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# **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

## **REGISTERED OFFICE :**

No. 3, SAVITHRI SHANMUGAM ROAD,  
RACE COURSE, COIMBATORE - 641 018.

CIN : L01132TZ1922PLC000234

Web : unitednilgiritea.com

E Mail : headoffice@unitednilgiri.com

Phone : 0422 - 2220566 Fax : 0422 - 2222865

## **BOARD OF DIRECTORS**

Ms. MALLIKA SRINIVASAN, Chairman

Mr.N. SRINIVASAN

Mr.SANKAR DATTA

Mr.R.SUBRAMANIYAN

Mr.KRISHNA SRINIVASAN

Mr.K.V.SRIRAM

Mr.D.HEGDE, Whole-time Director

Mr.T.G.B. PINTO, Whole-time Director

## **CHIEF FINANCIAL OFFICER**

Mr. S. RAGHURAMAN

## **COMPANY SECRETARY**

Mr. K. GURUSWAMY

## **AUDITORS**

M/s. FRASER & ROSS  
Chartered Accountants,  
41, "Shanmugha Manram"  
Race Course Road,  
Coimbatore - 641 018.

## **BANKERS**

CENTRAL BANK OF INDIA  
STATE BANK OF INDIA  
HSBC LIMITED  
HDFC BANK LIMITED

## **PLANTATIONS**

ALLADA VALLEY, CHAMRAJ,  
DEVABETTA AND KORAKUNDAH  
CHAMRAJ ESTATE & POST,  
THE NILGIRIS - 643 204.

## **COMMERCIAL PROPERTY**

UNITEA CENTRE, RACE COURSE,  
COIMBATORE - 641 018.

## **REGISTRARS AND SHARE TRANSFER AGENTS**

M/s. INTEGRATED ENTERPRISES (INDIA) LIMITED.  
"KENCES TOWERS" 2<sup>ND</sup> FLOOR,  
1, RAMAKRISHNA STREET,  
NORTH USMAN ROAD, T. NAGAR,  
CHENNAI - 600 017

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REGISTERED OFFICE : No. 3, SAVITHRI SHANMUGAM ROAD, RACE COURSE, COIMBATORE - 641 018

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Phone : 0422-2220566 Fax : 0422-2222865

## **NOTICE OF ANNUAL GENERAL MEETING**

### **NINETY THIRD ANNUAL GENERAL MEETING NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Ninety Third (93rd ) Annual General Meeting of the Company will be held at "Sri.S.Anantharamakrishnan Hall" in the premises of M/s. T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore-641 018 on Tuesday, the 4<sup>th</sup> August, 2015 at 2.30 PM to transact the following business :-

#### **ORDINARY BUSINESS:**

1. To receive and adopt the Directors' Report, Statement of Profit and Loss for the year ended 31st March 2015 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare a Final Dividend for the year ended 31<sup>st</sup> March 2015.
3. To appoint a Director in place of Ms. Mallika Srinivasan, Director who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N. Srinivasan, Director who retires by rotation and is eligible for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration\_:

The retiring Auditors M/s. Fraser & Ross, Chartered Accountants, Coimbatore, are eligible for re-appointment.

(By order of the Board)  
For The United Nilgiri Tea Estates Company Limited

K. GURUSWAMY  
Company Secretary

Chennai  
15<sup>th</sup> May 2015

# **NOTICE OF ANNUAL GENERAL MEETING – (Contd.)**

## **NOTES:**

The Register of Members and Share Transfer Books of the Company will remain closed from 29<sup>th</sup> July 2015 to 4<sup>th</sup> August 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the Final Dividend for 2014-15.

The Dividend, when declared will be paid on or after 4<sup>th</sup> August, 2015 in respect of shares held in Physical form to those members who are entitled to the same and whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company at the end of the business hours on 28<sup>th</sup> July 2015 and in respect of shares held in electronic form, Dividend will be paid on the basis of statement of Beneficial ownership of the shares as on the closing of the business hours on 28<sup>th</sup> July 2015 as per details furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

The amount of Dividends which remain unclaimed for a period of 7 years is required to be transferred to the Investor Education and Protection Fund pursuant to Section 124(5) of the Companies Act, 2013. Hence it is in your interest to encash the Dividend warrants immediately. The Company had transferred Unclaimed Dividend in respect of Final Dividend 2007 to the account of Investor Education and Protection Fund.

Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment.

Members holding shares in physical form are requested to intimate the change of address, if any, to the Company's Registrars and Share Transfer agents M/s. Integrated Enterprises (India) Limited, II Floor, 'Kences Towers', No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600 017 or to the respective Depository Participants (DP) in case of members holding shares in electronic form.

The Securities and Exchange Board of India [ SEBI ] has mandated the submission of Permanent Account Number ( PAN ) to every participant in securities market. Members holding shares in electronic form are ,therefore, requested to submit the PAN to their Depository Participant (DP) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company. Forms appointing proxies should be filed with the Company at the Registered Office not less than 48 hours before the time for holding the Meeting.

## **Voting by electronic means :**

In compliance with the provisions of Sec 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35 B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 93<sup>rd</sup> Annual General Meeting (AGM) by electronic means and all business set forth in this notice may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by the National Securities Depository Limited (NSDL).

# NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

The instructions for e-voting are as under:

[A] In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company / Depositories] :

- (i) Open the e-mail and also open PDF file namely “UNITEA-e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on Shareholder – Login.
- (iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (vi) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- (vii) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- (viii) Select “EVEN” (E-Voting Event Number) of The United Nilgiri Tea Estates Company Limited as appearing in the Attendance Slip. Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [madhu@ksrandco.in](mailto:madhu@ksrandco.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

[B] In case a Member receives physical copy of the Notice of AGM [for Members whose email addresses are not registered with the Company/Depositories]:

- (i) Initial password is provided in the Attendance Slip:  
EVEN (E-Voting Event Number), User ID and Password
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

[C] Other Instructions:

The e-voting period commences on Saturday, the 1<sup>st</sup> August 2015 (9.00 a.m. IST) and ends on Monday, the 3<sup>rd</sup> August, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date [i.e. 28th July 2015], will be entitled to cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

# **NOTICE OF ANNUAL GENERAL MEETING – (Contd.)**

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company and the notice of the meeting is sent to those who are members of the Company as on the cut-off date (3<sup>rd</sup> July 2015). Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of cut off date i.e 28<sup>th</sup> July 2015, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [headoffice@unitednilgiritea.com](mailto:headoffice@unitednilgiritea.com) or [corpserv@iepindia.com](mailto:corpserv@iepindia.com)

M/s. KSR & Co., Company Secretaries LLP, has been appointed as the Scrutinizer to scrutinize the e-voting process, postal ballot, and physical voting by the members in a fair and transparent manner.

## **Postal Ballot :**

Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. KSR & Co., Company Secretaries LLP, not later than 3<sup>rd</sup> August 2015 (5.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [headoffice@unitednilgiritea.com](mailto:headoffice@unitednilgiritea.com) by mentioning their Folio No. / DP ID and Client ID No. The duly completed Ballot Form should reach the Registered Office of the Company not later than 3<sup>rd</sup> August 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

## **Physical Voting :**

A member may participate in the AGM even after exercising his right to vote through remote e-voting / postal ballot but shall not be allowed to vote again at the AGM.

A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting or Postal Ballot or physical voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which e-voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting / postal ballot facility.

The scrutinizer shall after the conclusion of voting at the general meeting, will first count the physical votes cast at the meeting and thereafter unblock the votes cast through remote e-voting / postal ballot in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman in writing, who shall countersign the same and declare the results of the voting forthwith and shall be placed on the Company's website [unitednilgiritea.com](http://unitednilgiritea.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

(By order of the Board)  
For The United Nilgiri Tea Estates Company Limited  
K. GURUSWAMY  
Company Secretary

Chennai  
15<sup>th</sup> May 2015

**Brief Particulars of Directors seeking re-appointment**

<b>NAME</b>	<b>Ms. MALLIKA SRINIVASAN</b>	<b>Mr. N. SRINIVASAN</b>
Date of Appointment Qualification Expertise in special function	25.01.2011 M.A., MBA from the Wharton School of Business Industrialist	30.06.1999 B.Com., C.A. Corporate Financial Management.
Directorship in other Companies	Tractors and Farm Equipment Limited TAFE Motors and Tractors Limited TAFE Reach Limited TAFE Access Limited Tata Global Beverages Limited Tata Steel Limited AGCO Corporation., USA Trust Properties Company Development Private Limited Stanadyne Amalgamations Private Limited	Tractors and Farm Equipment Limited TAFE Motors and Tractors Limited United Breweries (Holdings) Limited McDowells Holdings Limited India Cements Limited Essar Shipping Limited Essar Oilfields Services Limited Redington (India) Limited GATI Limited SCM Microsystems (India) Private Limited
Management Committee Member	Indian School of Business, Trichy	Associated Chamber of Commerce & Industry, New Delhi Madras Chamber of Commerce & Industry, Chennai Indo Australian Chamber of Commerce, Chennai The Employers' Federation of Southern India, Chennai

(By order of the Board)  
For The United Nilgiri Tea Estates Company Limited  
K. GURUSWAMY  
Company Secretary

Chennai  
15<sup>th</sup> May 2015



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 93<sup>rd</sup> Annual Report on the performance of the Company together with the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015 and the Balance Sheet as at that date and Cash Flow Statement for the year together with the Auditors' Report thereon.

### FINANCIAL RESULTS :

	Rs. in lakhs	
	2014-2015	2013-2014
Profit before Finance Cost, Depreciation and Tax	1377.12	1227.29
Finance Cost	4.13	7.03
Depreciation	247.66	214.10
Profit Before Tax	1125.33	1006.16
Provision for Taxation (including Deferred Tax)	255.58	230.16
Profit for the year	869.75	776.00

### Dividend :

Your Directors have recommended a Final Dividend of Rs.1.70 per Share (17%) which together with an Interim Dividend of Re.1/- per Share (10 %) already paid, making a total dividend of Rs.2.70 per share (27%) for the year ended 31<sup>st</sup> March 2015.

### Transfer to Reserves :

A transfer of Rs.650.30 lacs has been made to the General Reserve which now stands at Rs.5150 lacs .

### Operations :

The total quantity of tea manufactured during the year was 27,37,312 Kg as against 26,98,451 Kg during the previous year. Rainfall during the year was 1287 mm.

Your Company has achieved a record profit of Rs.1,125.34 lacs as against Rs.1,006.16 lacs during the previous year improved product mix with respect to varieties of tea and full years' license fees from the Commercial Building at Coimbatore.

The total exports during the year was 16,16,193 kg as against 15,81,627 kg during the previous year, reflecting the growing demand for Company's organic teas in the overseas markets.

There is good demand for green tea in the domestic market. Your Company has also been focusing on value added and speciality tea to cater to both domestic and export market.

