



ANDREW YULE & COMPANY LIMITED

[A Government of India Enterprise]

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**Transcript of Proceedings of 74th Annual General Meeting of Andrew Yule & Co. Ltd.
held through Video Conferencing/Other Audio-Visual Means
on 29th September, 2022 at 3.30 p.m.**

Beginning of the meeting

Company Secretary, AYCL:

- ❖ Dear members, I welcome you all to the 74th 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 Sanjoy Bhattacharya, 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, Sanjoy Bhattacharya, Chairman & Managing Director of Andrew Yule & Co. Ltd., welcome you all to the 74th 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 my colleagues on the Board, who have joined the AGM through video conferencing from their respective locations:
 - (1) Shri K. Mohan - Director (Personnel) and in additional charge of the post of Director (Finance), joined the AGM from Head Office at Kolkata,
 - (2) Shri Rajinder Singh Manku - Director (Planning), joined the AGM from Head Office at Kolkata,
 - (3) Shri Aditya Kumar Ghosh – Nominee Director, Govt. of India, joined the AGM from Delhi,
 - (4) Shri Vishwanath Giriraj - Independent Director and Chairman of the Audit Committee, joined the AGM from Mumbai,
 - (5) Shri Anil Kumar Goyal - Independent Director and Chairman of the Nomination and Remuneration Committee, joined the AGM from Noida,
 - (6) Rear Admiral Anil Kumar Verma - Independent Director and also the Chairman of the Stakeholders Relationship Committee, joined the AGM from Delhi,
 - (7) Shri Om Prakash Mittal - Independent Director, joined the AGM from Jaipur, Rajasthan,
 - (8) Shri Sunder Pal Singh - Independent Director, joined the AGM from Bulandshahr, U.P.,
 - (9) Smt. Namita Devi alias Lovely Gupta - Independent Director, joined the AGM from Ranchi, Jharkhand,
 - (10) Smt. Sucharita Das - Company Secretary, joined the AGM from Head Office at Kolkata.

- ❖ I wish to inform the Shareholders that Shri Jeetendra Singh, Govt. Nominee Director of the Company is unable to attend this AGM due to some urgent pre-occupation.

- ❖ I also wish to inform that the authorized representatives of the Statutory Auditors, M/s S. K. Basu & Co., Chartered Accountants; Secretarial Auditor and Scrutinizer, M/s. A. K. Labh & Co., Practicing Company Secretaries 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 74th Annual Report of your Company for the Financial Year 2021-22.

Highlights and achievements of the Company

You will be happy to know that your Company has performed consistently despite growing complexities in the industry and the continued uncertainty surrounding global economies. Profit before Tax (PBT) during the financial year 2021-22 stood at Rs.11.13 crore [Rs.14.70 crore in 2020-21] and Total Comprehensive Income (TCI) stood at Rs. (-)0.16 crore [Rs.21.86 crore in 2020-21] after “Exceptional Items”, Tax expenses and other comprehensive income.

With the support from the Ministry of Heavy Industries, we have been able to close the loss making Electrical-Kolkata Unit by giving VRS to its employees, the amount of which is indicated in “Exceptional Items”.

As draught affected all tea gardens in Assam and Bengal, additional capital expenditure was done to save young tea bushes. Also, there was wage hike for tea workers and the liability for payment of unsecured creditors of HPCL pursuant to NCLT’s approval for merger of HPCL with your Company as per Government order. All these had negative impact on the cash position of the Company. The Company also requires to settle E-KO’s liability on account of creditors balance.

Thus, due to insufficient free cash surplus position, the Board was unable to recommend any dividend for the financial year 2021-22.

Outlook

Tea Division:

As tea is seasonal business, there is usually operational loss in Q1 and Q4. Excessive rain and flooding in Q1 in the ongoing financial year caused huge crop loss for AYCL and the Tea Industry as well and there has been another increase in daily wages of workers by 15% in West Bengal Tea Estates from 1st January, 2022 and for Assam Tea Estates from 1st August, 2022. This will have an impact of INR 18 crore approx. on the wage bill of AYCL for FY23.

Effort is on to make up the aforesaid production loss partly in Q2 and Q3 and also to improve quality to fetch more price compared to last year to make up for the revenue loss.

You will be happy to know that we are going to install 3 (three) new Withering Troughs to increase production capacity by 3.5 lakh Kg in Hoolungooree Tea Estate with Capex of Rs.60 lakh (approx.).

