



ANDREW YULE & COMPANY LIMITED

[A Government of India Enterprise]

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

CIN: L63090WB1919GOI003229;

Telephone: 033 2242-8210/8550; Fax: 033 2242-9770;

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

**Transcript of Proceedings of 76th Annual General Meeting of Andrew Yule & Co. Ltd.
held through Video Conferencing/Other Audio-Visual Means
on Friday, 27th September, 2024 at 11.30 a.m.**

Beginning of the meeting

Company Secretary, AYCL:

- ❖ Dear members, I, Sucharita Das, Company Secretary of Andrew Yule & Co. Ltd., welcome you all to the 76th Annual General Meeting (AGM) of Andrew Yule & Co. Ltd. This AGM is being held through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM").
- ❖ For the smooth conduct of the meeting, members will be kept on mute mode.
- ❖ In relation to the members who have pre-registered themselves as speaker shareholders to speak at the AGM, the audio and video will be enabled when the Question-Answer session begins on the instruction of the Chairman. Speaker shareholders are requested to speak as per the sequence that is set for and keep their speech limited to 3 minutes and co-operate. If any speaker can't be reached due to any connectivity issues, we will call him/her again after other speakers.
- ❖ Thank you. Now, I will request Shri Ananta Mohan Singh, Chairman & Managing Director to commence the proceedings of the Annual General Meeting.

CMD AYCL:

- ❖ Respected Board members, our dear Shareholders, Ladies and Gentlemen, a very good afternoon to you all.
- ❖ I, Ananta Mohan Singh, Chairman & Managing Director of Andrew Yule & Co. Ltd., welcome you all to the 76th Annual General Meeting of the Company
- ❖ It is my privilege to address all of you as the Chairman of the Company. I hope you and your family members are healthy and safe.
- ❖ In compliance with circulars issued by MCA and SEBI, this meeting is being conducted through video conferencing without the physical presence of members at a common venue. However, the proceedings of the meeting shall be deemed to have been conducted at the registered office of the Company.
- ❖ Participation of shareholders through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013.
- ❖ As informed by the Company Secretary, the requisite quorum is present at this AGM. Hence, I call the meeting to order.

- ❖ Let me now introduce you to the members of the Board and senior management present with us today:
 - (1) Shri Rajinder Singh Manku, Director (Planning). He is attending the AGM online from Kolkata.
 - (2) Shri Sanjay Verma, Director (Finance). He is attending the AGM online from Kolkata.
 - (3) Shri Aditya Kumar Ghosh, Govt. Nominee Director. He is attending the AGM online from Udyog Bhawan, New Delhi as a representative of MHI.
 - (4) Shri Om Prakash Mittal, Independent Director and Chairman of the Audit Committee. He is attending the AGM online from Jaipur.
 - (5) Shri Sunder Pal Singh, Independent Director and Chairman of the Nomination and Remuneration Committee. He is attending the AGM online from Bulandshahr, U.P.
 - (6) Smt. Namita Devi, Independent Director and Chairperson of the Stakeholders Relationship Committee. She is attending the AGM online from Palamu, Jharkhand.
- ❖ I wish to inform the Shareholders that Shri Vijay Mittal, Govt. Nominee Director of the Company is unable to attend this AGM due to some unavoidable circumstances.
- ❖ Apart from the Board members, we have Shri Some Nath Maitra, General Manager (F&A) and Smt. Sucharita Das, Company Secretary who are also present in this meeting.
- ❖ I also wish to inform that the authorized representatives of the Statutory Auditors, M/s N. C. Banerjee & Co., Chartered Accountants; Secretarial Auditor and Scrutinizer, M/s. A. K. Labh & Co., Company Secretaries in Practice are also virtually present in this meeting from their respective locations.
- ❖ I wish to inform that the electronic voting is available throughout the AGM.
- ❖ I now request the Company Secretary to take us through the regulatory matters and general instructions pertaining to the Annual General Meeting.

Company Secretary, AYCL:

- ❖ Thank you, Sir.
- ❖ As regards holding AGM in virtual mode, I would like to inform that Andrew Yule has complied with all the provisions of applicable laws/regulations and circulars/notifications issued by MCA and SEBI for conducting the AGM through electronic mode.
- ❖ The Company has provided electronic voting facilities to the members by means of remote e-voting. As AGM is held virtually, the option for physical voting at the AGM is not provided. However, the Company has enabled e-voting facility during the AGM for members who have not voted through remote e-voting and who are present at the AGM. The e-voting facility is available in the e-voting platform of the NSDL. The e-voting facility would close after 15 minutes from conclusion of this AGM.
- ❖ The facility for joining this AGM through video conference or other audio-visual means is made available for the shareholders on a first-come-first-served basis.
- ❖ The members may please note that Statutory Registers, i.e., register of Directors and

KMP and their shareholding and register of contracts or arrangements in which Directors are interested, if any, are available electronically for inspection by the shareholders during the AGM.