Increasing adoption of mechanical harvesting of green leaf at the plantations, focusing on more automation in factories to ensure better quality production and focused efforts to increase sales both domestic and export in identified segments would augment both turnover and profitability.

### Directors and Key Managerial Personnel :

The shareholders at the Extra Ordinary General Meeting held on 10<sup>th</sup> November 2014, appointed Mr Krishna Srinivasan and Mr K V Sriram as Independent Directors for a period of three years with effect from 10<sup>th</sup> November 2014.

Ms.Mallika Srinivasan and Mr.N.Srinivasan, Directors are retiring by rotation and are eligible for re-appointment.

Mr.S. Raghuraman, General Manager (Finance) & Company Secretary has been appointed as the Chief Financial Officer of the Company with effect from 1<sup>st</sup> October 2014 ;

Mr.K.Guruswamy has been appointed as the Company Secretary with effect from 1<sup>st</sup> October 2014;

# DIRECTORS' REPORT – (Contd.)

## **Directors Responsibility Statement :**

As required by sub-section 5 of Section 134 of the Companies Act 2013, your Directors confirm that :

- (a) in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period ;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis ;
- (e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively ;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Particulars of Employees :**

There is no employee attracting the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## **Particulars of Loan, Guarantees or Investments under Section 186 :**

The Company has not given any loan or guarantee or made investments in any body corporate in terms of Section 186 of the Companies Act, 2013 during the financial year 2014-15.

## **Related Party Transactions :**

The Company had not entered into any material contract / arrangements with related parties during the Financial Year 2014-15 which are not in the normal course of business and all transactions are on an arm's length basis.

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-sec (1) of Sec 188 of the Companies Act, 2013 in Form AOC-2 is given in Annexure-1.

## **Material changes and Commitments between 31st March 2015 and date of this report:**

There are no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2015 and the date of this report.

## **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :**

Details containing the Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure-2.

## **Risk Management :**

The Company has robust risk management system. The strategic risks are integrated with the business plan with mitigation measures. The strategic risks with the status of the mitigation measures are reviewed by the board quarterly. High impact operational and financial risks are reviewed by the management periodically and discussed at the board quarterly.

# **DIRECTORS' REPORT – (Contd.)**

## **Board and its Committees :**

The details of the meetings of the Board and its committees held during the financial year, the composition of the committees and the details of committee meetings are detailed out in the Corporate Governance Report.

## **Independent Director Declaration :**

All the Independent Directors have given declaration in terms of Section 149(7) of the Companies Act, 2013.

## **Internal Financial Controls :**

The Company is in compliance with the requirements of Companies Act, 2013 with regard to the Internal Financial Controls which embraces adherence to Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of financial information. Internal Controls are designed to cover financial matters, operational areas besides fraud prevention mechanism. The Company has appointed an external audit firm as Internal Auditors whose scope includes to give reasonable comfort to the Audit Committee that the Internal Financial Controls are adequate and operating effectively.

The Board opines that the internal controls of the Company for preparation of financial statements are adequate and sufficient.

## **Report on Corporate Governance and Management Discussion:**

The matters relating to Corporate Governance as per Clause 49 of the Listing Agreement and Management Discussion and Analysis Report are given as annexure to this report.

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the above report.

## **Corporate Social Responsibility:**

Over the years, your Company has been taking initiatives and contributing to many social causes such as Education to the children of the villages around the estate through the running of to well established schools, health-care through a well established hospital, running of a home for orphan children besides environment protection. These initiatives and efforts are largely the effort of the proactive management and promoters of the Company and have been in practice over many decades while being continuously upgrading annually.

The Annual Report on CSR activities is given in Annexure-3.

## **Performance Evaluation of the Board and Committees :**

The Board on the recommendation of the Nomination and Remuneration Committee has laid down a policy on appointment of Directors and remuneration for the Directors, Key Managerial Personnel and other Employees. The same is enclosed as Annexure-4 to this report.

The details of annual evaluation made by the Board of its own performance and that of its committees and individual Directors and performance criteria for Independent Director laid down by Nomination and Remuneration Committee are enclosed as Annexure 5 to this report.

# **DIRECTORS' REPORT – (Contd.)**

## **Awards and Distinctions :**

Your Directors are happy to record that Chamraj Winter Tea, Chamraj Delicate Green Tea, and Korakundah Organic Green Tea have won awards at Great Taste Awards 2014 at United Kingdom conducted by Guild of Fine Foods, United Kingdom.

## **Environmental Protection :**

The Company has been certified by Rain Forest Alliance and UTZ in recognition of environmental protection.

## **Industrial Relations :**

Industrial relation has been cordial during the year.

## **Public Deposits :**

The Company repaid the entire deposits during the year. The Company has not received any fresh deposits during the Financial Year 2014-15.

## **Auditors:**

The audit report issued by the Statutory Auditors on the Financial Statements of the financial year does not contain any qualification, reservation or adverse remark.

M/s. Fraser & Ross, Statutory Auditors (Firm Registration No 000829S) of the Company retire at the ensuing Annual General Meeting. The Board had approved their appointment as Statutory Auditors for the next two Annual General Meetings of the Company, subject to the approval of the Shareholders.

The Company has received a certificate from the auditors to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013, and they are not disqualified in terms of provisions of the Companies Act, 2013, from being appointed as Statutory Auditors of the Company.

## **Vigil Mechanism:**

The Company has implemented a vigil mechanism to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing. It protects employees who raise a concern about serious irregularities within the Company. The details of the mechanism can be accessed at Company's website "unitednilgirittea.com".

## **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act :**

Your Company has framed a policy on Sexual Harassment to ensure a free and fair enquiry process on complaints received from the employees against Sexual Harassment. No complaint was reported in this regard during the year under review.

## **Extract of Annual Return :**

Extract of Annual Return of the Company in Form MGT-9 is given as Annexure 6 to this Report.

## **Secretarial Audit Report:**

A Secretarial Audit Report as required in terms of provisions of Section 204 of the Companies Act, 2013 has been carried out by a firm of Practising Company Secretaries and their report is annexed herewith and such report does not contain any qualification, reservation or adverse remark.

## **DIRECTORS' REPORT – (Contd.)**

### **Others :**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **Acknowledgement :**

The Board of Directors acknowledges the support received from the promoters, shareholders, bankers, suppliers, customers and employees at all levels.

(For and on behalf of the Board)

Chennai  
15<sup>th</sup> May 2015

**MALLIKA SRINIVASAN**  
**CHAIRMAN**

**FORM - AOC – 2**

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-sec (1) of Sec 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto :

[Pursuant to clause (h) of sub-sec (3) of Sec 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**1. Details of contracts or arrangements or transactions not at arm's length basis :**

NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis :**

**(a) Name(s) of the Related Party and nature of relationship**

- (i) Tractors and Farm Equipment Limited, Chennai – Associate Company ;
- (ii) T.Stanes & Company Limited, Coimbatore – Associate Company ;
- (iii) Amalgamations Private Limited, Chennai – Associate Company.

**(b) Nature of contracts / arrangements / transaction**

- (i) Purchase of Green leaf and Sale of teas ;
- (ii) Purchase of manure / fertilizers ;
- (iii) Service contracts.

**(c) Duration of contracts / arrangements / transactions**

- (i) purchase of green leaf - 5 years Sale of tea - on going basis ;
- (ii) Purchase of manure / fertilizers – on going basis ;
- (iii) service contract for a term of five years.

**(d) Salient terms of contracts / arrangements / transactions including the value, if any**

– All transactions are at arm's length price.

– Value of transactions :

**(i) Tractors and Farm Equipment Limited, Chennai**

Purchase of Greenleaf : Rs.91,72,495  
Sale of tea : Rs.7,39,040

**(ii) T.Stanes and Company Limited, Coimbatore**

Purchase of manure / fertilizer : Rs. 63,86,323  
Sale of tea : Rs.10,39,116

**(iii) Amalgamations Private Limited, Chennai**

Service Charges : Rs.1,97,400  
Re-imbursement of expenses : Rs.2,02,248

**(e) Justification for entering into such contracts or arrangements or transactions**

- (i) The Company buys green leaf from the estate belonging to Tractors and Farm Equipment Limited (TAFE) in the locality at the prevailing market price. Packet tea is sold to their canteen and office in the normal course of business.
- (ii) Fertilizer is purchased from T.Stanes and Company Limited in the normal course of business at market price.
- (iii) We derive advise from Amalgamations Private Limited on matters of corporate laws, banking, and other areas in the overall interest of the group.

**(f) Date(s) of approval by the Board**

01-04-2014

**(g) Amount paid as advances, if any**

NIL

**(h) Date on which the special resolution was passed in general meeting as required under first proviso to Sec 188**

Not Applicable

**ANNEXURE - 2****(A) Conservation of Energy :**

1. the steps taken or impact on conservation of energy;	Hot water generator is installed at the factory for heater to reduce the consumption of fire wood.
2. the steps taken by the Company for utilizing alternate source of energy ;	Briquettes from agricultural waste is used as alternate source of energy. The company has planted fuel trees to ensure that we have sustainable fuel energy.
3. the capital investment on energy conservation equipment;	Rs. 57 lakhs

**(B) Technological Absorption :**

1. the efforts made towards Technology absorption.	UPASI's recommendation with respect to the field practices and manufacturing process are adopted to the extent possible to achieve better results.
2. the benefits derived like product improvement, cost reduction, product development, or import substitution.	Improvement in the quality of raw material and the end product which ultimately helps in better realization.
3. Imported technology	Nil
4. Expenditure on R & D	Nil

**(C) Foreign Exchange Earnings and Outgo**

Actual Inflow	Rs. 28,01,60,234
Actual Outflow	Rs. 1,49,38,878

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY****(1) Composition of the CSR Committee :**

1. Ms. Mallika Srinivasan – Chairman of the Committee
2. Mr.Sankar Datta – Independent Director – Member
3. Mr.D.Hegde – Whole-time Director – Member
4. Mr.T.G.B. Pinto – Whole-time Director – Member

**(2) CSR Policy Objectives :**

The Company adopts the following objectives as part of its Corporate Social Responsibility:

- (i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled.
- (ii) Health care and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water.
- (v) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (vi) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- (vii) Rural Development Projects and Tribal welfare.

(3) Average Net Profit of the Company for the last three financial years – Rs. 743.33 Lakhs

(4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) – Rs. 14.87 Lakhs

**(5) DETAILS OF C S R SPENT DURING THE FINANCIAL YEAR 2014-2015**

No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or Programmes was undertaken	Amount out lay budget project or programme wise	Amount spent on the projects or programmes Sub-heads (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Children Home	Social sector	Chamraj Estate, The Nilgiri District, Tamil Nadu	Rs. 9,00,000	Direct expenditure Rs.10,08,150	Rs.10,08,150	Direct
2	Education to poor at subsidized rate	Education	Chamraj Estate, The Nilgiri District, Tamil Nadu	Rs. 6,00,000	Direct expenditure Rs. 5,59,582	Rs.15,67,732	Direct

TOTAL Rs.15,67,732

(Note: Maximum amount to be spent under Section 135 of the Companies Act, 2013 : Rs.14.87 lacs)



**PAYMENT OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**  
(Pursuant to Rule 5 (1) of the Companies {Appointment and Remuneration of Managerial Personnel} Rules, 2014)

(i) **The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ;**

Ms. Mallika Srinivasan, Chairman and Non-Independent Director, Mr.N. Srinivasan, Non-Independent Director, Mr.Sankar Datta and Mr.R. Subramaniyan, Independent Directors were paid Sitting Fees for attending the Board / Committee meetings of the Company and also Commission on Net Profit for the financial year 2013-14.

