



Secretarial Compliance Report of Andrew Yule & Company Limited
for the year ended 31st March, 2021

We, A. K. Labh & Co., *Company Secretaries*, have examined:

- (a) all the documents and records made available to us and explanation provided by **Andrew Yule & Company Limited** (CIN : L63090WB1919GOI003229) having its Registered Office at 8, Dr. Rajendra Prasad Sarani, Kolkata – 700001, West Bengal (“the listed entity”);
- (b) the filings/submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2021 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, as amended, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; (hereinafter referred to as “Listing Regulations”)
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (f) The circulars / guidelines issued under the aforesaid Regulations;
- (g) Regulatory framework applicable to Government Companies (the Company being a Central PSU) in respect of certain matters pertaining to appointment, evaluation, succession of Directors and minimum public shareholding





and based on above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:-

Sl. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Deviations	Observations / Remarks of the Practising Company Secretary
1.	<i>Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</i> 17(1)(b) - where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.	Composition of the Board of Directors (Board) is not in accordance with the criteria specified in the referred regulation. The Company has a shortage of 1 Independent Director on the Board as on 31.03.2021.	The Board of Directors (Board) comprised of 7 Directors (2 Executive, 2 Nominee and 3 Independent Directors (IDs)) as on 31.03.2021. The Chairman being Executive, no. of IDs required on the Board would be 50% of the Board's strength, i.e. (7*50% = 3.5 or 4). However, there are only 3 IDs on the Board. In present composition, the Company has shortage of 1 ID.
2.	<i>Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</i> 17(1)(a) - board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors. Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020.	Composition of the Board of Directors (Board) is not in accordance with the criteria specified in the referred regulation. The Company has no independent woman director on the Board as on 31.03.2021.	Since, the Company falls under the category of top 1000 listed companies as per the market capitalisation criteria, hence the Company shall have at least one Independent Woman Director on its Board by April 1, 2020. However, post cessation of previous woman director, Mrs. Sipra Goon w.e.f. 01.02.2020; the Company had not appointed any woman director on the Board. The Company has no independent woman director on the Board as on 31.03.2021.



3.	<p><i>Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A (1) of the Securities Contracts (Regulation) Rules, 1957:</i></p> <p>Reg. 38 - The listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in the manner as specified by the Board from time to time.</p> <p>Rule 19A (1) - Every listed company shall maintain public shareholding of at least twenty five per cent.</p> <p>Provided that every listed public sector company which has public shareholding below twenty-five per cent. on the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least twenty-five per cent, within a period of two years from the date of such commencement, in the manner specified by the Securities and Exchange Board of India.</p>	Non-compliance with the Minimum Public Shareholding criteria in accordance with the referred Rules and Regulations	<p>The shareholding of the Company comprises of 89.25 Promoter holding and 10.75 Public holding as on 31st March, 2021.</p> <p>With regard to the listed public sector companies, the deadline to meet the Minimum Public Shareholding (MPS) was 2 years from the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018 which expired on 2nd August, 2020.</p> <p>However, the Ministry of Finance vide its notification dated 31st July, 2020 has extended the time period to meet the MPS criteria by one year i.e. till 2nd August, 2021 for listed public sector companies.</p>
4.	<p><i>Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</i></p> <p>Regulation 34(2): The annual report shall contain the following:</p> <p>(f) for the top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year), business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time:</p>	Business Responsibility Report was not provided in the Annual Report	Since, the Company falls under the category of top 1000 listed companies as per the market capitalisation criteria, hence the Company is required to attach Business Responsibility Report as specified in the said Regulation. However, the Company has not provided the same in the Annual Report for the Financial Year 2019-20.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sl. No.	Action taken by	Details of Violation	Details of Action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practising Company Secretary, if any.
1.	BSE Limited (BSE)	Non compliance with the provisions of Regulation 17(1) and 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 31 st March, 2020.	BSE vide its e-mail dated 2 nd July, 2020 had imposed a fine of Rs. 6,40,740.	The Company vide its letter dated 24 th July, 2020 and 27 th November, 2020 had replied to the e-mails sent by BSE to exonerate the fine amount in full since being a Government of India Enterprise under the administrative control of the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Govt. of India, the Company on its own can't appoint Directors on its Board. Accordingly the Company had to constitute various Committees from the Directors as may be available with its Board. The Company also had a Woman Director till 01.02.2020. The composition of Nomination and Remuneration Committee was in accordance with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015.
		Non compliance with the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended 30 th June, 2020.	BSE vide its e-mail dated 20 th August, 2020 had imposed a fine of Rs. 5,36,900.	
		Non compliance with the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended 30 th September, 2020.	BSE vide its e-mail dated 17 th November, 2020 had imposed a fine of Rs. 5,42,800.	
		Non compliance with the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended 31 st December, 2020.	BSE vide its e-mail dated 15 th February, 2021 had imposed a fine of Rs. 5,42,800.	



