MEMORANDUM OF UNDERSTANDING

BETWEEN

GOVERNMENT OF INDIA
DEPARTMENT OF HEAVY INDUSTRY
MINISTRY OF HEAVY INDUSTRIES
& PUBLIC ENTERPRISES

AND

ANDREW YULE & CO. LTD.

YEAR 2017-18

<u>**Annexure-1**</u>

ANDREW YULE & COMPANY LIMITED

Brief about the CPSE

<table>
<tr><td>1.</td><td colspan="2">Name of the CPSE</td><td colspan="2">Andrew Yule & Company Limited</td></tr>
<tr><td>2.</td><td colspan="2">Status (Please tick) : As per DPE guidelines</td><td colspan="2">~~Sick / Incipient Sick~~ / Weak / ~~None~~</td></tr>
<tr><td>3.</td><td colspan="2">Reasons of Sickness, if applicable</td><td colspan="2">N.A.</td></tr>
<tr><td>4.</td><td colspan="2">Whether registered with BIFR, if yes, details</td><td colspan="2">N.A.</td></tr>
<tr><td>5.</td><td colspan="2">Schedule of the CPSE (Please tick)</td><td colspan="2">~~A~~ / B / ~~C / D / none~~</td></tr>
<tr><td>6.</td><td colspan="2">Purpose for which CPSE has been setup and the main business now</td><td colspan="2">Purpose for which CPSE has been set up - Trading and Manufacturing.
The main business now - Tea, Engineering and Electrical</td></tr>
<tr><td rowspan="20">7.</td><td colspan="2">Number and Name of subsidiary companies along with amount invested and share in its profit during last five years</td><td colspan="2">3 (three)
i. Hooghly Printing Co. Ltd.
ii. Yule Engineering Ltd.
iii. Yule Electrical Ltd.
(Rs. in lakhs)</td></tr>
<tr><td>Year</td><td>Name of Subsidiary</td><td>Amount invested (Rs.)</td><td>Share in its profit (Rs.)</td></tr>
<tr><td>2011-12</td><td>Hooghly Printing Co. Ltd.</td><td>103.2</td><td>46.62</td></tr>
<tr><td>2012-13</td><td>Hooghly Printing Co. Ltd.</td><td>103.2</td><td>7.51</td></tr>
<tr><td>2013-14</td><td>Hooghly Printing Co. Ltd.</td><td>103.2</td><td>10.24</td></tr>
<tr><td>2014-15</td><td>Hooghly Printing Co. Ltd.</td><td>103.2</td><td>6.71</td></tr>
<tr><td>2015-16</td><td>Hooghly Printing Co. Ltd.</td><td>103.2</td><td>12.66</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>2011-12</td><td>Yule Engineering Ltd.</td><td>5.00</td><td>- 0.36</td></tr>
<tr><td>2012-13</td><td>Yule Engineering Ltd.</td><td>5.00</td><td>- 0.25</td></tr>
<tr><td>2013-14</td><td>Yule Engineering Ltd.</td><td>5.00</td><td>- 0.18</td></tr>
<tr><td>2014-15</td><td>Yule Engineering Ltd.</td><td>5.00</td><td>- 0.31</td></tr>
<tr><td>2015-16</td><td>Yule Engineering Ltd.</td><td>5.00</td><td>- 0.13</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>2011-12</td><td>Yule Electrical Ltd.</td><td>5.00</td><td>- 0.20</td></tr>
<tr><td>2012-13</td><td>Yule Electrical Ltd.</td><td>5.00</td><td>- 8.87</td></tr>
<tr><td>2013-14</td><td>Yule Electrical Ltd.</td><td>5.00</td><td>- 0.32</td></tr>
<tr><td>2014-15</td><td>Yule Electrical Ltd.</td><td>5.00</td><td>- 0.22</td></tr>
<tr><td>2015-16</td><td>Yule Electrical Ltd.</td><td>5.00</td><td>- 0.08</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="7">8.</td><td colspan="2">Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years</td><td colspan="2">None</td></tr>
<tr><td>Year</td><td>Name of Joint Venture</td><td>Amount invested (Rs.)</td><td>Share in its profit (Rs.)</td></tr>
<tr><td>2011-12</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>2012-13</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>2013-14</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>2014-15</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>2015-16</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>9.</td><td colspan="2">Details of revival plan approved earlier</td><td colspan="2">The Revival plan was structured on 30th October, 2007 (as approved by BIFR).
The Company came out of BIFR as per their Order dated 8th July, 2015.</td></tr>
</table>

MOU TARGET FOR 2017-18 : ANDREW YULE & CO. LTD.