One new factory outlet for retail tea has been opened in Engineering factory in August, 2022 and is doing good business.

Retail sale has grown by 78% in FY22 and expected to increase further in FY23.

Export will be ALL TIME HIGH as export order received in Q1 is worth INR 26.86 crore (vis-à-vis INR 5.42 crore in FY 22).

Your Company has entered into Speciality tea segment and four (04) new blends were launched by Hon'ble Minister and Hon'ble Secretary, Ministry of Heavy Industry (MHI) in October last. These have got good response from the market.

You will be pleased to know that a 3 (three) Room Heritage Bungalow was also inaugurated by the Hon'ble Minister, HI on 16th May, 2022 in our MIM Tea Estate for tourists which is having increased footfall since then.

Further expansion of MIM Tea Resort is being undertaken by setting up 8 cottages (16 rooms) for Tea Tourism in MIM Tea Estate, Darjeeling. When it gets fully operational, both top and bottom line of MIM Tea Estate shall improve significantly.

Engineering Division:

With increase in order trend in Engineering division, 263 nos impellers were made in FY22 vis-à-vis 243 nos in FY21. AYCL also plans to enhance the capacity further to 360 impellers by FY24. With continuous endeavour on all these fronts, Order Booking in Engineering division has improved by 24% (INR 49.85 crore in FY22 vis-à-vis INR 40.16 crore in FY21). The order booking in FY23 is likely to be INR 55 crore.

The Division's expertise in retrofitting for higher energy efficiency has improved order booking in Steel and Cement sector.

With strength and opportunities stated above, Engineering division is estimated to grow by 38% in two years from now.

Electrical-Chennai Operation:

Capacity utilization of Electrical-Chennai Operation has been low in Q1 because of low working capital and IR issue. Higher Capacity utilization is expected in next 3 Quarters in view of sizable order in hand.

Some facilities of Electrical-Chennai Operation being upgraded for NABL accreditation with a CAPEX spread of INR 0.70 crore (approx.) in two years. With all round efforts, Order Booking has improved by 16 times i.e. INR 114.76 crore in FY22 vis-à-vis INR 7.17 crore in FY21. Electrical-Chennai Operation will become a 100 crore+ unit in 2 years.

All these will make it possible for Andrew Yule to grow with a CAGR of 11.6% to become INR 500 crore Company soon.

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 for us to move ahead. I also put my heartfelt appreciation for all AYCL employees who took on a courageous responsibility to achieve the goals even during the worst COVID-19 situation.

At the same time, I wish to acknowledge the valuable guidance given by the Ministry of Heavy Industries and Board of Directors of the company without which it won't have been possible to lead the Company with energy and enthusiasm. I look forward to continued support and commitment from all stakeholders of the Company to reach new heights and enhancing stakeholders' value.

- ❖ Now, regarding the other proceedings of the AGM, kindly note that the Notice of the 74th AGM along with the Annual Report for the financial year 2021-22 was sent to the shareholders electronically. With your kind permission, I shall take them as read.
- ❖ The observations made by the Statutory Auditors in their Report on the financials of the Company for the financial year 2021-22 and by the Secretarial Auditor in their Report for the financial year 2021-22 along with the management's response on the observations have been included in detail in the Board's Report in page nos. starting from 32 to 37.
- ❖ 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 7 resolutions as set forth in the notice of the 74th AGM.

BUSINESS OF THE MEETING**Resolution No. 1**

Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 including the Audited Consolidated Financial Statements for the year ended on that date together with the Reports of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India (CAG) thereon.

Resolution No. 2

Appointment of a Director in place of Shri 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 2022-23.

Here, I wish to inform that CAG has re-appointed the existing Statutory Auditors M/s S. K. Basu & Co., Chartered Accountants for the financial year 2022-23.

Resolution No. 4

Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2022-23.

Resolution No. 5

Appointment of Shri Om Prakash Mittal as a Part-time Non-Official Independent Director of the Company.

Resolution No. 6

Appointment of Shri Sunder Pal Singh as a Part-time Non-Official Independent Director of the Company.

Resolution No. 7

Appointment of Smt. Namita Devi alias Smt. Lovely Gupta as a Part-time Non-Official Independent Director of the Company.

- ❖ 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 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 74th 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 tomorrow. 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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