

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

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(Rs. in lakhs)

Sl. No.	Particulars	Standalone				Consolidated	
		3 months ended 31.03.2019	Preceding 3 months ended 31.12.2018	Corresponding 3 months ended in the previous year 31.03.2018	Year to date 31.03.19	Year to date 31.03.18	Year to date 31.03.19
		[unaudited]	[unaudited]	[unaudited]	[audited]	[audited]	[audited]
[1]	Income from Operations						
[a]	Net Sales	6,712.51	8,144.10	7,173.21	30,463.06	35,008.19	30,554.73
[b]	Other Operating Income	579.29	55.51	963.22	652.54	1,142.09	652.54
[2]	Other Income	1,468.07	950.67	473.28	4,144.72	2,763.23	4,149.20
[3]	Total Income	8,759.87	9,150.28	8,609.71	35,260.32	38,913.51	35,356.47
[4]	Expenses						
[a]	Cost of Materials Consumed	2,087.53	1,938.10	3,225.22	9,417.74	11,907.68	9,467.25
[b]	Purchases of Stock-in-trade	-	-	-	-	-	-
[c]	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	2,676.53	635.26	1,589.60	184.68	(420.35)	184.68
[d]	Employee Benefits Expense	2,544.03	4,587.08	3,853.14	16,349.01	16,059.82	16,615.49
[e]	Finance Cost	185.42	126.99	126.73	615.15	595.54	647.16
[f]	Depreciation and Amortisation Expense	185.34	158.02	162.85	687.92	655.83	700.85
[g]	Other Expenses	1,246.85	1,653.49	1,670.87	6,954.69	7,757.66	7,001.09
	Total Expenses	8,925.70	9,098.94	10,628.41	34,209.19	36,556.18	34,616.52
[5]	Profit/(Loss) before Tax [3-4]	(165.84)	51.34	(2,018.70)	1,051.12	2,357.33	739.95
	Add: Group share of Profit	-	-	-	-	-	-
[6]	Tax Expense	36.60	-	707.96	36.60	707.96	34.42
[7]	Net Profit/(Loss) for the period [5-6]	(202.44)	51.34	(2,726.66)	1,014.52	1,649.37	705.53
[8]	Other Comprehensive Income						
	(a) Remeasurement of Investment	(101.96)	8.54	(2.49)	(8.37)	(8.72)	(8.37)
	(b) Adjustment of actuarial gains/losses	(1,077.91)	69.59	629.09	(869.15)	276.70	(866.73)
	Add: Group share of Profit	-	-	-	-	-	-
	Total Other Comprehensive Income	(1,179.87)	78.13	626.60	(877.52)	267.98	(875.10)
[9]	Total Comprehensive Income for the period [7+8]	(1,382.31)	129.47	(2,100.06)	137.00	1,917.35	(169.57)
[10]	Earnings per equity share (not annualised)						
	(a) Basic	(0.04)	0.01	(0.41)	0.18	0.35	0.11
	(b) Diluted	(0.04)	0.01	(0.41)	0.18	0.35	0.11
[11]	Paid-up Equity Share Capital (Face Value of Rs.2/- per share)	9,779.02	9,779.02	9,779.02	9,779.02	9,779.02	9,779.02
	Share Holder Fund	--	--	--	18802.19	18,900.58	35,114.10

Notes:

- 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) (Amendment) Rules, 2016.
- The above Unaudited Financial Results for the quarter and year ended 31st March, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 30th May, 2019.
- The Company is also engaged in cultivating and manufacturing tea, being seasonal in nature, the above figures cannot be taken as indicative of full year.
- This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Figures for the quarter and twelve months ended 31st March, 2019 have been reclassified, wherever necessary to make them Ind AS compliant and comparable with the figures for the current period.
- Figures for the previous period /year have been re-arranged /re-grouped wherever found necessary.