- ❖ The shareholders who have registered themselves as speaker shareholders will be allowed to speak and ask their question or give suggestions on the items of the business of the meeting when they are invited to speak. The questions shall be answered after all the allowed speaker shareholders have raised their questions.
- ❖ The moderator will facilitate this session once the Chairman opens the floor for Question and Answers.
- ❖ Once the Question and Answers floor opens, the moderator will unmute the particular shareholder. Before speaking, shareholders are requested to make sure that their video is on.
- ❖ In case members face any difficulty, they may reach out on the helpline numbers provided in the Notice.
- ❖ Now I would like to request our Chairman to continue with the proceedings of the AGM.

CMD AYCL:

I would now like to share with you the performance highlights of the Company.

Chairman Speech

Dear Shareholders,

It is my privilege to present, on behalf of the Board of Directors of Andrew Yule & Co. Ltd., the 76th Annual Report of your Company for the financial year 2023-24, highlighting the Company's financial, operational, social and environmental performance.

The global economic landscape in FY24 continued to navigate through uncertainties, albeit with signs of resilience amidst lingering challenges. The Russia-Ukraine conflict, geopolitical tensions in Gaza and the Middle East put immense pressure on the global economy. Despite several challenges, the world economy is projected to grow persistently. Amidst global uncertainties, India's economy stood as a beacon of stability and growth in FY24. According to the RBI, India's GDP growth stood at 8.2%.

Financial Performance:

- Net Sales of your Company had decreased to Rs.305.29 crore in FY 2023-24 from Rs.372.04 crore as recorded in FY 2022-23.
- Total Income stood at Rs.348.53 crore in FY 2023-24 vis-à-vis Rs. 405.79 crore in FY 2022-23.
- Profit before tax stood at Rs.(73.18) crore in FY 2023-24 vis-à-vis Rs.8.98 crore in FY 2022-23.

Operational Performance:

Tea Division

During FY 2023-24, Tea Division has made substantial loss. Escalation in basic wages from INR 232 to INR 250 in October, 2023 has been one of the major reasons for increase in cost

of production whereas price realization has not kept in pace with the increase in input cost, thereby largely affecting the profitability of the Tea Division. The incidence of fungal infestation and other secondary diseases like Violet Blight, Red Rust, Black Rot etc has increased over the last few years leading to severe loss of crop. However, the unit is expected to do well in the coming years considering measures being taken for improvement in quality of tea, improved brand image, cost control in spite of bearish tea prices in the Indian market. Retail presence is to be increased across India. With various certification, market penetration with AYCL teas (both domestic and international) and e-commerce outlets, the division consistently endeavouring to enhance its brand equity as well as profitability. Tea Division of AYCL is emphasising on both quality as well as quantity. By producing consistent quality tea, there shall be sustainability of growth. AYCL is closely working with Tea Research Association (TRA) in the above-mentioned fields to make it “Future Ready”.

Electrical-Chennai Operations

Electrical-Chennai Operations has made profit in FY24 and is expected to do well in the coming years considering improvement in production, cost control etc. Unit has stepped up marketing effort to increase customer base across several states and has participated in various tenders for getting more job orders. Now the unit is geared up to meet the customer requirements with its quality products known for better quality compared to peers. E-CO is planning to expand the present manufacturing facilities by extending one of the bays. The unit will be operating with 3 (three) parallel production lines to increase revenue. Installation of VPD (Vapor Phase Drying unit), Dust free enclosure for coil winding and vertical winding machines, shall open up more market segment for its products.

Engineering Division

Engineering Division has made profit in FY24 and is expected to do well in the coming years considering improvement in in-house production, through increased marketing effort, product improvement and cost control etc. Engineering Division is planning to expand the present manufacturing facilities by repairing the sheds (No. 1, No. 2 & No. 4) to bring the area under manufacturing activity. Thus, the plant capacity will increase by another 100 nos fans. This will add another Rs. 20 to 30 crore to annual revenue depending upon the product mix. There is plan to install new state of art machineries to reduce the cycle time and increase productivity. Engineering Division will focus on to increase the business from Air Pollution Control (APC) and Water Pollution Control (WPC) from FY 2025-26 also. New test bed with 320kw motor to test fans simulating actual conditions as demanded by many clients will improve order intake. Upgradation of Design Software to simulate and design higher capacity fans shall further open the market.