Mr. Krishna Srinivasan and Mr. K.V.Sriram, Independent Directors who were appointed by the shareholders w.e.f 10th November 2014 were paid Sitting Fees to attend the Board meetings.

The remuneration paid to Whole-time Directors in comparison with median remuneration of the employees is given below:

S.No	Name and Designation	Remuneration paid during the year 2014-15 (Rs - lacs)	Ratio of the remuneration to Median Remuneration of the employees
1.	Mr. D. Hegde, Whole-time Director	31.57	10.18
2.	Mr. T.G.B.Pinto, Whole-time Director	31.36	10.12

(ii) **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ;**

There is no increase in remuneration of each non Whole-time Director. The Chief Financial Officer and the two Whole-time Directors were given the normal and usual annual increment approved by the Board. The Company Secretary was appointed on 1st October 2014.

(iii) **Percentage increase in the median remuneration of employees in the financial year ;**

Percentage increase in the median remuneration of employees in the financial year is 7%

(iv) **Number of permanent employees on the rolls of the company ;**

Number of permanent employees on the rolls of the company as on 31st March 2015 is 1305

(v) **Explanation on the relationship between average increase in remuneration and Company performance ;**

The average increase in remuneration of the employees is based on the wage agreement between the Company and the unions at state level.

(vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company ;**

The remuneration of Key Managerial Personnel is fixed once in three years and their annual incentive is related to performance of the company and the performance of the individual.

(vii) (a) **variations in the market capitalization of the company;**

The market capitalization at the end of the financial year 31st March 2015 was Rs. 96.91 crore and at the end of financial year 31st March 2014 was Rs. 127.31 crore.

(b) **Price earnings ratio as at the closing date of the current financial year and previous financial year ;**

Price Earnings Ratio as at the close of 31st March 2015 was Rs.11.14 and the same as at 31st March 2014 was Rs.16.40

(c) **percentage increase over decrease in the market quotations of the shares of the company with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year ;**

The Company has not made any public issue after its shares were listed in a recognized stock exchange.

- (viii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration ;**

The average percentile increase of the workmen was 7% and that of the staff was 21.50% . The salary increase of the staff was following a tripartite agreement entered among the Company, Estate Staff Union of Southern India, and the Industry associations during the financial year for a period of three years. The percentage increase of the managerial personnel was in line with staff at 22.43%.

- (ix) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the company ;**

No	Name and Designation of Key Managerial Personnel (Ms./Mr.)	Remuneration paid (Rs. in Lacs)	Performance of the Company (Rs.in lacs)
1	D.Hegde, Whole-time Director	31.57	869.75
2	T.G.B.Pinto, Whole-time Director	31.36	869.75
3	S. Raghuraman, Chief Financial Officer	20.84	869.75
4	K. Guruswamy, Company Secretary *	3.00	869.75
	TOTAL	86.77	

\* Joined on 1st October 2014.

- (x) **Key parameters for any variable component of remuneration availed by the Directors ;**

The two Whole-time Directors are paid annual incentive based on the performance of the Company and as recommended by the Nomination and Remuneration Committee.

- (xi) **Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year ;**

Not Applicable

- (xii) **Affirmation that remuneration is as per the remuneration policy of the company ;**

It is affirmed that the Remuneration is paid as per the remuneration policy of the Company.

**Performance Evaluation of Board of Directors and its Committees**

The Companies Act, 2013 and revised Clause 49 of the Listing Agreement entered with the Stock Exchange stipulates the performance evaluation of the Chairman, Board, its Committee and individual Directors.

The evaluation mechanism is as under :

- Nomination and Remuneration Committee formulated criteria for evaluation for the Independent Directors and the Board.
- The Board evaluated the performance of the Independent Directors based on the criteria set out by the Nomination and Remuneration Committee.
- The Board also evaluated its own performance and that of its Committees based on the terms of reference of the respective Committees.
- Committee of Independent Directors, evaluated the performance of
  - Non Independent Directors
  - Chairman of the Board taking into account the views of Executive Directors and Non Executive Directors
  - The Board as a whole

**Performance criteria for Independent Directors :**

The Board of Directors of the Company performs an annual evaluation of Independent Directors based on the criteria formulated by the Nomination and Remuneration Committee. The Committee has formulated the criteria based on the Code of Conduct specified under Schedule IV given in the Companies Act, 2013, which includes assessment of the following -:

- Independent judgement during Board's deliberation on various matters
- Contributions in implementing best Corporate Governance Practices
- Code of Conduct, Integrity and Values
- Willingness in devoting sufficient time in carrying out their duties and responsibilities effectively.

**ANNEXURE - 6****Extract of Annual Return in Form No : MGT 9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**[1]. REGISTRATION AND OTHER DETAILS :**

No	PARTICULARS	
(i)	C I N	L01132TZ1922PLC000234
(ii)	REGISTRATION DATE	9 <sup>th</sup> AUGUST 1922
(iii)	NAME OF THE COMPANY	THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
(iv)	CATEGORY / SUB CATEGORY OF THE COMPANY	PUBLIC LIMITED COMPANY
(v)	ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	No : 3, SAVITHIRI SHANMUGAM ROAD, RACE COURSE, COIMBATORE-641 018 PHONE: (0422)2220566 FAX : (0422) 2222865 E MAIL : headoffice@unitednilgiritea.com
(vi)	WHETHER LISTED COMPANY	YES
(vii)	NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT	M/s. INTEGRATED ENTERPRISES (INDIA) LIMITED., "KENCES TOWERS" No 1, RAMAKRISHNA STREET, NORTH USMAN ROAD, CHENNAI - 600 017 PHONE: (044) 28140801,02,and 03 FAX : (044) 28142479 E MAIL: corpserv@integratedindia.in

**[II] PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

No	Name and Description of main products/services	NIC Code of the Product / service	% to total turn over of the Company
1	TEA	09.0230	87. 32 %

**[ III ] PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

No	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/Associate	% of Shareheld	Applicable Section
1	Kuduma Fasteners Private Limited., 41/42, Booma Sandra, Industrial Area, Hosur Road, Ankel Taluk, Bangalore-560 099	U28991KA1984PTC 006227	Associate	50.00%	92(1)

**[IV] SHARE HOLDING PATTERN [ Equity Share Capital Break up as percentage of Total Equity]**

**(i) Category-wise Share Holding**

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>[A] PROMOTER</b>									
<b>(1) Indian</b>									
Individual/HUF	2,37,511	0	2,37,511	4.75	2,38,821	0	2,38,821	4.78	0.03
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	22,26,529	0	22,26,529	44.56	22,26,529	0	22,26,529	44.56	0
Banks	0	0	0	0	0	0	0	0	0
Fin. Institutions	0	0	0	0	0	0	0	0	0
Any other									
<b>Sub-total A - 1</b>	<b>24,64,040</b>	<b>0</b>	<b>24,64,040</b>	<b>49.31</b>	<b>24,65,350</b>	<b>0</b>	<b>24,65,350</b>	<b>49.34</b>	<b>0.03</b>
<b>(2) Foreign</b>									
NRI-individuals	0	0	0	0	0	0	0	0	0
Other individuals	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Banks	0	0	0	0	0	0	0	0	0
Fin. Institutions	0	0	0	0	0	0	0	0	0
Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total A - 2</b>									
<b>Total Promoters Share Holding (A)=A1 + A2</b>	<b>24,64,040</b>	<b>0</b>	<b>24,64,040</b>	<b>49.31</b>	<b>24,65,350</b>	<b>0</b>	<b>24,65,350</b>	<b>49.34</b>	<b>0.03</b>
<b>[B] PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
Mutual Funds	0	0	0	0	0	0	0	0	0
Banks	0	5,480	5,480	0.11	0	5,480	5,480	0.11	0
Fin. Institutions	0	0	0	0	0	0	0	0	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Venture Capital	0	0	0	0	0	0	0	0	0
Insurance Cos	8,46,514	0	8,46,514	16.94	8,46,514	0	8,46,514	16.94	0
F I Is	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (Specify )	0	0	0	0	0	0	0	0	0
<b>Sub-total B 1</b>	<b>8,46,514</b>	<b>5,480</b>	<b>8,51,994</b>	<b>17.05</b>	<b>8,46,514</b>	<b>5,480</b>	<b>8,51,994</b>	<b>17.05</b>	<b>0</b>
<b>(2) Non Institutions</b>									
<b>(a) Bodies Corporate</b>									
– Indian	12,761	81,164	93,925	1.88	1,03,332	2,225	1,05,557	2.11	0.23
– Overseas	0	0	0	0	0	0	0	0	0
<b>(b) Individuals</b>									
Individual shareholders holding nominal share capital upto Rs.One lakh	5,96,108	4,53,760	10,49,868	21.01	609,141	4,31,477	10,40,618	20.83	-0.18
Individual shareholders holding nominal share capital in excess of Rs.One Lakh	91,090	1,21,824	2,12,914	4.26	1,06,399	1,21,824	2,28,223	4.57	0.31
Clearing members	950	0	950	0.02	267	0	267	0	-0.02
NRI	24,666	33,393	58,059	1.16	18,798	20,943	39,741	0.80	-0.36
Trustees T.Stanes & Co. Staff Pension Fund	0	2,64,816	2,64,816	5.30	0	2,64,816	2,64,816	5.30	0
<b>Sub-total B 2</b>	<b>7,25,575</b>	<b>9,54,957</b>	<b>16,80,532</b>	<b>33.64</b>	<b>8,37,937</b>	<b>8,41,285</b>	<b>16,79,222</b>	<b>33.61</b>	<b>-0.03</b>
<b>Total Public Shareholding (B) = B1 + B2</b>	<b>15,72,089</b>	<b>9,60,437</b>	<b>25,32,526</b>	<b>50.69</b>	<b>16,84,451</b>	<b>8,46,765</b>	<b>25,31,216</b>	<b>50.66</b>	<b>-0.03</b>
<b>(C) Shares held by Custodians for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL(A)+(B)+(C)</b>	<b>40,36,129</b>	<b>9,60,437</b>	<b>49,96,566</b>	<b>100</b>	<b>41,49,801</b>	<b>8,46,765</b>	<b>49,96,566</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of shares	% of total shares of the Coy	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Coy	% of shares pledged / encumbered to total shares	
1 Tractors and Farm Equipment Limited	8,53,031	17.07	0	8,53,031	17.07	0	0
2 T.Stanes & Company Limited	8,36,308	16.74	0	8,36,308	16.74	0	0
3 Amalgamations Private Limited	3,05,540	6.11	0	3,05,540	6.11	0	0
4 Stanes Amalgamated Estates Limited	87,506	1.75	0	87,506	1.75	0	0
5 Simpson & Company Limited	61,506	1.23	0	61,506	1.23	0	0
6 Addison & Company Limited	24,344	0.49	0	24,344	0.49	0	0
7 Bimetal Bearings Limited	17,264	0.35	0	17,264	0.35	0	0
8 Associated Printers Madras Pvt Ltd.	16,652	0.33	0	16,652	0.33	0	0
9 Sri Rama Vilas Services Limited	10,934	0.22	0	10,934	0.22	0	0
10 Southern Tree Farms Limited	7,520	0.15	0	7,520	0.15	0	0
11 Speed-A-Way Private Limited	3,224	0.06	0	3,224	0.06	0	0
12 Simpson & General Finance Co. Ltd.	2,700	0.05	0	2,700	0.05	0	0
13 Ms. Mallika Srinivasan	1,41,790	2.84	0	1,43,100	2.87	0	0.03
14 Mr. Sriram Murali	76,185	1.53	0	76,185	1.53	0	0
15 Mr.A.Krishnamoorthy	10,856	0.22	0	10,856	0.22	0	0
16 Ms.Bhavani Krishnamoorthy	6,680	0.13	0	6,680	0.13	0	0
17 Mr.Sudarshan Venu	2,000	0.04	0	2,000	0.04	0	0
<b>TOTAL</b>	<b>24,64,040</b>	<b>49.31</b>	<b>0</b>	<b>24,65,350</b>	<b>49.34</b>	<b>0</b>	<b>0.03</b>