By Order of the Board
ANDREW YULE & COMPANY LIMITED



DEBASIS JANA
CHAIRMAN & MANAGING DIRECTOR
DIN : 07046349

Place: Kolkata
Date: 30th May, 2019



For S. Ghose & Co. LLP
FRN 302184 E/E 300007
Ranjan K Paul
Partner
M.No - 060084

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SEGMENT-WISE REVENUE, RESULTS, ASSETS & LIABILITIES FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(Rs. in lakhs)

Sl. No.	Particulars	Standalone					Consolidated	
		3 months ended 31.03.2019	Preceding 3 months ended 31.12.2018	Corresponding 3 months ended in the previous year 31.03.2018	Year to date 31.03.19	Year to date 31.03.18	Year to date 31.03.19	Year to date 31.03.18
		[unaudited]	[unaudited]	[unaudited]	[audited]	[audited]	[audited]	[audited]
[1]	Segment Revenue [net sales/income from each segment]							
[a]	Tea	3,113.84	6,262.39	2,507.83	19,887.96	20,748.73	19,887.96	20,748.73
[b]	Electrical	2,704.28	1,490.30	4,150.11	7,777.21	12,057.49	7,777.21	12,057.49
[c]	Engineering	1,395.67	351.93	1,162.02	3,059.98	2,535.68	3,059.98	2,535.68
[d]	Unallocated	114.16	112.88	323.16	468.34	841.60	468.34	841.60
[e]	Printing						108.09	918.85
[e]	Total	7,327.95	8,217.50	8,143.12	31,193.49	36,183.49	31,301.57	37,102.34
	Less: Inter-Segment Revenue	36.15	17.88	6.71	77.89	33.22	94.30	74.49
	Net Sales/Income from Operations	7,291.80	8,199.61	8,136.43	31,115.60	36,150.27	31,207.27	37,027.85
[2]	Segment Results [Profit(+)/Loss(-) before Tax and Interest from each Segment]							
[a]	Tea	(1,718.21)	267.11	(2,250.09)	701.80	1,951.90	701.80	1,951.90
[b]	Electrical	465.93	(562.81)	114.01	(1,163.57)	(483.28)	(1,163.57)	(483.28)
[c]	Engineering	165.63	(163.57)	222.94	(304.44)	(322.73)	(304.44)	(322.73)
[d]	Printing						(289.60)	(289.52)
[d]	Total	(1,086.65)	(459.27)	(1,913.14)	(766.21)	1,145.89	(1,055.81)	856.37
	Less:							
	(i) Interest	1,044.88	(126.98)	126.73	615.16	595.54	647.16	663.14
	(ii) Other Unallocable Expenditure net off Unallocable Income	(3,758.73)	637.58	(21.16)	(2,432.49)	(1806.97)	(2,442.91)	(1806.45)
	Total Profit before/(loss) Tax	1,627.20	51.34	(2,018.70)	1,051.12	2,357.33	739.95	1,999.68
	Segment Assets							
	Tea	(1,382.31)	(2,535.86)	16,016.09	18,405.45	15892.33	18,405.45	15892.33
	Electrical	(553.74)	52.44	1,337.98	11,213.37	12,375.06	11,213.37	12,375.06
	Engineering	506.59	(360.93)	(455.99)	4,531.66	4,592.42	4,531.66	4,592.42
	Printing						711.65	1164.13
	Unallocated Corporate	559.67	590.68	62,010.83	7,734.10	6,394.75	7,734.10	23,018.89
	Total	(869.79)	(2,253.66)	78,908.92	41,884.58	39,254.55	42,596.23	57,042.83
	Segment Liabilities							
	Tea	795.98	(2,603.57)	8,354.59	7,920.81	5,520.59	7,920.81	5,520.59
	Electrical	(433.79)	541.37	1,271.92	9,647.90	9,025.70	9,647.90	9,025.70
	Engineering	289.18	(252.06)	(39.79)	2,905.59	3,010.15	2,905.59	3,010.15
	Printing						1,100.53	1,247.02
	Unallocated Corporate	(138.86)	(68.87)	(445.58)	2,608.08	2,797.53	2,608.08	2,731.10
	Total	512.52	(2,383.13)	9,141.14	23,082.39	20,353.97	24,182.92	21,534.57
	Segment Capital Employed (Segment Assets-Segment Liabilities)							
	Tea	(2,178.29)	67.71	7,661.50	10,484.64	10,371.74	10,484.64	10,371.74
	Electrical	(119.95)	(488.93)	66.06	1,565.47	3,349.35	1,565.47	3,349.35
	Engineering	217.41	(108.87)	(416.19)	1,626.07	1,582.26	1,626.07	1,582.26
	Printing						(388.88)	(82.89)
	Unallocated Corporate	698.53	659.55	62,456.41	5,126.02	3,597.22	21,826.81	20,287.79
	Total	(1,382.31)	129.47	69,767.78	18,802.19	18,900.58	35,114.10	35,508.26