Annexure - II PART-A

Financial Performance Criteria	Unit	Marks	2016-17 (Estimated)	Best in 5 Years	2017-18 MOU Target Excellent (5)	V. Good (4)	Good (3)	Fair (2)	Poor (1)	% of Improvement
Turnover										
Revenue from Operation	Rs. In Crore	10	416.67	366.82	460.00	440.00	420.00	400.00	380.00	5.60
Operating Profit/Loss										
Reduction in operating Loss over previous year	in %	20	-2.00	14.85	100.00	90.00	80.00	70.00	60.00	
Return on Investment										
PAT / Average Net Worth * (8.15 % after excluding land sale profit of Rs 18.00 Cr.)	in %	20	19.87 *	36.17	12.00	11.50	11.00	10.50	10.00	41.10
Total (1+2+3)		50								

Annexure - II PART-B

Performance Criteria	Unit	Marks	Current Year (Estimate)	Best in 5 Years	2017-18 MOU Target Excellent (5)	V. Good (4)	Good (3)	Fair (2)	Poor (1)	% of Improvement
Capacity Utilization										
) Tea Production	LKG	6	115	116	116	115	114	112	110	0.00
) Production of Transformer (Electrical Division)	MVA	4	1174	1270	1225	1200	1175	1150	1125	2.21
Production Efficiency Parameters										
) Increase in Productivity at Tea Gardens Over Previous Year	in %	4	1950 (Kg/Hectare)	1952 (Kg/Hectare)	0.51	0.26	0.21	0.15	0.10	0.26
) Increase in % of Made Tea from Green Leaf Over Previous Year	in %	3	22.2	22.6	0.23	0.18	0.14	0.09	0.05	0.18
) Additional Replantation in Tea Estates (Hectare)	Hectare	3	99	167	105	100	95	90	85	1.01
) **Technology up-gradation**										
) Development of 220KV Transformer for Commercial Use & its first billing	Date	5			30-09-2017	30-10-2017	15-11-2017	30-11-2017	15-12-2017	
CAPEX (Details of projects are at Annexure-B)	Rs in Crore.	5	9.3	11.3	11.00	10.50	10.00	9.50	9.00	12.90
Inventory of finished goods and Work-in-progress to Revenue from operations(Net)	No of Days	5	20	14	19	20	21	22	23	0.00
Trade Receivables (Net) as number of days of Revenue from Operations(Gross)	No of Days	5	92	90	90	92	93	94	95	0.00
HRM related Parameters										
) On-line submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR	% of No of Executives	2			100	95	90	85	80	
) Online Quaterly vigilance clearance updation for Senior Executives (AGM and above)	% of No of Sr. Executives	2			100	95	90	85	90	
) Preparation of succession plan and its approval by Board of Directors	Date	2			30.09.17	15.10.17	31.10.17	15.11.17	30.11.17	
) Holding of DPC without delay for executive (E0 and above level)	in %	2			100	95	90	85	80	
) Talent management and carrier progression by imparting at least one week training in Center of Excellence e.g. IIT's, IIM's, NIT's, ICAI etc.	% of No of Executives	2			10	9	8	7	6	
Total (1+2+3+4+5+6+7)		50								
Total [A& B]		100								

1 The targets are based on Provisional figures submitted by the CPSE for 2016-17. In case of better performance, the difference between actual achievement and estimate submitted by the CPSE to the year 2016-17, shall be added to the targets of 2017-18 .

2. At the time of MOU Evaluation, whenever the figures are not verifiable from the Annual Report, verification of the same would be done on the basis of certification/ resolution by Board of Directors.

3. The targets decided in MoU are unconditional and no offset will be allowed . Further evaluation would be subject to compliance of additional eligibility criteria as contained in para 14.2 of MoU guidelines 2017-18.

(SUNIL MUNSHI)
Director (Personnel) & CMD
Andrew Yule & Company Limited

(GIRISH SHANKAR)
Secretary to the Govt. Of India
Department of Heavy Industry,
Ministry of Heavy Industries & Public Enterprises

TREND ANALYSIS OF ANDREW YULE & CO. LTD.