				<p>The Company has also mentioned that the Uniform Carve Outs for SOP fines levied as per the provisions of SEBI SOP circular dated 3rd May, 2018, in which it has been mentioned under Point No. 3 under the heading of "Board unable to approve compliance" that if the Board of Directors of a Company is unable to approve compliances due to non-availability of requisite number of Directors which is resulting from pending approval from Regulator / Ministry or any authority whose approval is necessary for filling up the position, the Company, for considering for waiver of fine/penalty, would be required to disclose to the Exchange, the event that prevents / impacts filing of compliances either immediately or as soon as practically possible.</p> <p>Considering the facts submitted by the Company, BSE vide its e-mail dated 24.09.2020 and 19.04.2021 has waived all the fines levied for the respective quarters. (March 2020, June, 2020, September, 2020 and December, 2020)</p>
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- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No	Observation of practising Company Secretary in the previous reports	Observations made in the Secretarial compliance report for the year ended	Actions taken by the listed entity, in any	Comments of the Practising Company Secretary on the actions taken by the listed entity
1.	<p>The Board of Directors (Board) comprised of 9 Directors (4 Executive, 2 Nominee and 3 Independent Directors (IDs)) as on 31.03.2020. The Chairman being Executive, no. of IDs required on the Board would be 50% of the Board's strength, i.e. (9*50% = 4.5 or 5). However, there are only 3 IDs on the Board. In present composition, the Company has shortage of 3 IDs.</p> <p>Accordingly, BSE vide its Letter No. LIST/ COMP/ Reg.27(2) & Reg. 17 to 21/Mar-19/ 526173/ 37/ 2019-20 dated 2nd May, 2019 had imposed a fine of Rs. 5,31,000/- for non-Compliance with the requirements pertaining to the composition of the Board pursuant to the provisions of Regulation 17(1) of SEBI (LODR) Regulations, 2015.</p>	31 st March, 2020	<p>The Company has informed the Board, which has GOI Nominee Directors and the administrative Ministry.</p> <p>The Company has also informed BSE Ltd. in this regard and subsequently BSE had waived the fine levied on the Company in this regard.</p>	Appropriate actions have been taken by the Company to the extent possible.



2.	Mrs. Sipra Goon, woman director on the Board ceased to be a Director in the Company w.e.f. 01.02.2020. Post her cessation; the Company is yet to appoint a woman director on the Board.	31 st March, 2020	The Company has informed the Board, which has GOI Nominee Directors and the administrative Ministry.	Appropriate actions have been taken by the Company to the extent possible.
3.	<p>The shareholding of the Company comprises of 89.25 Promoter holding and 10.75 Public holding as on 31st March, 2020.</p> <p>The Company is required to increase its public shareholding to minimum 25% within 2 years of the commencement of Securities Contracts (Regulation) (Second Amendment) Rules, 2018 effective from 3rd August, 2018.</p> <p>However, SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14th May, 2020 has eased the norms for minimum public shareholding in the wake of COVID-19 outbreak and relaxed the requirement for companies that were to have complied with the rule between 1st March, 2020 and 31st August, 2020.</p>	31 st March, 2020	Decision will be taken by the Ministry and the Company will act based on the direction given by the Ministry.	Appropriate actions have been taken by the Company to the extent possible.

For **A. K. LABH & Co.****Company Secretaries**

Place : Kolkata

Date : 16.06.2021

(CS A. K. LABH)

Practising Company Secretary

FCS : 4848 / CP No. : 3238

PRCN : 1038/2020

UIN : S1999WB026800

UDIN : F004848C000473800