By Order of the Board
ANDREW YULE & COMPANY LIMITED



DEBASIS JANA
CHAIRMAN & MANAGING DIRECTOR
DIN : 07046349



Place: Kolkata
Date: 30th May, 2019

For S. Ghose & Co LLP
FRN 302184E/E 300007

Ranjana K Paul
Partner



INDEPENDENT AUDITOR'S REPORT

To The Members of Andrew Yule & Company Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

1. We have audited the standalone Ind AS financial statements of Andrew Yule & Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), 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 herein after 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 March 31, 2019, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a. 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. Non provision of doubtful IGST Refund of Rs. 12.52 lakhs (as against Note no. 56 to the financial statements) resulted into overstatement of Company's profit by the equivalent amount.

We have conducted our audit 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 *Auditor's Responsibilities for the Audit of the 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 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 these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

2. Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.	Key Audit Matters	Auditor's Response
i.	<p>Balance Confirmation:</p> <p>(a)Balance Confirmation Certificate from Sundry Debtors as on 31.03.2019 has not been obtained even in a single case. The total amount of sundry debtors as on 31.03.2019 is Rs. 6612.24 lakhs.</p> <p>(b)Balance Confirmation Certificate from Sundry Creditors as on 31.03.2019 has not been obtained. Sundry creditors as on 31.03.2019 is Rs. 5671.50 lakhs.</p>	<p>(a)We are unable to form any opinion about the correctness of the balances of sundry debtors as on 31.03.2019 and their recoverability.</p> <p>(b) We are unable to form any opinion about the correctness of the balances of sundry creditors and the Company's liabilities/obligations thereon.</p> <p>Both the issues have been dealt with by way of 'qualification' in the Independent Auditor's Report.</p>
ii.	<p>Differences in payments of P.F. with the Govt. as against the current accounting records:</p> <p>There are persisting differences between the payments actually made by the units and their relevant accounting records. There is no adequate effort on the part of the management of the Company for reconciling such differences, in spite of the existence of the strict rules and regulations of the P.F. Department of the Govt. of India.</p>	<p>This appears to be an irregularity, and the Company should take immediate steps to reconcile the differences between payments actually made by the units and their relevant accounting records and sort out the differences of each unit by introducing a regular system of reconciliation to avoid serious legal consequences in future.</p> <p>The above issue has been dealt with under 'Emphasis of Matter' in the Independent Auditor's Report.</p>
iii.	<p>Non Contribution to Gratuity Fund by Mayurbhanj Unit:</p> <p>An accumulated amount of Rs. 1023.23 lakhs has not been contributed by Mayurbhanj Unit to Company's Consolidated Gratuity Fund till 31.03.2019.</p>	<p>Non funding of accumulated amount of Rs. 1023.23 lakhs by Mayurbhanj Unit to Company's Gratuity Fund results into lesser accumulation in Gratuity Fund which is utilised for payment of gratuity to the employees on retirement.</p> <p>The issue has been dealt with under 'Emphasis of Matter' in the Independent Auditor's Report.</p>



iv.	<p>Internal Audit: As per Company's present practice, internal audit is carried out twice (half yearly) in every financial year. Internal Audit so conducted is not guided by necessary audit plan approved by the ACB.</p>	<p>The Company does not have Risk-based Audit Plan prioritising high and medium areas of audit, which have to be approved by ACB. This should have been the guiding factor for conducting of Internal Audit in the Company with respect to its size and complexity of operations and implication of financial control in each unit of operations.</p> <p>The issue has been dealt with under 'Emphasis of Matters' in the Independent Auditor's Report.</p>
v.	<p>IT System Audit, Data Integrity, scope of Manual Intervention and Disaster Management System: (a) The Company has no system of carrying out any IT system Audit since the day of inception of computerised system for recording accounting and operational data. Presently, the company is operating in-house developed IT Systems. Data at Divisional level are not integrated with the Head Office Accounts through the system. Due to manual intervention at various levels of data transfer, 'Data Integrity' is not reasonably assured.</p> <p>(b) The existence of 'Security of Accounting/Operational Data' and data recovery mechanism through IT Disaster Management System on the occurrence of unforeseen events are absent.</p>	<p>(a) Absence of Data Integrity increases the audit risk for audit of financial statements of the Company for the year ended 31.03.2019.</p> <p>(b) We have not come across any documentary evidence as to the necessary directions given by the Audit Committee of the Board (ACB) in any of its meetings held on 30.05.18, 13.08.18, 26.09.18, 09.11.18 & 11.02.19, to weed out these short comings.</p> <p>The above issues have been dealt with under 'Emphasis of Matter' in the Independent Auditor's Report.</p>
vi.	<p>Evaluation of uncertain tax positions: The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>	<p>Obtained details of completed tax assessment and demand from the management for the year ended 31.03.2019, underlying assumption which led to non-provision of tax. Adjustment of refunds totalling to Rs. 272.47 lakhs for the AY 2015-16 and 16-17 couldn't be given effect to the accounts, pending Tribunal cases for AY 2010-11.</p>