**(iii) Change in Promoters' Shareholding [ Please specify, if there is no change ]**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	24,64,040	49.31%	—	—
Date-wise increase in Promoters shareholding during the year : the reasons for increase :				
TRANSFER :				
21-04-2014	920	0.02%	24,64,960	49.33%
21-05-2014	390	0.01%	24,65,350	49.34%
At the end of the year	<b>24,65,350</b>	<b>49.34%</b>	<b>24,65,350</b>	<b>49.34%</b>

(iv) **Shareholding Pattern of top 10 shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs)**

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Date-wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g: allotment/transfer/bonus/sweet equity shares )	NIL	NIL	NIL	NIL
At the end of the year				
LIC OF INDIA	7,71,496	15.44	7,71,496	15.44
TRUSTEES, T.STANES STAFF PENSION FUND	2,64,816	5.30	2,64,816	5.30
UNCLAIMED SUSPENSE ACCOUNT	78,339	1.57	78,339	1.57
UNITED INDIA INSURANCE CO. LTD.	75,018	1.5	75,018	1.5
RUTTY RUSI MODI	30,878	0.62	30,878	0.62
MAHENDRA GIRDARILAL	30,262	0.61	30,262	0.61
M.H.M.W. HENDRIKS	19,740	0.4	19,740	0.4
M P VAZHAIWALA	18,224	0.36	18,224	0.36
P.CT. LAKSHMANAN	18,000	0.36	18,000	0.36
ISABELLA D' SOUZA	16,038	0.32	16,038	0.32
	<b>13,22,811</b>	<b>26.47</b>	<b>13,22,811</b>	<b>26.47</b>

(v) **Shareholding of Directors and Key Managerial Personnel**

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
<b>DIRECTORS</b>				
Ms. Mallika Srinivasan	1,41,790	2.84%	1,41,790	2.84%
Mr. N.Srinivasan	2,002	0.04%	2,002	0.04%
Mr. D.Hegde	2,224	0.04%	2,224	0.04%
Mr.T.G.B.Pinto	2,950	0.06%	2,950	0.06%
Mr. R. Subramaniyan	18	–	18	–
<b>KEY MANAGERIAL PERSONNEL</b>				
Mr.S.Raghuraman	1,002	0.02%	1,002	0.02%
	<b>1,49,986</b>	<b>3.00%</b>	<b>1,49,986</b>	<b>3.00%</b>
Date-wise increase in Promoters shareholding during the year : the reasons for increase :				
TRANSFER :				
21-04-2014	920	0.02%	–	–
21-05-2014	390	0.01%	–	–
	1,310	<b>0.03%</b>	–	–
At the end of the year				
<b>DIRECTORS</b>				
Ms. Mallika Srinivasan	1,43,100	2.87%	1,43,100	2.87%
Mr. N.Srinivasan	2,002	0.04%	2,002	0.04%
Mr. D.Hegde	2,224	0.04%	2,224	0.04%
Mr.T.G.B.Pinto	2,950	0.06%	2,950	0.06%
Mr. R.Subramaniyan	18	–	18	–
<b>KEY MANAGERIAL PERSONNEL</b>				
Mr. S. Raghuraman	1,002	0.02%	1,002	0.02%
	<b>1,51,296</b>	<b>3.03%</b>	<b>1,51,296</b>	<b>3.03%</b>

**[V] INDEBTEDNESS : Indebtedness of the Company including interest Outstanding / accrued but not due for the payment :**

For each of the Top 10 Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposit Rs.	Total Indebtedness
At the beginning of the year				
<b>Indebtedness at the beginning of the financial year :</b>				
(i) Principal Amount	Nil	15,51,740	43,13,000	58,64,740
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	1,06,046	Nil	1,06,046
<b>Total (i+ii+iii)</b>		<b>16,57,786</b>	<b>43,13,000</b>	<b>59,70,786</b>
Change in indebtedness during the financial year				
– Addition	Nil	Nil	Nil	Nil
– Reduction		12,16,617	43,13,000	55,29,617
<b>Net Change</b>		<b>12,16,617</b>	<b>43,13,000</b>	<b>55,29,617</b>
<b>Indebtedness at the end of the financial year :</b>				
(i) Principal Amount	Nil	4,22,660	Nil	4,22,660
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	31,321	Nil	31,321
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>4,53,981</b>	<b>Nil</b>	<b>4,53,981</b>

**[VI] REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

**A. Remuneration to Whole-time Directors**

No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		D. HEGDE (WTD)	T.G.B. PINTO (WTD)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income-tax Act, 1961	21,54,000	21,54,000	<b>43,08,000</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961			
2.	Stock Option	N.A.	N.A.	–
3.	Sweat Equity	N.A.	N.A.	–
4.	Commission			
	– as % of profit	N.A.	N.A.	–
	– others specify	N.A.	N.A.	–
5.	Others, specify			
	(a) Incentives	2,50,000	2,50,000	<b>5,00,000</b>
	(b) Holiday			
	Allowance	1,76,500	1,71,500	<b>3,48,000</b>
	(c) Contribution			
	to LIC Superannuation Fund	3,10,500	3,01,500	<b>6,12,000</b>
	(d) Contribution			
	to Provident Fund	2,58,480	2,51,280	<b>5,09,760</b>
	(e) Mediclaim	7,725	8,550	<b>16,275</b>
	<b>Total A</b>	<b>31,57,205</b>	<b>31,36,830</b>	<b>62,94,035</b>
	Ceiling as per the Act	<b>59,60,425</b>	<b>59,60,425</b>	<b>1,19,20,850</b>



**B. Remuneration to other Directors :**

No.	Particulars of Remuneration	Name of Director (Ms. / Mr.)				Total Amount
		SANKAR DATTA	R. SUBRA MANIYAN	KRISHNA SRINIVASAN	K.V. SRIRAM	
	Independent Director					
	– fee for attending Board and Committee meetings	75,000	60,000	10,000	15,000	1,60,000
	– Commission	1,75,000	1,75,000	0	0	3,50,000
	– Others,	0	0	0	0	0
	<b>Total (1)</b>	<b>2,50,000</b>	<b>2,35,000</b>	<b>10,000</b>	<b>15,000</b>	<b>5,10,000</b>
			<b>MALLIKA-SRINIVASAN</b>	<b>N. SRINI-VASAN</b>		
	Other Non-Executive Directors					
	– fee for attending Board and Committee meetings	–	40,000	65,000	–	1,05,000
	– Commission*	–	1,75,000	1,75,000	–	3,50,000
	– Others	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>2,15,000</b>	<b>2,40,000</b>	<b>0</b>	<b>4,55,000</b>
	<b>Total B 1+2</b>	<b>2,50,000</b>	<b>4,50,000</b>	<b>2,50,000</b>	<b>15,000</b>	<b>9,65,000</b>
	Total Managerial Remuneration	<b>2,50,000</b>	<b>4,50,000</b>	<b>2,50,000</b>	<b>15,000</b>	<b>9,65,000</b>
	Overall Ceiling as per the Companies Act, 2013	–	–	–	–	<b>11,92,085</b>
	* Commission paid for the financial year 2013 -14.					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

No.	Particulars of Remuneration	Name of Director (Ms. / Mr.)			
		CEO	Company Secretary	CFO	Total
	Gross Salary				
	(a) Salary as per provisions contained in Sec 17(1) of the Income-tax Act, 1961	N.A.	3,00,000 (w.e.f 01-10-2014)	14,04,000	17,04,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	–	–
	Stock Option	N.A.	N.A.	N.A.	Nil
	Sweat Equity	N.A.	N.A.	Nil	Nil
	Commission – as % of profit	Nil	Nil	Nil	Nil
	Others, specify	Nil	Nil	Nil	Nil
		<b>CEO</b>	<b>CS</b>	<b>CFO</b>	<b>TOTAL</b>
	(c) Incentives			2,25,000	2,25,000
	(d) Holiday Allowance			1,06,500	1,06,500
	(e) Contribution to LIC Superannuation Fund			1,89,000	1,89,000
	(f) Contribution to Provident Fund			1,53,360	1,53,360
	(g) Mediclaim			6,450	6,450
	<b>Total</b>	<b>Nil</b>	<b>3,00,000</b>	<b>20,84,310</b>	<b>23,84,310</b>

**[VII] PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / compounding fees imposed	Authority (RD / NELT / COURT	Appeal made, if any (give details)
<b>[A] COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>[B] DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>[C] OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

### PROGRESS REPORT AND CROP HARVESTED

Year	Profit Rs.	Taxation Rs.	Net Profit after Taxation Rs.	Tea Crop (Made Tea) Kg.	Dividend %
2010 – 2011	4,31,75,131	1,07,08,585	3,24,66,546	23,68,975	22.50
2011 – 2012	5,20,76,854	98,43,233	4,22,33,621	24,82,230	23.00
2012 – 2013	7,04,07,225	1,29,58,062	5,74,49,163	23,60,005	23.00
2013 – 2014	10,06,15,905	2,30,16,182	7,75,99,723	26,98,451	27.00
2014 – 2015	11,25,34,023	2,55,58,303	8,69,75,720	27,37,312	27.00*

\*Subject to approval of final dividend of 17% at the AGM.