Business Responsibility and Sustainability: During the year, your Company has published its ‘Business Responsibility and Sustainability Report’ (BRSR) in the Annual Report. The BRSR indicates the Company’s performance against the principles of the ‘National Guidelines on Responsible Business Conduct’. This would enable the members to have an insight into Environmental, Social and Governance initiatives of the Company.

Corporate Governance: Your Company always strives to attain the highest level of corporate governance practices. Implementation of integrity pact, adoption of code of conduct and a well-defined internal control framework add to the transparency of the Company’s business practices. AYCL is complying the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India and Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

with the Stock Exchanges. However, filling up of vacant posts of Independent Directors, which is one of the requirements of corporate governance, is under process at Government level. A report on corporate governance compliances has been made part of the Boards' Report. AYCL has got excellent rating from Department of Public Enterprises (DPE), Government of India for corporate governance compliance for FY'22 and expects the same for FY'23 and FY'24 also.

Before I conclude, on behalf of the Board of Directors, I wish to convey our sincere regards and deep gratitude to our valued stakeholders for their continued support and trust. You always have been the motivational force that has facilitated us to move ahead during the toughest time.

At the same time, I wish to acknowledge the valuable guidance given by the Board of Directors of the company and Ministry of Heavy Industries, Govt. of India, which was critical to lead the Company with energy and enthusiasm. We look forward to continued support and commitment from all stakeholders of the Company to reach new heights and to enhance stakeholders' value.

- ❖ Now, regarding the other proceedings of the AGM, kindly note that the Notice of the 76th AGM along with the Annual Report for the financial year 2023-24 was sent to the shareholders electronically. With your kind permission, I shall take them as read.
- ❖ The observations made by the Secretarial Auditor in their Report for the financial year 2023-24 along with the management's response on the observations have been included in detail in the Board's Report in page no. 29.
- ❖ Therefore, with your kind permission, I take the Statutory Auditor's Report and the Secretarial Auditor's Report as read.
- ❖ We will now take up 4 resolutions as set forth in the notice of the 76th AGM.

BUSINESS OF THE MEETING

Resolution No. 1

Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India (CAG) thereon.

Resolution No. 2

Appointment of a Director in place of Shri Aditya Kumar Ghosh, who retires by rotation and being eligible, offers himself for re-appointment.

Resolution No. 3

Fixation of remuneration payable to the Statutory Auditors of the Company for the financial year 2024-25.

Resolution No. 4

Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2024-25.

- ❖ The details of the resolutions along with explanatory statement is provided in the notice circulated to the shareholders.
- ❖ Now, I now request the Company Secretary to call the speaker shareholders one by one to express their views, ask questions and give suggestions.

Company Secretary, AYCL:

- ❖ So, I will read out the names of the registered shareholders one by one to give their opinions and would request the Moderator to unmute the Speaker Shareholders one by one.
- ❖ Speaker Shareholders raised their queries one by one.
- ❖ Thank you. With this, we conclude the question session of the members. I now request the Chairman to take over the session.

CMD AYCL:

- ❖ I will now address the questions raised by the speaker shareholders.
- ❖ CMD answered all the queries raised by the shareholders.
- ❖ I think all the questions are addressed now.
- ❖ Thanks to all the speakers for the compliments, questions and suggestions.
- ❖ I would now conclude the meeting. The e-voting process will continue for next 15 minutes i.e. till 12.45 p.m. and will be disabled thereafter.
- ❖ Shareholders who have not cast their vote yet are requested to do so.
- ❖ The Board of Directors have appointed M/s. A. K. Labh & Co., Practicing Company Secretaries as the scrutinizer to scrutinize the voting at the 76th AGM and remote e-voting process in a fair and transparent manner.
- ❖ Further, I authorize the Company Secretary of the Company to declare the combined voting results of the votes cast through remote e-voting and e-voting during the AGM on all the resolutions, by Monday, 30th September, 2024. The voting results along with the scrutinizer's report will also be uploaded on the Company's website as well as on the website of NSDL and will be intimated to the stock exchange as per the SEBI listing regulations.
- ❖ The resolutions, as set forth in the Notice, shall be deemed to have been passed today subject to receipt of requisite number of votes.
- ❖ I thank all the shareholders present, for their kind attention, co-operation, valuable support and time. I also thank all the Board Members and Auditors for their participation.
- ❖ I now declare the proceedings of this AGM as closed. Thank you all.

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