fully/substantially eroded.  
**Emphasis of matter reported by the auditors of Tide Water Oil Co. (India) Ltd.:**
- w. Attention is drawn to the Notes on financial statements which describes the accounting of franchisee fee based on the statement of franchisee fee received from the Tide Water Oil Co.(India) Ltd. and audited by an independent firm of Chartered Accountants.

**(4) Information other than the Consolidated Ind AS Financial Statements and Auditors Report thereon:**

The Company's Board of Directors are responsible for the information. The other information comprises the information included in the Management Discussion and Analysis, Boards Report including the Annexures to Boards Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the Consolidated financial statements and our auditors report thereon. The report is expected to be made available to us after the date of this audit report.

**(5) Key Audit matters**

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion in these matters. We have determined the matters described below to be the key audit matters to be communicated in this report. In respect of subsidiaries and associates key audit matters were reported in the audit reports of the subsidiary company- Hooghly Printing Company Limited only.

S.N.	KEY AUDIT MATTER	AUDITORS RESPONSE
1.	<b>Revenue Recognition</b>	
	<p>Revenue from the sale of goods (hereinafter referred to as revenue) is recognized when the significant risks and rewards of ownership of goods is passed to the buyer. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns or allowances, trade discounts and volume rebates.</p>	<p>Our audit procedures included the following:  Assessed the Company's Revenue Recognition policies in line with IND AS 115 (Revenue from Contracts with Customers) and tested thereof:  Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of controls over recognition of revenue.  Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition.  Tested the effectiveness of such controls over revenue cut off at year end.  On a sample basis tested supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end.  Compared revenue with historical trends where appropriate conducted further enquiries and testing.  Assessed disclosures in financial statements in respect of revenue as specified in IND AS 115.</p>
2.	<p><b>Provisions and Contingent Liabilities</b>  The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities. Management's disclosures with regards to contingent liabilities are presented in Note No.36-to the Standalone Ind AS Financial Statements.  The assessment of the risks associated with the litigations is based on complex assumptions.</p>	<p>In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Company's legal and finance departments.  We read the summary of litigation matters provided by the Company's/ Unit's Legal and Finance Team.  We read, where applicable, external legal</p>



The amounts involved and the application of accounting standards to determine the amount if any to be provided as a liability or disclosed as a contingent liability are inherently subjective. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Accordingly, this matter is considered to be a key audit matter.

or regulatory advice sought by the Company.

We discussed with the Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.

In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Standalone Ind AS financial statements

**3. Delegation of Powers:**

Delegation of financial authority to various cadres of Management is essential for approving day to day affairs of the Company including disbursement of funds. The existing delegation of Authority of various cadres was from the Chief Executive Grade F to Manager C2. The said delegation of powers was not exhaustive and also not followed strictly resulting in vulnerability in internal financial control. Considering the risks of violation of delegated authority we have considered the delegation of power as a Key Audit Matter.

We followed audit procedures to assess vulnerability of the internal financial control due to some instances of non adherence to delegation of financial authority and consequent risk involved. We used substantive procedures on a larger sample to mitigate the said risk. We discussed with the Management our findings regarding the risks involved. Consequently the Committee of the Board of Directors amended the schedule of authorized signatories including delegation of powers on 19<sup>th</sup> February 2021 to cover the total structure of delegation.

**4. Key Audit Matters reported by the statutory auditor of Hooghly Printing Co. Ltd.**

The Company has current liabilities of Rs.700.74 lakhs and current assets of Rs.75.42 lakhs. The current liabilities exceed current assets at the year end. Due to Government policy on PSUs there is hardly any possibility/probability for revival of the Company. The Company is being taken over by its parent Andrew Yule & Co. Ltd. Under the scheme of amalgamation approved by NCLT.

The audit procedures among others included the following:

Obtained an understanding of the processes and tested the Internal Controls Process associated with the Managements Assessment of going concern provision.

Discussed with the management and assessed the assumptions, judgments and estimates used in such assessments having regard to past performance and current status of the Company.

Assessed the adequacy of the disclosures in the standalone financial statements.

**(6) Responsibility of the Management and those charges with Governance for the Consolidated Ind-AS financial statements:**



The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements of The Group, the respective Board of directors are responsible for assessing the ability of the respective Companies to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group and of its associates are also responsible for overseeing the Companies financial reporting process and its associates.

**(7) Auditor's responsibilities for the Audit of the Consolidated Ind AS Financial statements:**

Our objectives are to obtain reasonable assurance about whether the Consolidated IND AS financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit, in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the IND AS financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of The Companies Act, 2013 we are also responsible for expressing an opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.



Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the managements use of going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the IND AS financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report .However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures , and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding , amongst other matters, the planned scope and timing of the audit and significant audit findings ,including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

#### **(8) Other Matters**

(a) The process of merger of Hooghly Printing Company Ltd. has received the approval of NCLT vide its Order dated 03rd May, 2021 and the appointed date of merger has been declared on and from 4th June, 2021.

(b) We have considered information from the financial statements of the three subsidiaries, namely, Hooghly Printing Co. Ltd., Yule Engineering Ltd. and Yule Electrical Ltd., whose financial statements have been audited by other auditors, which reflect total assets of Rs.128.97 Lakhs as at 31<sup>st</sup> March, 2021. Total Revenues from continued operation of Rs. 0.03 lakhs for the year ended on that date , as considered in the consolidated Ind AS financial statements. The consolidated Ind As financial statements also include the net loss of Rs. 73.98 lakhs of the subsidiary companies for the year ended 31<sup>st</sup> March, 2021.

© The consolidated financial statements of the three associate companies, namely, Tide Water Oil Co. (India) Ltd., The New Beerbhoom Coal Co. Ltd. and Katras Jherriah Coal Co. Ltd. have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub sections (3) and (11) of Section 143 of The Act, in so far as it relates to the aforementioned subsidiaries and associates , is based solely on the reports of the other auditors subject to non compliance of SA 705 and SA 570 by the respective auditors of two subsidiaries Yule Engineering Limited and Yule Electrical Ltd.



Our opinion on the consolidated financial statements and our report on the other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by management.

(d) Due to the COVID-19 pandemic, nationwide lockdown and other travel restrictions were imposed by the Government/local administration. Hence, some of the audit processes were carried out by electronically by remote access. The necessary records were made available by the management through digital medium and were accepted as audit evidence while reporting for the current period.

**(9) Report on Other Legal and Regulatory Requirements:**

As required by Section 143(3) of the Act, we report that:

(a) Read with our comments in Emphasis of Matter paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from units not visited by us and the reports of the other auditors, subject to our qualifications/emphasis of matter mentioned elsewhere in this report.

(c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss including The Statement of Other Comprehensive Income and consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account, maintained for the purpose of preparation of the consolidated financial statements, subject to our qualification/emphasis of matter elsewhere in this report.

(d) In our opinion, the aforesaid Consolidated IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 subject to our qualification/emphasis of matter elsewhere in this report.

(e) Section 164 (2) of the Act regarding disqualification for appointment of Director is not applicable to Government Companies vide notification no. GSR.463( E ) dated 5<sup>th</sup> June, 2015.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in "Annexure A".

(g) With respect to the matters required to be reported upon as per directions of The Comptroller and Auditor General of India as per the provisions of Section 143(5) of The Companies Act, 2013, refer to our report in "Annexure B".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements of the Company has disclosed the impact of pending litigations on the consolidated financial position of the Group in its IND AS financial statements – Refer Note 38 to the consolidated financial statements;

(ii) The Group and its Associates has not entered into any long-term contracts including derivative contracts for which there were material foreseeable losses.

(iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries and associate companies.

**For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)**

**Place: KOLKATA**

**DATE: 23rd June ,2021**

**(S.Basu )  
PARTNER**

**(MN: 053225)**

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## **Annexure A to the Independent Auditors Report**

**Referred to in Para 9(f) of our report of even date:**

### **Report on the Internal Financial Controls under Clause(i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (The Act).**

(1). We have audited the internal financial controls over financial reporting of Andrew Yule and Company Limited (The Company) as on 31<sup>st</sup> March, 2021 in conjunction with our audit of the Consolidated IND AS financial statements of the Company for the year ended on that date.

#### **Managements Responsibility for Internal Financial controls**

(2). The Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

#### **Auditors Responsibility**

(3). Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and the Standards on Auditing as specified under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls. Those Standards and Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained if such controls operated effectively in all material respects.

(4). Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting, assessing a risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error.

(5). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

(6.) The Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the IND AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

(7). Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

(8) Based on our audit and the information and explanations given to us, we are of the opinion that:

(a) The flow of financial data from divisions, units and gardens are not seamlessly integrated with Head office accounts. It involves manual interventions at various stages of accounting.

(b) Absence of guidelines of IT general controls and segregation of duties does not give reasonable assurance regarding fair maintenance and accurate reflection of records with reasonable details for transactions and disposition of assets of the Company.

© Since the inception of computerization, IT systems audit has not been carried out.

(d) IT disaster recovery plan has not been defined.