### AREA OF THE ESTATES ARE AS FOLLOWS (Approximately in Hectares)

Division	Mature Tea	Un-Mature Tea	Fuel Area and Wind Belts	Shola, Jungles, Frost Prone Areas, Rocks & Roads	Total
ALLADA VALLEY	218.60	2.78	1.00	10.17	232.55
CHAMRAJ	141.14	4.00	1.00	19.96	166.10
DEVABETTA	172.50	—	2.00	18.12	192.62
KORAKUNDAH	273.00	5.00	128.00	464.99	870.99
<b>TOTAL</b>	<b>805.24</b>	<b>11.78</b>	<b>132.00</b>	<b>513.24</b>	<b>1,462.26</b>

## Secretarial Audit Report

(For the Financial year ended on March 31, 2015 )

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

The United Nilgiri Tea Estates Company Limited

3, Savithiri Shanmugam Road

Race Course

Coimbatore - 641018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The United Nilgiri Tea Estates Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by The United Nilgiri Tea Estates Company Limited ("**The Company**") for the period ended on March 31, 2015 according to the provisions of:
  - I. The Companies Act, 1956 and the Rules made thereunder to the extent they were in force during the period under report and the provisions of the Companies Act, 2013 to the extent notified by Ministry of Corporate Affairs
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 ( '**FEMA**' ) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c). The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The 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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**We have also examined compliance with the applicable clauses of the following:**

- (i) The Listing Agreement entered into by the Company with the Madras Stock Exchange Limited
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above, to the extent applicable.

2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws and also all other applicable laws, rules, regulations and guidelines.
  - (a) Factories Act, 1948
  - (b) Payment Of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
  - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
  - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - (i) Food Safety and Standards Act, 2006, and rules made thereunder.
  - (j) Plantation Act, 1951
  - (k) *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act*, 2013
3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made thereunder to the extent they were in force during the period under report and the provisions of Companies Act, 2013 to the extent notified by the Ministry of Corporate Affairs with regard to:
  - (a) maintenance of various statutory registers and documents and making necessary entries therein;
  - (b) closure of the Register of Members.
  - (c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - (e) issuing notice of Board meetings and Committee meetings of Directors;
  - (f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (g) the conduct of the 92<sup>nd</sup> Annual General Meeting held on 19<sup>th</sup> September 2014;
  - (h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - (l) appointment and remuneration of statutory Auditors and Cost Auditors;
  - (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - (n) declaration and payment of dividends;
  - (o) transfer of certain amounts to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - (p) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - (q) investment of the Company's funds including investments and loans to others;
  - (r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - (s) Directors' report to the shareholders;
  - (t) contracts, common seal, registered office and publication of name of the Company; and

- (u) Generally, all other applicable provisions of the Companies Act, 1956 and the Rules made thereunder to the extent they were in force during the period under report and the provisions of Companies Act, 2013 to the extent notified by the Ministry of Corporate Affairs.

**4. We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Notice of all the Board meetings was given to all the Directors, alongwith agenda and detailed notes on agenda atleast seven days in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting to enable meaningful participation at the meeting.
  - Majority decisions were carried through and a proper system exists for capturing and recording the dissenting members' views as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent applicable; and
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 1956, the Companies Act, 2013, SEBI Act, SCRA, Depositories Act, 1996, FEMA, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
5. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act.
6. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
7. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
8. The Company has complied with the requirements under the Equity Listing Agreements entered into with The National Stock Exchange of India Limited and The Madras Stock Exchange Limited;
9. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
10. The Company has complied with the provisions of The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
11. The Company has complied with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For L K & Associates  
Company Secretaries

LALITHA KANNAN  
C.P. 1894

**Place: CHENNAI**

**Date : 13.05.2015**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## **ANNEXURE A**

To,  
The Members  
The United Nilgiri Tea Estates Company Limited  
3, Savithiri Shanmugam Road  
Race Course  
Coimbatore - 641018

Our report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: CHENNAI**  
**Date : 13.05.2015**

For L K & Associates  
Company Secretaries  
LALITHA KANNAN  
C.P. 1894

## THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

### REPORT ON CORPORATE GOVERNANCE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors and the Management of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** are committed to :

Constantly improve the quality and quantity of production of orthodox teas of exportable grades and be a leader in export of organic teas.

- Enhancing Shareholder Value, keeping in view the interests of Stakeholders, through pro-active management and observance of high ethical standards.
- Ensuring transparency and accountability and
- Social responsibility including welfare of the workers in the plantation.
- Company follows fair-trade practices as recommended by Fair-trade Labelling Organization International.

#### 1. **BOARD OF DIRECTORS :**

The present strength of the Board is eight. The Board comprises of Two Whole-time Directors and Six Non-Whole-time Directors.

The Board of Directors of the Company are :

Ms. Mallika Srinivasan	Chairman (Non-Executive and Non-Independent )
Mr. N Srinivasan	Director (Non-Executive and Non-Independent)
Mr. Sankar Datta	Director (Non-Executive – Independent).
Mr. R Subramaniyan	Director (Non-Executive – Independent)
Mr. Krishna Srinivasan *	Director (Non-Executive – Independent)
Mr. K.V.Sriram *	Director (Non-Executive – Independent)
Mr. D Hegde	Whole-time Director
Mr. T G B Pinto	Whole-time Director

\* [w.e.f 10<sup>th</sup> November 2014].

#### 2. **ATTENDANCE:**

Attendance of each Director at the Board Meetings during the Financial Year 2014 – 15 and at the last Annual General Meeting and details of other Directorships are given below :-

Seven Board Meetings were held during the year 2014-2015. The dates on which the meetings were held are : 01-04-2014, 30-05-2014, 29-07-2014, 19-09-2014, 10-11-2014, 19-01-2015 and 25-03-2015.

The maximum gap between any two meetings was less than four months.

All material information is circulated to the Directors before the meeting or placed at the meeting, including minimum information made available to the Board as mentioned under Clause 49 of the Listing Agreement.

DIRECTOR	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Companies excluding private limited / foreign companies	Committee Memberships in other Companies
(1) Ms.Mallika Srinivasan	7	Yes	6	Nil
(2) Mr.N. Srinivasan	6	Yes	9	4
(3) Mr Sankar Datta	7	Yes	1	Nil
(4) Mr.R.Subramaniyan	6	Yes	Nil	Nil
(5) Mr D.Hegde	7	Yes	Nil	1
(6) Mr T.G.B. Pinto	7	Yes	Nil	Nil
(7) Mr.Krishna Srinivasan	2	N.A *	Nil	1
(8) Mr.K.V.Sriram	3	N.A *	Nil	Nil

\* Not Applicable – Inducted to the Board on 10.11.2014 which was held after the date of AGM



### 3. **REMUNERATION TO DIRECTORS :**

#### (a) **Whole-time Directors' Remuneration for the year 2014-15**

No.	Description	Mr. D. Hegde (Rs.)	Mr. T.G.B. Pinto (Rs.)	Total (Rs.)
1.	Salary	21,54,000	21,54,000	43,08,000
2.	Contribution to Provident Fund, Superannuation Fund, Medi-claim	5,76,705	5,61,330	11,38,035
3.	Holiday Allowance	1,76,500	1,71,500	3,48,000
4.	Incentive	2,50,000	2,50,000	5,00,000
	<b>TOTAL</b>	<b>31,57,205</b>	<b>31,36,830</b>	<b>62,94,035</b>

#### (b) **Non-Whole-time Directors :**

Non-Whole time Directors are paid Sitting Fees for each Meeting or a Committee thereof and also Commission upto 1% of the Net Profits calculated in the manner prescribed in the Companies Act, 1956. The details of remuneration paid / payable to all the Directors for the year 2014 – 15 are

Directors	Sitting Fees (Rs.)	Commission * (Rs.)	Total (Rs.)
Ms.Mallika Srinivasan	40,000	1,75,000	2,15,000
Mr.N. Srinivasan	65,000	1,75,000	2,40,000
Mr.R.Subramaniyan	60,000	1,75,000	2,35,000
Mr.Sankar Datta	75,000	1,75,000	2,50,000
Mr.Krishna Srinivasan	10,000	—	10,000
Mr.K.V.Sriram	15,000	—	15,000
<b>TOTAL</b>	<b>2,65,000</b>	<b>7,00,000</b>	<b>9,65,000</b>

\* Pertaining to 2013-14 accounts paid during the year. Provision for Commission to Non Whole-time Directors of Rs.8,50,000/- for the year ended 31<sup>st</sup> March 2015 has been made in the Accounts for the year.

#### (c) **Number of Shares held by Non-Whole-time Directors:**

Directors	Total No. of Shares held	Dividend Paid (Rs.)
Ms. Mallika Srinivasan	1,43,100	3,85,060
Mr. N. Srinivasan	2,002	5,405
Mr. R. Subramaniyan	18	49
<b>TOTAL</b>	<b>1,45,120</b>	<b>3,90,514</b>

### 4. **AUDIT COMMITTEE :**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Sec 177 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors.

The Audit Committee met seven times during the year on 01.04.2014, 30.05.2014, 19.06.2014, 29.07.2014, 19.09.2014, 10-11-2014 and 19.01.2015.

The present members of the Committee are :-

Mr. Sankar Datta – Chairman of the Committee

Mr. N. Srinivasan

Mr.R. Subramaniyan

Mr. K. Guruswamy, Company Secretary is the Secretary of the Audit Committee.

#### **Attendance:**

Mr. Sankar Datta – 7; Mr. N. Srinivasan – 6; Mr. R. Subramaniyan – 5

The Committee has since been reconstituted with effect from 15th May 2015 as under:

Mr. Sankar Datta – Chairman of the Committee

Mr. N. Srinivasan

Mr. K. V. Sriram

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE :**

The Stakeholders Relationship Committee oversees redressal of shareholder and investor grievances, transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, and related matters. The members of the Committee are -:

Mr. R. Subramaniam

Mr. D. Hegde

Mr. T.G.B.Pinto

Mr.K.Guruswamy, Company Secretary is the Compliance Officer of the Company in matters relating to shareholders, Stock Exchanges, SEBI and other related regulatory matters.

During the year four complaints were received and resolved. No complaint was pending as at 31<sup>st</sup> March 2015. As on that date, there were no pending share transfers.

**6. NOMINATION AND REMUNERATION COMMITTEE :**

The Committee consists of the following members :

1. Ms. Mallika Srinivasan

2. Mr. N.Srinivasan

3. Mr. Sankar Datta

Mr. K. Guruswamy, Company Secretary is the Secretary of the Committee.

The Committee met two times in the financial year on 30-05-2014 and 19-09-2014. All the members attended both the meetings.