vii.	<p>Reporting on Internal Financial Controls(IFC) by the Auditor: Reporting on IFC by the Auditor has been made mandatory u/s 143(3)(i) by the Companies Act, 2013 since the inception of the said act. ACB in its meeting dated 11.02.2019 noted, inter-alia, "the Statutory Audit Report till financial year 2017-18 was inclusive of a report on Internal Financial Control (IFC) as a part of assignment of Statutory Audit. As understood, review of IFC was a requirement as insisted upon by ICAI and it was not specified in CAG Appointment."</p>	<p>Comments of the ACB undermines the concept of necessity of Internal Financial Control on which the edifice of Governance of the Company is built.</p>
viii.	<p>Separate meetings of Independent Directors: As per requirement of Section 149(8), Regulation VII of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015; 1. the Independent Directors of the Company shall hold atleast one meeting in a year, without the attendance of Non-independent Directors and members of the management. 2. the said meeting should : a. review the performance of Non-independent Directors and the Board as a whole, b. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors, and c. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.</p>	<p>We have not come across any documentary evidence as to the necessary directions or observations given by the Independent Directors in form of any minutes of the meeting in their 3rd Meeting held on 11.02.2019 (also in their earlier 2nd Meeting held on 12.02.2018).</p> <p>Absence of any recorded minutes of the meetings of the Independent Directors so held, is tantamount to dereliction of duties on the part of the Independent Directors involving Governance of the Company and its management, as per requirement of rules framed under the Companies Act. This irregularity enhances the audit risk. Besides, the Company has not provided any Secretarial Report u/s 204 of the Companies Act, 2013.</p>



Emphasis of Matters

3. Without qualifying our opinion, we draw attention to the following:
- a. Internal Audit System is not guided by any ACB approved Risk-based Audit plan prioritising high/medium risk areas with respect to Company's size and complexity of operations and implications of financial control in its units.
 - b. 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 resulted into high audit risk.
 - c. Absence of reconciliation of differences in deposit of PF and accounting records reduces the reliability on the financial data and increases the audit risk.
 - d. In the absence of exercise of adequate control in the process of maintaining records of Company's Lease deeds and Title deeds enhances the audit risk.
 - e. Non funding of accumulated amount of Rs. 1023.23 lakhs by Mayurbhanj Unit to Company's Gratuity Fund results into lesser accumulation in Gratuity Fund which is utilised for payment of gratuity to the employees on retirement.
 - f. Issue of non provision of PF of Rs. 42.97 lakhs (ref. Note no. 61 of the financial statements) pending as recoverable over 10 years from PF Deptt. of Govt. of India is to be resolved by the Company as soon as possible.
 - g. Lease agreements of three Tea Gardens and Brentford Unit (of Electrical Division, Kolkata) have not been renewed since long.
 - h. Issue arising out of non provision of outstanding lease rent totalling to Rs. 228.93 lakhs provided by the Company as contingent liability should be resolved immediately as it disputes the Company's ownership on the tea gardens under its operation.
 - i. Opening WIP of seven jobs in Engineering Division has been shown as 'Nil' after net of provision, instead of showing value of opening WIP and related provision(s) thereof separately in the accounts.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

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



Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Ind AS Financial Statements

5. 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 the 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 judgements 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 statement 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, matters 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 financial statements.



