



**ANDREW YULE & COMPANY LIMITED**

[A Government of India Enterprise]

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**Transcript of Proceedings of 75<sup>th</sup> Annual General Meeting of Andrew Yule & Co. Ltd.  
held through Video Conferencing/Other Audio-Visual Means  
on Thursday, 31<sup>st</sup> August, 2023 at 3.30 p.m.**

**Beginning of the meeting**

**Company Secretary, AYCL:**

- ❖ Dear members, I welcome you all to the 75<sup>th</sup> 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 75<sup>th</sup> 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 K. Mohan, Director (Personnel). He is attending the AGM online from Kolkata.
  - (2) Shri Rajinder Singh Manku, Director (Planning) who is also holding the additional charge of the post of 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 Kolkata.
  - (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 urgent pre-occupation.
- ❖ 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 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 75<sup>th</sup> Annual Report of your Company for the Financial Year 2022-23.

The year 2022-23 witnessed intense geo-political and economic volatility. The ongoing Russia-Ukraine conflict and geo-political tensions have disrupted the smooth functioning of global supply chains. There has been a surge in inflation, especially in the developed markets. The global economic outlook for 2023 appears to have downside risk and the global GDP is expected to grow at 2.9%.

The outlook for the Indian economy remains positive. The estimated GDP growth in India expected to be 6.1% in 2023-24 and will remain one of the fastest growing economies.

**Highlights and achievements of the Company**

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 2022-23 stood at Rs.8.98 crore [Rs11.13 crore in 2021-22] and Total Comprehensive Income (TCI) stood at Rs. (67.09) lakh [Rs.(16.41) lakh in 2021-22] after making necessary income tax provisions and other adjustment.

During the financial year 2022-23, your Company earned total revenue of Rs. 405.79 crore as against Rs. 470.98 crore in 2021-22 i.e. a decrease of 16.06% but considering that the FY22 figure included a write-back of Rs.77.55 crore for Electrical - Kolkata closure through voluntary retirement scheme (VRS), actual performance for FY23 can be said better.

Income from operations of Tea Division has decreased to Rs.213.72 crore during the financial year 2022-23 from Rs.231.25 crore during the previous financial year thereby decreased by Rs.17.53 crore due to decrease in production caused by inclement weather condition in June, July and November, 2022 and corresponding decrease in sale.

However, despite several hurdles, your Company achieved a growth of 431% in export value of Tea from Rs.5.11 crore in FY 22 to Rs.27.16 crore in FY 23. This has earned accolades for the Company both from the esteemed offices of the Hon'ble Prime Minister and Hon'ble Minister of Heavy Industries.

During the FY 2022-23, though Tea division has made loss due to lower sale and increase in wages by Govt. orders, but expected to do well in the coming years considering measures being taken for:

- a) improvement in quality of tea,
- b) improved brand image,
- c) cost control in spite of bearish tea prices in the Indian market.
- d) This year, in spite of Sri Lankan and Kenyan Tea are back in International Market, AYCL has been working hard to maintain same or higher level of export compared to last year.
- e) Retail presence to be increased gradually across India. The Company is implementing various strategies for retail market share expansion and brand building and also exploring engagement of Retail Market Associates, Business channel partner and Operating more Kiosks.
- f) With various certification, market penetration with AYCL teas (both domestic and international) and bigger presence through digital marketing and e-commerce outlets, the division consistently endeavor to enhance its brand equity as well as value addition.
- g) All the 15 Garden Managers have been sensitized to maximize crop with quality and any deficit should be made up by bought leaf production to achieve targeted Capacity Utilization, Revenue and PBT.
- h) Tea Tourism: AYCL has started Tea Resort/Guest House Project at MIM Tea Garden, Darjeeling. Under the expansion project, one premium Bungalow (4 rooms) has started operation while 2 new Bungalows (total 6 rooms) are ready for starting operation. Further expansion is also in AYCL's plan with identification of suitable non-tea area for the same.

With initiation of the steps stated above, AYCL has scope for doubling the tea business till FY32 with a growth of 7% CAGR compared to industry growth by 2.1% CAGR.