The Committee has since been reconstituted with effect from 15th May 2015 as under:

Mr. Krishna Srinivasan – Chairman of the Committee

Ms. Mallika Srinivasan

Mr. N. Srinivasan

Mr. R. Subramaniam

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :**

The Committee consists of the following members :

1. Mr.Sankar Datta

2. Mr.D. Hegde

3. Mr.T.G.B. Pinto

The Committee has since been reconstituted with effect from 15th May 2015 as under:

Ms. Mallika Srinivasan – Chairman of the Committee

Mr. Sankar Datta

Mr. D. Hegde

Mr. T.G.B. Pinto

Mr. K. Guruswamy, Company Secretary is the Secretary of the Committee.

The initiatives taken by the Company are listed in the Directors' Report for the year under review.

**8. DISCLOSURE:**

All materially significant related party transactions with the Company's Promoters, Directors, the Associated Companies or relatives etc., are disclosed in the Accounts under note No.45 of Notes forming part of financial statements and in the opinion of the Directors, these financial and commercial transactions are not in conflict with the interests of the Company.

There have been no instances of non-compliance by the Company on any matters relating to capital markets, nor have any penalty / strictures been imposed by Stock Exchanges or SEBI or any other statutory authority on such matters.

CEO / CFO Certificate duly signed by the two Whole-time Directors and the CFO of the Company was submitted to the Board for its approval.

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company and all of them have affirmed compliance of the same.

**9. STOCK OPTION :**

The Company does not have a Stock Option Scheme as on date for its employees / officers.

**10. ANNUAL GENERAL MEETING:**

Location and time of last 3 Annual General Meetings were :

Year	Location	Date	Time	No. of Special Resolution Passed
2013 – 14	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	19.09.2014	2.45 PM	1
2012 – 13	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	08.08.2013	3.30 PM	Nil
2011 – 12	"SAE Gardens" 3 A & B, Kamarajar Road, Race Course, Coimbatore – 18	03.08.2012	2.45 PM	Nil

**11. POSTAL BALLOT / ELECTRONIC VOTING / PHYSICAL VOTING :**

One resolution towards commission payable to Non-Whole-Time Directors was passed through electronic voting / postal ballot at the Annual General Meeting held on 19<sup>th</sup> September 2014.

As required by Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, every listed Company or a Company having not less than one thousand shareholders shall provide to its members facility to exercise their right to vote at general meeting by electronic means.

Accordingly, your Company has made necessary arrangements for e-voting by all the shareholders. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report). A detailed procedure is enclosed with the notice convening the Annual General Meeting.

**12. MEANS OF COMMUNICATION :**

The Quarterly Results are published in "The Business Line" (State Edition), and Dinamani (Coimbatore Edition). There has been no presentation to analysts. Management Discussion and Analysis Report has been included in the Directors' Report. The Company's financial results are posted on the Company's Website (unitednilgiratea.com) periodically.

The Shareholders can send their grievances / complaints by mailing to the Company's E-Mail ID : headoffice@unitednilgiratea.com

**13. GENERAL SHAREHOLDER INFORMATION:**

AGM : Day, Date, and Time	:	Tuesday, 4 <sup>th</sup> August 2015, 2.30 P.M.
Venue	:	“Sri S. Anantharamakrishnan Hall” T.Stanes & Company Limited premises, 8/23-24, Race Course Road, Coimbatore - 641 018
Financial Year	:	April To March
Financial Calendar	:	First Quarter Results – July / August Half Year – October / November Third Quarter – January / February Annual Results – May / June
Date of Book Closure	:	29 <sup>th</sup> July 2015 to 4 <sup>th</sup> August 2015 (both days inclusive)
Dividend Payment Date	:	4 <sup>th</sup> August 2015
Listing	:	The National Stock Exchange of India Limited 5 <sup>th</sup> Floor, “Exchange Plaza”, Bhandra (E), MUMBAI-400 051
ISIN	:	I N E 458 F 01011
Stock Code	:	UNITEDTEA

**14. MARKET PRICE DURING THE FINANCIAL YEAR 2014 - 15 :**

Month-wise **HIGH and LOW** of market price of the Company's equity shares are given below :-

MONTH	NATIONAL STOCK EXCHANGE	
	HIGH (Rs.)	LOW (Rs.)
April 2014	254.00	206.05
May 2014	220.00	195.00
June 2014	261.90	214.00
July 2014	259.00	230.00
August 2014	267.00	231.80
September 2014	263.75	246.00
October 2014	235.00	200.00
November 2014	237.00	207.00
December 2014	238.00	206.05
January 2015	236.00	199.00
February 2015	210.00	190.00
March 2015	213.00	183.30

**Shareholding Pattern as on 31st March 2015.**

Category	No. of Shares held	% to Capital
1. Promoters	24,65,350	49.34
2. Banks, FI, Insurance Cos	8,51,994	17.05
3. Private Bodies Corporate	1,05,557	2.11
4. Indian Public	12,69,108	25.40
5. NRIs / OBCs	39,741	0.80
6. Trustees, T Stanes & Co.Staff Pension Fund	2,64,816	5.30
<b>TOTAL</b>	<b>49,96,566</b>	<b>100.00</b>

**Distribution of Shareholding as on 31st March 2015.**

<b>Shareholding Range</b>	<b>No. of Shareholders</b>	<b>% to total Shareholders</b>	<b>No. of Shares</b>	<b>% to total Shares</b>
Upto 5000	1,837	95.74	7,53,942	15.09
5001 – 10000	52	2.71	3,76,307	7.53
10001 – 20000	16	0.83	2,29,298	4.59
20001 – 30000	1	0.05	24,344	0.49
30001 – 40000	2	0.10	61,140	1.22
40001 – 50000	0	0.00	0.00	0.00
50001 & above	11	0.57	35,51,535	71.08
<b>TOTAL</b>	<b>1,919</b>	<b>100.00</b>	<b>49,96,566</b>	<b>100.00</b>

**Share Transfers Agents** : **M/s. Integrated Enterprises (India) Limited**  
 “Kences Towers” 5A, 5<sup>th</sup> Floor,  
 No 1, Ramakrishna Street, North Usman Road,  
 T.Nagar, CHENNAI 600 017.  
 Phone No ( 044 ) 28140801 / 28149893  
 Fax No (044 ) 28142479

**Dematerialization of Shares** : **83.05** % of the Paid Up Share Capital of the Company has been dematerialized as on 31<sup>st</sup> March 2015.

**Estate Location** : CHAMRAJ ESTATE,  
 Chamraj Estate & Post,  
 The Nilgiris 643 204

**Address for Communication** : REGISTERED OFFICE ::  
 No : 3, Savithiri Shanmugham Road,  
 Race Course, COIMBATORE 641 018  
**CIN : L01132TZ1922PLC000234**  
 E mail : headoffice@unitednilgiritea.com  
 Web : unitednilgiritea.com  
 Phone : (0422) 2220566 Fax : (0422) 2222865

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The subject relating to Industry structure and development, Opportunities and Threats, Outlook, Internal Control Systems and Labour Relations has been dealt under Directors' Report and its annexure. Hence these were not elaborated here again.

## **CERTIFICATE OF CORPORATE GOVERNANCE**

**To the members of The United Nilgiri Tea Estates Company Limited.**

We have examined the compliance of conditions of Corporate Governance by The United Nilgiri Tea Estates Company Ltd. for the year ended 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Fraser & Ross  
Chartered Accountants  
(Registration No.000829S)

Chennai  
15th May, 2015

C.R. RAJAGOPAL  
Partner  
Membership No. 23418

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into

account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS – (Contd.)

fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 and 30 to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **FRASER & ROSS**  
Chartered Accountants  
(Registration No.000829S)

**C. R. RAJAGOPAL**  
Partner  
(Membership No.: 23418)

Chennai  
15th May, 2015



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS – (Contd.)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Having regard to the nature of the Company's business / activities / results during the year, clauses (v) and (x) of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (i) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iii) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and there are no deposits outstanding at the end of the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(v) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vi) According to the information and explanations given to us, in respect of statutory dues:

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS – (Contd.)

- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:
- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (vii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) According to the information and explanations given to us, the Company has not raised any loans from financial institutions, banks and debenture holders, therefore the provisions of Clause ix of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, no term loan is raised during the year by the Company therefore the provision of Clause xi of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates	Amount involved Rs.
Income Tax Act	Disallow-ance of Expendi-ture	Commis-sioner of Income Tax	2011-12	3,84,500

For **FRASER & ROSS**  
Chartered Accountants  
(Registration No.000829S)

**C. R. RAJAGOPAL**  
Partner  
(Membership No.: 23418)

Chennai  
15th May, 2015

## ACCOUNTS

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No.	As at 31st March 2015 Rs.'000	As at 31st March 2014 Rs.'000
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	3	49,966	49,966
Reserves and surplus	4	5,40,643	4,72,747
		<u>5,90,609</u>	<u>5,22,713</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	73	423
Deferred tax liabilities	27	3,223	3,791
Other long term liabilities	6	15,910	15,910
Long-term provisions	7	1,267	1,160
		<u>20,473</u>	<u>21,284</u>
<b>Current liabilities</b>			
Trade payables	8	21,960	22,102
Other current liabilities	9	11,841	30,757
Short-term provisions	10	10,424	9,962
		<u>44,225</u>	<u>62,821</u>
<b>Total</b>		<u>6,55,307</u>	<u>6,06,818</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	3,84,593	3,60,839
Capital work-in-progress		—	3,749
		<u>3,84,593</u>	<u>3,64,588</u>
Non-current investments	12	15,254	18,523
Long-term loans and advances	13	5,122	10,272
		<u>4,04,969</u>	<u>3,93,383</u>
<b>Current assets</b>			
Inventories	14	30,005	23,556
Trade receivables	15	48,155	52,029
Cash and cash equivalents	16	1,58,661	1,23,211
Short-term loans and advances	17	6,940	5,564
Other current assets	18	6,577	9,075
		<u>2,50,338</u>	<u>2,13,435</u>
<b>Total</b>		<u>6,55,307</u>	<u>6,06,818</u>
<b>See accompanying notes to the financial statements</b>			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS  
Chartered Accountants

MALLIKA SRINIVASAN  
Chairman

N. SRINIVASAN  
D. HEGDE  
Directors

C. R. RAJAGOPAL  
Partner

S.RAGHURAMAN  
Chief Financial Officer

K. GURUSWAMY  
Company Secretary

Chennai  
15th May, 2015

Chennai  
15th May, 2015

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	Note No.	For the year ended 31.03.2015 Rs.'000	For the year ended 31.03.2014 Rs.'000
<b><u>Revenue:</u></b>			
Revenue from operations (gross)	19	5,07,546	4,92,334
Less: Excise duty		1,098	1,121
Revenue from operations (net)		5,06,448	4,91,213
Other income	20	17,084	11,436
<b>Total revenue</b>		<b>5,23,532</b>	<b>5,02,649</b>
<b><u>Expenses:</u></b>			
(a) Greenleaf purchases		76,776	90,216
(b) Tea purchases		12,141	14,332
(c) Changes in inventories of finished goods (tea)	21	(3,349)	5,128
(d) Employee benefit expense	22	1,27,450	1,11,812
(e) Finance cost	23	413	703
(f) Depreciation expense	11	24,766	21,409
(g) Other expenses	24	1,72,802	1,58,433
<b>Total expenses</b>		<b>4,10,999</b>	<b>4,02,033</b>
<b>Profit before tax</b>		<b>1,12,533</b>	<b>1,00,616</b>
Tax expense			
Current Tax		(25,700)	(24,000)
Deferred Tax (charge) / credit		142	984
<b>Profit for the year</b>		<b>86,975</b>	<b>77,600</b>
Earnings per share (Basic & Diluted) [Face value of Rs 10/- each]		17.41	15.53
<b>See accompanying notes to the financial statements</b>			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS  
Chartered Accountants