Other Matter

7. The Standalone Ind AS financial statements of the Company for the year ended March 31, 2018 were audited by another firm of Chartered Accountants under Companies Act, 2013 who, vide their report dated May 30, 2018 expressed a modified opinion on those financial statements. The Company has properly dealt with the same matter while preparing the Ind AS financial statement for the year ended March 31, 2019.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) 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.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) Section 164(2) of the Companies Act, 2013 regarding disqualification of the Director is not applicable to the Company being a Government Company vide notification no. G.S.R 463[E] dated 5th 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 separate Report in "Annexure A".

(g) 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 financial statements - Refer Note 36 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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



10. As required by section 143(5) of the Act the directions and sub-directions issued by the Comptroller & Auditor General of India, we give our comments in the standalone Ind AS financial statements in "Annexure-C" annexed herewith.



For S Ghose & Co LLP
Chartered Accountants
FRN- 302184E/E300007

Ranjan K Paul

CA Ranjan Kumar Paul
Partner
M.No.060084

Place: Kolkata
Date: 30.05.2019



Annexure - A to the Independent Auditor's Report

Referred to in paragraph 9(f) of the Independent Auditor's Report of even date to the members of Andrew Yule & Company Limited on the Ind AS Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls over Financial Reporting 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 with reference over Financial Reporting of **Andrew Yule & Company Limited** as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Company is 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') and section 134(5)(e) of Companies Act 2013. 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 company's 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 the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and the Standard on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note 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 and if such controls operated effectively in all material respects.



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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

5. 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 error or fraud 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 control 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

6. Based on our audit as well as discussions, we are of the opinion that:
- a. The flow of financial data from divisions and units are not seamlessly integrated with head office accounts. It involves manual interventions at various stages of accounting.
 - b. Absence of Guidelines as to IT General Controls and Segregation of Duties does not give reasonable assurance regarding;
 - (i) fair maintenance and accurate reflection of records with reasonable details for transactions and disposition of assets of the Company,



- (ii) the receipts and expenditure are being made, without any documentation of creation and confirmation concept as should have been approved by the appropriate authority.
- c. Since the inception of computerisation, IT Systems audit has been neither carried out nor included in the annual audit plan.
- d. IT Disaster Recovery plan has not been defined.

In view of above observations, Internal Financial Controls in the Company as on 31st March 2019, is inadequate with respect to its size, diversity and complexity of operations based on the 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 Ghose & Co LLP
Chartered Accountants
FRN- 302184E/E300007

Ranjan K Paul

CA Ranjan Kumar Paul
Partner
M.No.060084

Place: Kolkata
Date: 30.05.2019



Annexure-B to the Independent Auditor's Report

(Referred to in our report of even date attached)

Referred to in paragraph 8 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date:

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

(b) According to the information and explanations given to us, Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

(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. FIR was lodged only for two title deeds with Burrabazaar P.S. on 25.05.2017 and no further information was available with the Company about the lost title deeds till the date. Further, two lease deeds in respect of two tea gardens are reportedly lying with the bank against loan raised by the Company. The bank couldn't issue any certificate confirming possession of those lease deeds by them.

(ii) According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management. Discrepancies noticed on verification between physical inventories and book records were not material in relation to the operation of the Company and the same has been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to company, firms, limited liability partnership or other parties covered in the Register maintained under section 189 of the Companies Act, 2013, except loans given to its subsidiaries Yule Electrical Ltd. Rs. 3.68 lakhs, Yule Engineering Ltd. Rs. 1.98 lakhs and Hooghly Printing Co. Ltd. Rs. 157.71 lakhs.

(iv) According to the information and explanations given to us, the company has not given loans, guarantees, made investments and/or purchased securities in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable except loans given to its subsidiaries Yule Electrical Ltd. Rs. 3.68 lakhs, Yule Engineering Ltd. Rs. 1.98 lakhs and Hooghly Printing Co. Ltd. Rs. 157.71 lakhs.

(v) 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 76 or any other relevant provisions of the Act and rules framed thereunder.



(vi) 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.

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-Tax, GST and any other statutory dues with the appropriate authorities, except non-reconciliation of deposit of PF as indicated in serial no. (ii) of KAM to the appropriate authority. According to information and explanations given to us, no undisputed amount payable which were outstanding at the year end was for a period of more than six months from the date they became payable.