Annexure III PART-A

Sl. No.	Particulars	UNIT	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Current Year)		2017-18
			Actual	Actual	Actual	Actual	Actual	up to 31.12.16	Estimated	Projection
1	Revenue from Operations (Gross)	Rs. Crores	301.95	323.17	381.19	406.27	375.53	320.00	432.00	457.00
	Revenue from Operations (Net of excise duty)	Rs. Crores	290.69	311.14	366.82	389.65	359.56	304.11	416.67	440.00
		Rs. Crores								
2	a. Profit before Tax	Rs. Crores	12.04	14.06	25.42	13.89	9.27	34.42	31.19	12.02
	b. Other Income	Rs. Crores	11.73	10.59	10.57	45.83	30.43	33.15	33.19	12.02
	c. Extraordinary Items	Rs. Crores	2.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	d. Exceptional Items	Rs. Crores	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Operating Profit/Loss (a-b+/-c+/-d)	Rs. Crores	-2.30	3.47	14.85	-31.94	-21.16	1.27	-2.00	0.00
3	a. Profit After Tax [PAT]	Rs. Crores	11.85	11.35	22.29	12.96	8.36	34.43	30.52	12.64
	b. Net Worth	Rs. Crores	32.76	44.39	108.08	115.16	123.38	187.72	183.81	196.45
	Average Net Worth	Rs. Crores	32.76	38.58	76.24	111.62	119.27	155.55	153.60	190.13
	c. PAT / Av. Net Worth	in %	36.17	29.42	29.24	11.61	7.01	22.13	19.87	6.65
	d. Paid-up Share Capital	Rs. Crores	66.73	66.73	95.30	95.30	95.30	97.79	97.79	97.79
	e. GOI Share	%	93.30	93.30	90.00	87.98	87.98	84.80	84.80	
	g. Accumulated Reserves	Rs. Crores	69.35	80.98	116.10	123.18	131.40	193.25	189.34	201.98
4	Total Expenses	Rs. Crores	267.11	289.72	339.63	374.48	368.88	314.81	399.96	441.38
5	Total Incomes	Rs. Crores	297.3	319.61	381.1	405.36	394.39	359.79	449.67	473.79
6	Total Expenses / Total Incomes	%	89.85	90.65	89.12	92.38	93.53	87.50	88.95	93.16
7	Details of Other Income									
	a. Interest	Rs. Crores	8.42	5.33	4.18	6.55	5.67	6.17	6.19	2.24
	b. Dividend	Rs. Crores	1.41	3.17	3.46	6.95	9.22	10.04	10.06	3.64
	c. Other Incomes	Rs. Crores	1.9	2.09	2.93	32.33	15.54	16.94	16.94	6.14
	d. Total (a+b+c)	Rs. Crores	11.73	10.59	10.57	45.83	30.43	33.15	33.19	12.02
8	a. Cash and Bank Balance and equivalent	Rs. Crores	101.72	90.38	94.87	89.65	88.54	95.54	95.54	
	e. Cash credit/ Over-draft loan/ Short-term loan	Rs. Crores	26.06	26.61	25.56	44.37	39.74	33.60	34.20	
	f. Balance in Current account	Rs. Crores	3.88	3.90	4.75	9.95	12.72	12.75		
9	Dividend paid / decleared for the year, excluding Dividend Tax	Rs. Crores	0.00	0.00	0.00	3.34	0			
10	**No of employees**									
	a. Permanent employees	Nos			15031	14981	14860			
	b. Temporary employees	Nos								
	c. Contractual employees	Nos			127	127	127			

TREND ANALYSIS OF ANDREW YULE & CO. LTD.

Annexure III PART-B

Sl. No.	Particulars		UNIT	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 (Current Year) up to 31.12.16	2016-17 (Current Year) Estimated	2017-18 Projection
i)	**Capacity Utilization**										
a)	Tea Production	Actual	Lac Kg	108	111	108	108	116	110	**115**	115
		MoU Target	Lac Kg	105		115	115	117	110		
b)	Production of Transformer (Elect. Divn)	Actual	MVA	883	623	1019	1270	1144	761	**1174**	1200
		MoU Target	MVA	850		950	1300	1305	1200		
ii)	Efficiency Parameters (Physical Operations)										
A)	Productivity at Tea Gardens	Actual	Kg / Hectare	1642	1789	1806	1850	1952	1900	**1950**	1960
		MoU Target	Kg / Hectare	1625	1733	1785	1850	1875			
b.	Percentage of Made Tea Recovery from Green Leaf	Actual	in %	22.45	22.55	22.58	22.60	22.19	22.15	**22.20**	22.25
c.	Plantation in Tea Estate (Replantation)	Actual	Hectare	129	138	167	140	120	0	**99**	105
		MoU Target	Hectare	121	131	162	137				
iii)	CAPEX	Actual	Rs. Crores	8.04	5.94	7.95	11.30	6.11		**9.30**	11.00
		MoU Target		8.00	11.00	11.00	12.00	11	8.00		
iv)	Inventory of finished goods and work in		Rs. Crores	12.17	16.12	13.60	16.97	21.39	23.50	**23.50**	24.50
v)	Inventory of finished goods and work in progress to Revenue from Operation(Net)		No of Days	15	19	14	16	22		20	20
vi)	Trade Receivables (Net)		Rs. Crores	75.81	96.04	94.08	105.16	99.32	105.97	**110.97**	116.08
vii)	Trade Receivables as nuber of days of Revenue from Operations(Gross)		Days	92	108	90	103	97	127	92	92

Annexure - B

Statement of CAPEX for Financial Year 2017-18

Sl. No.	Particulars	Amount (Rs. In Lakh)	Scheduled date of Completion
1	Factory and Associated Buildings	235.00	31.03.2018
2	Labour Quarters & Toilets	161.20	31.03.2018
3	Plant and Machinery	453.75	31.03.2018
4	Electrical Installation	41.97	31.03.2018
5	Water Installation	63.85	31.03.2018
6	Purchase of Machinery	80.22	31.03.2018
7	Computer & Design Software	53.06	31.03.2018
8	Furniture & Fittings	10.95	31.03.2018
	Total :-	1100.00	

PART-V

Self declaration/certification by AYCL

It is hereby certified that the targets/actual achievements in respect of MoU parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2017-18. In case, any deviation is found at any point of time, DPE is free to evaluate the performance as per MoU Guidelines. AYCL has no right of claim in this regard.

Authorised Signatory