MALLIKA SRINIVASAN  
Chairman

N. SRINIVASAN  
D. HEGDE  
Directors

C. R. RAJAGOPAL  
Partner

S.RAGHURAMAN  
Chief Financial Officer

K. GURUSWAMY  
Company Secretary

Chennai  
15th May, 2015

Chennai  
15th May, 2015

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	For the year ended 31.03.2015 Rs.'000	For the year ended 31.03.2014 Rs.'000
<b>Cash flow from operating activities</b>		
Profit before tax	1,12,534	1,00,616
<i>Adjustments for:</i>		
Depreciation expense	24,766	21,410
Provision for diminution in value of investments	4,941	13,300
Profit on sale of investments (net)	(4,852)	-
Profit on sale of fixed assets (net)	(824)	(196)
Finance cost	413	703
Interest income	(10,168)	(7,133)
Dividend Income	(1,241)	(1,320)
Net unrealised exchange (gain)/loss	(174)	880
<b>Operating profit before working capital changes</b>	<b>1,25,395</b>	<b>1,28,260</b>
<b>Change in working capital</b>		
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	(142)	5,073
Other current liabilities	(12,106)	6,583
Other long-term liabilities	0	0
Other long-term Provision	107	70
Other short-term Provision	0	0
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Trade receivables	4,048	(30,577)
Inventories	(6,449)	3,277
Long-term loans and advances	(771)	(48)
Short-term loans and advances	(1,454)	(371)
Other current assets	938	2,913
Cash generated from operations	1,09,566	1,15,180
Net income tax (paid)/refunds	(25,523)	(26,656)
<b>Net cash flow from operating activities (A)</b>	<b>84,043</b>	<b>88,524</b>
<b>Cash flow from investing activities :</b>		
Capital Expenditure on fixed assets,including capital advances	(43,420)	(37,536)
Proceeds from sale of fixed assets	895	484
Purchase of non-current investments	(11,547)	0
Sale Proceeds of non-current investments-others	11,958	0
Sale Proceeds of non-current investments-Associates	2,768	0
Other bank deposits not considered as cash and cash equivalents	(39,849)	(28,649)
Interest received - Others	11,728	8,027
Dividend received - Others	419	448
Dividend received - Associates	822	872
<b>Net cash flow from/(used in) in investing activities (B)</b>	<b>(66,226)</b>	<b>(56,354)</b>
<b>Cash flows from financing activities :</b>		
Repayment of long-term borrowings	(5,336)	216
Finance cost	(413)	(703)
Dividends paid	(13,175)	(6,496)
Tax on dividend	(3,292)	(1,109)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(22,216)</b>	<b>(8,092)</b>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 – (Contd.)**

Particulars	For the year ended 31.03.2015 Rs.'000	For the year ended 31.03.2014 Rs.'000
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(4,399)</b>	24,078
Cash and cash equivalents at the beginning of the year	<b>31,579</b>	7,501
Cash and cash equivalents at the end of the year	<b>27,180</b>	31,579
<b><u>Cash and cash equivalents at the end of the year comprises</u></b>		
Cash on hand	<b>59</b>	47
Balances with banks		
– In Current accounts	<b>27,121</b>	14,211
– In EEFC accounts	–	119
– In Other deposit accounts -original maturity of 3 months or less	–	17,202
Total Cash and cash equivalents (Note 16.(i))	<b>27,180</b>	31,579
<b>See accompanying notes to the financial statements</b>		

In terms of our Report attached

For FRASER & ROSS  
*Chartered Accountants*

C. R. RAJAGOPAL  
*Partner*

Chennai  
15th May, 2015

MALLIKA SRINIVASAN  
*Chairman*

S.RAGHURAMAN  
*Chief Financial Officer*

For and on behalf of the Board of Directors

N. SRINIVASAN  
D. HEGDE  
*Directors*

K. GURUSWAMY  
*Company Secretary*

Chennai  
15th May, 2015

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### 1. Corporate Information.

The United Nilgiri Tea Estates Company Limited is a public company incorporated under the provisions of the Companies Act; its shares are listed on National Stock Exchange Ltd in India. The Company is primarily engaged in growing and manufacture of Tea besides Letting-out of property. The Company's teas are sold both in domestic and international markets.

### 2. Significant Accounting Policies.

#### 2.1 Basis of accounting and preparation of financial statements.

The financial statements of the Company have been prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable besides additional disclosures required by SEBI under listing agreement.

#### 2.2 Use of estimates.

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenditure during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known/materialized.

#### 2.3 Fixed Assets and Depreciation

- (a) Expenditure on Development and New Tea Planting is capitalised.
- (b) Fixed assets both intangible and tangible are carried at cost less accumulated depreciation / amortisation and impairment losses, if any.
- (c) Assets acquired under Finance Lease Agreement are capitalised
- (d) Depreciation on Tangible assets is provided on Straight Line basis at the rates specified in Schedule II to the Companies Act, 2013. Cost of software is amortised over a period of three years.

#### 2.4 Borrowing Cost

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalised as part of the cost of assets up to the date such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

#### 2.5 Impairment

The carrying values of assets / cash generating units at each Balance Sheet date are annually reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

#### 2.6 Investments

Investments being long term are stated at cost inclusive of brokerage and stamp duty and diminution in their value, if considered permanent in nature, is provided for.



# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### **2.7 Inventories**

- (a) Finished Goods (Tea) are valued at lower of Cost and net realizable price.
- (b) Stores and Spares are valued at cost ascertained primarily on weighted average basis.
- (c) Nursery stocks are valued at cost incurred in raising and maintaining such stocks till transplanted.

### **2.8 Cash and cash equivalents**

Cash and cash equivalents consist of all cash balances including demand deposits with banks with original maturities of three months or less.

### **2.9 Provisions and Contingencies**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### **2.10 Revenue recognition**

- (a) Revenue from sale of tea at auction is recognised on receipt of sale notes from the brokers. Exports and Private tea sales are recognised when the property in finished goods (tea) is transferred.
- (b) Export benefits are accounted for based on eligibility and when there is no uncertainty in receiving them.
- (c) The Company recognises the Minimum Guaranteed Fixed License fee (MGFLF) in respect of its let-out property as revenue. As per the Leave and License agreement, the Company is entitled for MGFLF or Variable License Fee (VLF) whichever is higher and shall be determined on half yearly basis. The difference, if any, between MGFLF and VLF will be recognised upon its determination as per the said agreement.
- (d) Other income  
Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

### **2.11 Subsidies**

Replanting expenses and subsidy received from Tea Board are accounted in the Statement of Profit and Loss. Subsidy on manufacture of Orthodox tea is accounted based on acceptance of claim by the Tea Board.

### **2.12 Employee benefits**

#### **(a) Short Term**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

#### **(b) Post Retirement**

Post Retirement Benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

##### **(i) Provident Fund**

This is a defined contribution plan, and contributions made to the Fund as per the rules of the Company are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions

##### **(ii) Superannuation Fund**

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employees' salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as expense in the year incurred.

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### **(iii) Gratuity**

This is a defined benefit plan. The Company makes annual contribution to a Gratuity Fund administered by LIC. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

### **(c) Long Term**

Long term employee benefits represent compensated absence which is provided for based on actuarial valuation using projected unit credit method.

### **2.13 Income Taxes**

Current tax is the amount of tax payable on the portion of taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Provision for Deferred Tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a virtual/reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values with reference to each Balance Sheet date.

### **2.14 Leases**

Assets taken on lease by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **2.15 Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the exchange rates prevailing on the Balance Sheet date. Exchange differences arising on settlement of transactions and from the year end restatement are dealt with in the Statement of Profit and Loss.

### **2.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year is attributable to the equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### **2.17 Segment reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number of Shares	Rs.'000	Number of Shares	Rs.'000
<b>3. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity shares of Rs.10/- each with voting rights	50,00,000	50,000	50,00,000	50,000
<b>Issued, Subscribed and fully paid-up</b>				
Equity shares of Rs.10/- each with voting rights	49,96,566	49,966	49,96,566	49,966
		49,966		49,966
<b>(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
<b>Equity shares with voting rights</b>				
Opening balance	49,96,566	49,966	49,96,566	49,966
Changes during the year	—	—	—	—
Closing balance	49,96,566	49,966	49,96,566	49,966
<b>(b) Preferences/Restrictions/Rights attached to equity shares</b>				
Each shareholder is entitled to dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013.				
<b>(c) Details of shares held by each shareholder holding more than 5% of share capital:</b>				
Particulars	No of shares held	%	No of shares held	%
Tractors and Farm Equipment Limited	8,53,031	17.07	8,53,031	17.07
T Stanes & Company Limited	8,36,308	16.74	8,36,308	16.74
Life Insurance Corporation of India	7,71,496	15.44	7,71,496	15.44
Amalgamations Private Limited	3,05,540	6.11	3,05,540	6.11
Trustees T Stanes & Co Limited Staff Pension Fund	2,64,816	5.30	2,64,816	5.30

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31st March 2015 Rs.'000	As at 31st March 2014 Rs.'000
<b>4. Reserves and Surplus</b>		
<b>General Reserve</b>		
Opening balance	4,49,970	3,29,970
Add: Transferred from Surplus in Statement of Profit and Loss	65,030	1,20,000
Closing balance	<u>5,15,000</u>	<u>4,49,970</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	22,777	80,960
Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax of (Rs. '000) 426) (Refer Note No.27)	2,860	—
Add : Profit for the year	86,975	77,600
Less: Interim dividend	4,997	4,996
Tax on dividend	2,728	2,293
Proposed final dividend	8,494	8,494
Transfer to General Reserve	65,030	1,20,000
Closing balance	<u>25,643</u>	<u>22,777</u>
<b>Total</b>	<u>5,40,643</u>	<u>4,72,747</u>
<b>5. Long-term borrowings</b>		
Secured		
Long term maturities of finance lease obligation (refer Note 42)	73	423
<b>Total</b>	<u>73</u>	<u>423</u>
<b>6. Other long -term liabilities</b>		
Security deposits	15,910	15,910
<b>7. Long term provisions</b>		
Provision for employee benefits:		
Compensated absence	1,267	1,160