(e) The company has not obtained balance confirmation certificates from a considerable number of sundry debtors and creditors.

(f) At the time of payment of medical bills, providing a doctors prescription as per Company's rule no. 6 is not followed in some cases.

(g) Brokerage of sale of tea is charged at 1% of the sale value before taxes. The program for recording sales of tea division (Crop book) gives a misleading picture in the crop book and is ignored for the purpose of brokerage payment. This irregularity should be rectified at the earliest to give the correct picture in the crop book.

(h) In tea division, the system of recording and creating provisions on expenses and liabilities should be improved upon.

(i) In some cases, the income tax deducted at source required to be made as per the Income Tax Act is overlooked or delayed. Control over TDS deductions needs to be improved upon both manually and by the system.

In view of the above observations, Internal financial Controls of the company as at 31<sup>st</sup> March, 2021 is inadequate with respect to its size, diversity and complexity of operations based on internal control over financial reporting criteria as stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)**

**Place: KOLKATA**

**DATE: 23rd June, 2021**

**( S.Basu )  
PARTNER  
(MN:053225)**

### **Annexure B to the Independent Auditors Report**

Directions under Section 143(5) of The Companies Act, 2013 on the basis of our audit of Consolidated financial statements of Andrew Yule and Company Limited for the FY 2020-21.

We give below the answer to the questions and information asked for in the above mentioned directions:

#### **Andrew Yule and Company Limited:**

<b>S.N.</b>	<b>Directions</b>	<b>Our Answer</b>
1.	Whether the Company has system in place to process all the accounting transactions through IT system.? If yes, the implications of processing the accounting transactions outside IT system on the integrity of the accounts along with the financial implications , if any, may be stated.	The Company does not presently possess an ERP accounting system or a fully integrated IT system among its units and Head Office and as such, necessary accounting integration is being done through separate data entry mode and by applying Consolidated IT software. The method adopted by the Company leaves a scope of absence of data integrity, thereby increasing the risk.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc .made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There is no instance of restructuring/waiver/write offs of existing loans availed by the Company.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	All funds received/receivable for specific schemes from Central/State agencies were properly accounted for under Note No. 20 relating to the head of "Other non current liabilities"

For subsidiary companies, their respective auditors reports under Section 143(5) are appended below:



### Hooghly Printing Company Limited

S.N.	Directions	Reply of Auditor
1.	Whether the Company has system in place to process all the accounting transactions through IT system.? If yes, the implications of processing the accounting transactions outside IT system on the integrity of the accounts along with the financial implications , if any, may be stated.	The Company process all its accounting transactions through IT system to the extent checked by us and based on information and explanation so obtained during the course of audit.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our verification and explanations and information given to us there were no cases of restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc. made by a lender to the Company due to Company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	No such cases noticed.

### Yule Engineering Limited

S.N.	Directions	Reply of Auditor
1.	Whether the Company has system in place to process all the accounting transactions through IT system.? If yes, the implications of processing the accounting transactions outside IT system on the integrity of the accounts along with the financial implications , if any, may be stated.	Accounts have been maintained through Excel worksheet. Integrity of the accounts along with the financial implications have been checked.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc.made by a lender to the Company due to the Companys inability to repay the loan? If yes, the financial impact may be stated.	There is no restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	No such funds received/receivable for specific schemes from Central/State Governments.

### Yule Electrical Limited

S.N.	Directions	Reply of Auditor
1.	Whether the Company has system in place to process all the accounting transactions through	Accounts have been maintained through Excel sheet in computer. Integrity of the

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	IT system.? If yes, the implications of processing the accounting transactions outside IT system on the integrity of the accounts along with the financial implications , if any, may be stated.	accounts along with the financial implications have been checked.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There is no restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	No funds received or receivable for specific schemes from Central/State Governments.

**For S.K.BASU & CO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM NO: 301026E)**

**Place: KOLKATA**

**DATE: 23rd June, 2021**

**( S.Basu)**  
**PARTNER**  
**(MN:053225)**

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# **S. K. BASU & CO**

**CHARTERED ACCOUNTANTS**

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## **COMPLIANCE CERTIFICATE**

We have conducted the audit of the consolidated accounts of Andrew Yule and Company Limited for the year ended 31st March, 2021 in accordance with the directions/sub directions issued by The Comptroller and Auditor General of India under Section 143(5) of The Companies Act, 2013 and certify that we have complied with all the directions/subdirections issued to us.