This will be achieved by enhancement of own production and Bought-Leaf capacity through optimum use of existing/upgraded infrastructure as well as by acquisition of new Tea Estates.

Growth is also expected from Retail tea business from present 0.74% to 10% (i.e. 14 times) by FY27 in value terms.

Export growth is expected to grow from present 12% to 20% by FY27.

Better process control with sensor-based technologies to be adopted for monitoring operating parameters and quality.

R&D for integrated pest control, soil health and bush vigor along with use of botanicals are also assuming more significance in view of sustainable business model and environmental protection needs.

Tea Research Association (TRA) is closely working with AYCL in the above-mentioned fields to make us “Future Ready”.

The Engineering Division’s expertise in retrofitting for improving energy efficiency has improved order booking in Steel and Cement sector. With increase in order trend in Engineering division, 300 nos impellers were made in FY23 vis-à-vis 263 nos in FY22. AYCL also plans to enhanced capacity further to 360 impellers by FY24. With continuous endeavour on all these fronts, order booking in Engineering division has improved by 9.73% (INR 54.70 crore in FY23 vis-à-vis INR 49.85 crore in FY22). As the Division has customer base in all demographics except South India, renewed effort is on to included South India as a new customer base.

The Engineering division has:

- a) planned for augmenting and modernizing its testing facilities which would remove the bottleneck for further expansion of capacity along with introduction of 2/3 shift working.
- b) The unit will explore the possibilities to do business in mine ventilation. The unit has already participated in 3 enquiries. Presently it is planned with our own design.
- c) The unit is also exploring Business Development/Expansion in Air Pollution and Water Pollution Control Projects. One WPC and drinking water project have been on the verge of completion at Indian Railway, Kharagpur valued INR 10 crore. The Company will float timely EOI for partners with shared scope of work for big APC projects and WPC projects. Sufficient vendor base will be developed to scale up the number of projects and to bid for bigger projects as well.

With strength and opportunities stated above, Engineering division has prospect of sound growth in coming years.

**Electrical-Chennai Operation (E-CO)** has make a history becoming the first (+) INR 100 crore turnover unit of AYCL and expected to do well in the coming years considering improvement in in- house production, cost control etc. Unit has stepped up marketing effort to increase customer base across several states and participated in various tenders for getting more job orders.

Current Order in hand is INR 74.65 crore and the unit has recently bagged INR 28.11 crore worth of order. Order intake shall be increased depending on execution status of orders in hand.

This unit has a plan for:

- a) Setting up of Retail Fuel outlet at existing premises of E-CO. For that floating of Expression of interest (EOI) is under process for appointment of Advisor to advise AYCL for setting up a most modern fuel retail outlet at various sites owned by AYCL in Assam, West Bengal and Chennai.
- b) Exploring the possibilities for setting up EV charging stations (*funded by the Customers who will operate them*). For that floating of Expression of interest (EOI) is under process for empanelment of partners.

Electrical-Chennai Operation business is estimated to have a top line growth of over 40% by FY24.

With above measures for the three business verticals, AYCL is expected to achieve a spectacular growth in FY24.

**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 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 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. 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 and in the years thereafter.

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, without which it would have not been possible 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 enhancing stakeholders' value.

- ❖ Now, regarding the other proceedings of the AGM, kindly note that the Notice of the 75<sup>th</sup> AGM along with the Annual Report for the financial year 2022-23 was sent to the shareholders electronically. With your kind permission, I shall take them as read.
- ❖ The observations made by the Statutory Auditors and CAG in their Reports on the financials of the Company for the financial year 2022-23 and by the Secretarial Auditor in their Report for the financial year 2022-23 along with the management's response on the observations have been included in detail in the Board's Report in page nos. starting from 33 to 38.
- ❖ 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 5 resolutions as set forth in the notice of the 75<sup>th</sup> 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 31<sup>st</sup> March, 2023 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**

Declaration of final dividend for the financial year 2022-23.

**Resolution No. 3**

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

**Resolution No. 4**

Fixation of remuneration payable to the Statutory Auditors of the Company for the financial year 2023-24.

**Resolution No. 5**

Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year 2023-24.

- ❖ 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 5.05 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 75<sup>th</sup> 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.

**-x-x-x-**