(b) According to the information and explanation 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 amount relates	Forum where the amount is pending
Income Tax Act 1961	Penalty	4.65	2004-05	CIT (Appeal)(20) CIT (Appeal)(20)
	Income Tax	1929.53	2010-11 Rs. 1873.94 lacs 2013-14- Rs. 23.07 lacs 2014-15- Rs. 32.52 lacs	NCLT CIT (Appeal)
Assam Sales Tax & Vat	Assam Gardens	152.93	1996-97 To 1998-99	Appellate Authority Revenue Board
Orissa Sales Tax & Vat	Orissa Sales Tax	106.24 5.64	1999-2000 2001-02	Appellate Authority Tribunal, Cuttack 2 nd Appellate Authority Berhampore
Karnataka Sales Tax & Vat	Karnataka Sales Tax	17.69	2017-18	Appellate Authority Karnataka Appellate Tribunal



Central Excise	Central Excise	334.65	1996-97, 1998-99, 1992-93, 1993-94, 1990-91, 2001 to 2003 & 2009-10 2012-13 & 2013-14	Appeal at CESTAT
		181.61	2012-13 & 2013-14	Commissioner of Central Excise
Service Tax	Service Tax	34.44	2006-07, 2007-08, 2009-10 & 2010-11 to 2015-16	Appeal at Commissioner of Central Excise- Appeals
		1.45	2006-07 & 2007-08	Appeal at CESTAT

(viii) 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 institution.

(ix) Based upon 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.

(x) Based upon 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.

(xi) 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. G.S.R 463[E] dated 5th June, 2015.

(xii) As per information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) As per information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of 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.



(xiv) Based upon 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 the Order are not applicable to the Company and hence not commented upon.

(xv) Based upon 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.

(xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA 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 Ghose & Co LLP
Chartered Accountants
FRN- 302184E/E300007**



Ranjan K Paul

**CA Ranjan Kumar Paul
Partner
M.No.060084**

**Place: Kolkata
Date: 30.05.2019**



Annexure – C to the Independent Auditors' Report

Directions under section 143(5) of the Companies Act, 2013 on the basis of our audit of the Standalone financial statements of Andrew Yule & Company Limited for the FY 2018-19 we give below our answer to the question and information asked for in the above mentioned Directions.

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 of 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 audit risk.
2.	Whether there is any 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? If yes, the financial impact may be stated.	There is no instance of restructuring/waiver/write off of existing loan availed by the Company.
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List of cases of deviation.	All funds received/receivable for specific schemes from Central/State agencies were properly accounted for under Note no. 22 relating to the head of "Other Non Current Assets".



For S Ghose & Co LLP
Chartered Accountants
FRN- 302184E/E300007

Ranjan K Paul

CA Ranjan Kumar Paul
Partner
M.No.060084

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

Statement on Impact on Audit Qualifications for the Financial Year ended March 31, 2019
(See Regulation 33/ 52 of the SEBI (LODR) (Amendment) Regulations, 2016)

Particulars	Audited Figures (as reported before adjustment of qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1 Turnover/Total Income	35,260.32	35,260.32
2 Total Expenditure	34,209.19	34,221.71
3 Net Profit/(Loss)	1,051.13	1,038.61
4 Earnings Per Share	0.18	0.21
5 Total Assets	41,884.58	41,872.06
6 Total Liabilities	41,884.58	41,872.06
7 Net Worth	18,802.19	18,789.67
8 Any other financial items (as felt appropriate by the management)	-	-

Audit Qualification :	
Details of Audit Qualification	
(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) Non provision of doubtful GST Refund of Rs 12.52 lakhs resulted into overstatement of the Company's profit by the equivalent amount.	
Type of Audit Qualification: Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified opinion
Frequency of Qualification	All the qualifications have appeared from the current year i.e. 2018-19
For Audit Qualifications where the impact is quantified by the auditor, Management views	GST refund of Rs 12.52 Lakhs in respect of exports for the FY 2017-18, held up due to procedural anomalies has been considered good in the accounts as in the opinion of the Management the same would be fully recoverable, being receivable from Government.
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, 2019 note no. 60 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	Rs. 12.52 lakh.
[ii] If Management is unable to estimate the impact, reasons for the same	
[iii] Auditors comment on [i] and [ii] above	

Signatories :

1 CEO/Managing Director

2 CFO

3 Audit Committee Chairman

4 Statutory Auditor

Place: Kolkata

Date: 30th May 2019