**For S.K.BASU & CO.  
CHARTERED ACCOUNTANTS  
(FIRM NO: 301026E)**

**Place: KOLKATA**

**DATE: 23rd June , 2021**

**( S.Basu)  
PARTNER  
(MN: 053225)**

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**ANDREW YULE & COMPANY LIMITED**  
**ANNEXURE- I**

**Statement of Impact of Audit Qualifications ( for audit report with modified opinion) submitted along with Annual Audited Financial Results-Standalone and Consolidated separately)**

**Statement on Impact on Audit Qualifications (Consolidated) for the Financial Year ended March 31, 2021**  
**[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016 ]**

	Particulars	Audited Figures (as reported before adjustment of qualifications)	Audited Figures (audited figures after adjustment of qualifications)
1	Turnover/Total Income	36,106.65	36,106.65
2	Total Expenditure	34,637.35	34,637.35
3	Net Profit/ (Loss)	3,513.30	3,513.30
4	Earning Per Share	0.72	0.72
5	Total Assets	63,562.12	63,562.12
6	Total Liabilities	63,562.12	63,562.12
7	Net Worth	37,866.40	37,866.40
8	Any other Financial items(as felt appropriate by the Management)	-	-

**Audit Qualification:**

(a)	<b>Details of the Qualifications</b>	(1) In the absence of Balance Confirmation Certificates, no opinion can be formed about the correctness of the balances of Sundry Debtors and Creditors. Also recoverability of Sundry Debtors and actual obligations to Sundry Creditors are not ascertainable
		(2) In the Financial Statements of Yule Engineering Limited & Yule Electrical Ltd( Subsidiary): The said companies are not a going concern as there were no operating activities in the concerned year and this has not been disclosed in "Notes to the Financial Statements" . Also no agreement related to terms of payment and interest payable if any ,was availed for unsecured borrowings from Andrew Yule & Co. Ltd. Further confirmation of Loan taken from others were not available to the auditors of Yule Electrical Limited.
		(3) In the Financial Statements of The New Beerbhoom Coal Co. Ltd (Associate Company) A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going Concern and on realisability of advance income tax recoverable Rs 4.09 Lakhs and not valuing investments in shares of Webfil Ltd Rs 4.62 Lakhs(valued at intrinsic value) and BKNY & Co. Partnership Firm -Rs1.04 Lakhs ( Valued at cost) at fair Lakhs and other liabilities of Rs 1.04 Lakhs.value and are unable to ascertain the extent of liabilities from pre nationalisation period amounting to Rs 11.88
		(4) In the Financial Statement of Katras Jheriah Coal Co. Ltd ( Associate Company) A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going Concern and on realisability of/recognition of Amount Receivable of Rs 1.78 Lakhs , claims payable pending in Appellate Courts amounting to Rs 28.60 Lakhs , Claims of creditors against the company amounting to Rs 36.19 Lakhs, advance income tax recoverable of Rs 10.54 Lakhs and not valuing investments in New Beerbhoom Coal Co. Ltd- Rs 0.46 Lakhs (valued at NAV) and BKNY & Co. partnership Firm -Rs 0.90 Lakhs (valuead at cost) at fair value.
(b)	<b>Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion</b>	Qualified opinion
(c)	<b>Frequency of Qualification</b>	The qualifications have appeared from the last year i.e 2019-20
(d)	<b>For Audit Qualifications where the impact is quantified by the auditor, Management views</b>	<b>Qualification ( 3 &amp; 4) -</b> The investment by Andrew Yule & Co. Ltd in Associate Companies -- The New Beerbhoom Coal Co. Ltd & Katras Jheriah coal Co. Ltd of Rs 12.27 Lakhs & Rs 6.95 Lakhs respectively has been fully eroded in the books of Accounts of AYCL and further loss can't be considered in the consolidated financial statements of 2020-21.



(e)	For Audit Qualifications where the Impact is not quantified by the Auditor,	Qualification (1)- Adequately mentioned as per NOTES TO Consolidated FINA STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021, note no. 55 which states that The Company has system of seeking year ending balance confirmation certificate from Debtors and Creditors. However, the company has maintained the figures in its accounts for cases wherein, no response from Debtors/ Creditors is received. Qualification (2) : The Management clarified that Yule Electrical Limited & Yule Engineering Limited are yet to start their operating process .
	(i) Management estimation on the Impact of Audit Qualification	Nil
	(ii) Management is unable to estimate the Impact, reasons for the same	As Stated in Note-55
	(iii) Auditors comment on (i) and (ii) above	

Signatories :		
	CEO/Managing Director	Shanachy
	CFO	[Signature]
	Audit Committee Chairman	V. Princy
	Statutory Auditor	S. Bern 23/6/21
Place: Kolkata		
Date: 23rd June, 2021		