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31st March 2015 Rs.'000	As at 31st March 2014 Rs.'000
<b>8. Trade Payables</b> (Refer note 32)	<b>21,960</b>	22,102
<b>9. Other Current Liabilities</b>		
Current maturities of finance lease obligation (refer Note 42)	<b>349</b>	1,129
Current maturities of deposits	–	4,313
Unclaimed dividend	<b>3,028</b>	2,712
Statutory remittances	<b>2,351</b>	2,183
Payable on purchase of fixed assets	<b>441</b>	1,184
Advance from Customers	<b>675</b>	–
Interim dividend payable	<b>4,997</b>	4,997
Tax on interim dividend payable	–	849
Others	–	13,390
<b>Total</b>	<b>11,841</b>	30,757
<b>10. Short term provisions</b>		
Provision for Income Tax [net of advance tax and Tax deducted at source of Rs.('000) 25,523/- (As at 31st March 2014 Rs.('000) 26,657)]	<b>201</b>	24
Proposed final dividend	<b>8,494</b>	8,494
Tax on proposed final dividend	<b>1,729</b>	1,444
<b>Total</b>	<b>10,424</b>	9,962

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 11. FIXED ASSETS

Rs.'000

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at April 1st, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1st, 2014	Transition adjustment against surplus balance in Statement of Profit & Loss	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
TANGIBLE ASSETS:											
Freehold Land and Development	41,974 (24,184)	27,827 (17,790)	0	69,801 (41,974)	0	0	0	0	0	69,801	41,974
Buildings**	2,31,126 (2,30,144)	10,222 (982)	0	2,41,348 (231,126)	32,554 (25,033)	1,212	8,790 (7,521)	0	42,556 (32,554)	1,98,792	1,98,572
Machinery**	1,54,995 (1,44,276)	11,421 (11,061)	869 (342)	1,65,547 (154,995)	65,889 (57,387)	803	10,806 (8,844)	798 (342)	76,700 (65,889)	88,847	89,106
Electrical Installations**	24,759 (24,348)	0 (411)	0	24,759 (24,759)	5,756 (3,680)	420	2,208 (2,076)	0	8,384 (5,756)	16,375	19,003
Furniture & Fixtures	6,314 (6,314)	811	0	7,125 (6,314)	4,510 (4,310)	122	393 (200)	0	5,025 (4,510)	2,100	1,804
Office and other Equipments	879 (869)	118 (10)	0	997 (879)	599 (560)	23	45 (39)	0	667 (599)	330	280
Vehicles *	26,936 (25,303)	1,479 (3,533)	4,640 (1,900)	23,775 (26,936)	16,836 (15,718)	707	2,524 (2,729)	4,640 (1,611)	15,427 (16,836)	8,348	10,100
INTANGIBLE ASSETS:											
Computer software	0 282 (282)	0 0 0	0 0 0	0 282 (282)	0 282 (282)	0	0 0 0	0 0 0	0 282 (282)	0	0
Capital Work in Progress	4,87,265	51,878	5,509	5,33,634	1,26,426	3,287	24,766	5,438	1,49,041	3,84,593	3,60,839 3,749
Previous year	4,55,720	33,787	2,242	487,265	106,970	0	21,409	1,953	126,426	3,84,593	3,64,588

Notes: (i) Figures in brackets represents previous year

(ii) \*Includes cost of assets acquired under Finance Lease terms : (Rs.'000) 3,346/- (previous year (Rs.'000) 3,346/-)

(iii) \*\*Includes following assets let out on Leave and License basis:

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
NOTES FORMING PART OF FINANCIAL STATEMENTS

**11. FIXED ASSETS – (Contd.)**

Rs.'000

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at April 1st, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1st, 2014	Transition adjustment against surplus balance in Statement of Profit & Loss	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2015	Balance as at March 31, 2014
Buildings	1,65,843 (165,843)	5,944	—	1,71,787 (1,65,843)	6,588 (690)	—	5,898 (5,898)	—	1,59,300	1,59,255
Machinery	40,109 (39,909)	— (200)	—	40,109 (40,109)	2,988 (314)	—	2,674 (2,674)	—	34,447	37,122
Electrical Installations	19,042 (19,042)	—	—	19,042 (19,042)	2,128 (224)	—	1,904 (1,904)	—	15,010	16,914
	2,24,994	5,944	—	2,30,937	11,704	—	10,478	—	208,755	213,289
PREVIOUS YEAR	2,24,794	200	—	2,24,994	1,228	—	10,476	—	11,704	

Figures in brackets represent previous year

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE :12

#### Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs.	As at 31st March 2014		Additions during the year		Deductions during the year		As at 31st March 2015	
		No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000
<b>I. Trade (at Cost)</b>									
<b>Investment in Equity shares of Associates (fully Paid)</b>									
<b>Unquoted</b>									
Staness Amalgamated Estates Limited	10	81,783	608	—	—	—	—	81,783	608
Staness MJF Teas Limited	10	7,50,000	7,500	—	—	—	—	7,50,000	7,500
The United Plantations PLC		9,000	2,768	—	—	9,000	2,768	—	—
<b>Sub Total (I) -&gt;</b>		—	<b>10,876</b>	—	—	—	<b>2,768</b>	—	<b>8,108</b>
<b>II. Non-Trade at Cost</b>									
<b>(a) Investment in Equity shares of other entities (fully Paid)</b>									
<b>Quoted</b>									
Bank of Maharashtra	10	2,800	64	—	—	2,800	64	—	—
Central Bank Of India	10	449	46	—	—	449	46	—	—
Essar Ports Limited	10	933	8	—	—	933	8	—	—
Essar Shipping Limited	10	467	4	—	—	467	4	—	—
Force Motors Limited	10	100	12	—	—	100	12	—	—
Gujarat Gas Company Limited	2	2,500	31	—	—	2,500	31	—	—
Hindustan Unilever Limited	1	1,750	77	—	—	1,750	77	—	—
ICICI Bank Limited	10	300	89	—	—	300	89	—	—
IP Rings Limited	10	2,000	324	—	—	—	—	2,000	324
Lakshmi Mills Company Limited	100	160	14	—	—	160	14	—	—
Larsen and Toubro Limited	1	1,194	21	—	—	1,194	21	—	—
Nestle India Limited	10	300	75	—	—	300	75	—	—
Petronet LNG Limited	10	2,200	33	—	—	2,200	33	—	—
Power Trading Corporation of India Limited	10	100	2	—	—	100	2	—	—
Sundaram Clayton Limited	5	4,300	353	—	—	—	—	4,300	353
TVS Motor Company Limited	1	86,214	349	—	—	—	—	86,214	349
TATA Coffee Limited (refer note below)	1	1,000	218	—	—	—	—	10,000	218
Tata Steel Limited	10	6,739	902	—	—	—	—	6,739	902
The Tata Power Company Limited	1	10,000	146	—	—	—	—	10,000	146
Ultratech Cemco Limited	5	159	17	—	—	159	17	—	—
Harita Seating Systems Limited	10	2,600	45	—	—	—	—	2,600	45
Uniworth India Limited	10	750	92	—	—	—	—	750	92
Wabco (India) Limited	5	4,300	—	—	—	—	—	4,300	—
<b>Sub Total (II a) -&gt;</b>			<b>2,922</b>		<b>—</b>		<b>483</b>		<b>2,429</b>



# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE :12

#### Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs.	As at 31st March 2014		Additions during the year		Deductions during the year		As at 31st March 2015	
		No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000	No. of shares/units	Amount Rs. '000
<b>(b) Investment in Mutual Funds</b>									
Sundaram CAPEX Opportunities Fund	10	4,25,053	6,612	—	—	4,25,053	6,612	—	—
Sundaram Infrastructure Advantage Fund	10	—	—	2,20,942	3,745	—	—	2,20,942	3,745
HDFC High Interest Fund	10	—	—	96,560	2,500	—	—	96,560	2,500
Birla Sun Life Dynamic Fund	10	—	—	1,26,789	2,800	—	—	1,26,789	2,800
Reliance Short Term Fund	10	—	—	1,01,940	2,500	—	—	1,01,940	2,500
<b>Sub Total (II b) -&gt;</b>		—	<b>6,612</b>	—	<b>11,545</b>	—	<b>6,612</b>	—	<b>11,545</b>
<b>c) Investment in Equity shares of other entities</b>									
<b>Unquoted</b>									
Hifame Private Limited	10	27,600	810	—	—	—	—	27,600	810
Kuduma Fasteners Private Limited	100	75,000	20,889	—	—	—	—	75,000	20,889
Orkay Industries Limited	10	450	35	—	—	—	—	450	35
Palani Andavar Cotton & Synthetic Spinners Ltd.	10	500	72	—	—	—	—	500	72
<b>Sub Total (II c) -&gt;</b>		—	<b>21,806</b>	—	—	—	—	—	<b>21,806</b>
<b>d) Investment in Equity shares of Associates</b>									
Simpson and Company Limited	10	26,333	107	—	—	—	—	26,333	107
<b>Sub Total (II d) -&gt;</b>		—	<b>107</b>	—	—	—	—	<b>26,333</b>	<b>107</b>
<b>Total -&gt;</b>		—	<b>42,323</b>	—	<b>11,545</b>	—	<b>9,873</b>	—	<b>43,995</b>
Less: Provision for Diminution in value of investments	—	—	23,800	—	4,941	—	—	—	28,741
<b>Total</b>		—	<b>18,523</b>	—	<b>6,604</b>	—	<b>9,873</b>	—	<b>15,254</b>

Note.

TATA Coffee Limited has subdivided its equity share face value of Rs.10 per share to Re.1 per share. Consequently the number of shares as on 31st March 2015 is increased to 10,000 equity shares.

	As at 31.03.2015	As at 31.03.2014
Aggregate amount of quoted investments.	13,974	10,142
Aggregate market value of quoted investments	73,607	36,329

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at 31.03.2015 Rs.'000	As at 31.03.2014 Rs.'000
<b>13. Long term Loans and Advances</b> (Unsecured - considered good)		
Capital advances	0	5,893
Security deposits	5,118	4,348
Others	4	31
	<u>5,122</u>	<u>10,272</u>
<b>14. Inventories</b> (refer Note 2.7)		
Finished goods (Tea)	14,211	10,863
Stores and Spare Parts	13,553	10,893
Nursery Stock	2,241	1,800
	<u>30,005</u>	<u>23,556</u>
<b>15. Trade receivables</b> (Unsecured considered good) Trade receivable outstanding for a period exceeding six months from the date they were due for payment	1,143	0
Other Trade receivables	47,012	52,029
	<u>48,155</u>	<u>52,029</u>
<b>16. Cash and cash equivalents</b>		
(i) Cash and Cash equivalents		
(a) Cash on hand	59	47
(b) Balances with banks		
– In Current accounts	27,121	14,211
– In EEFC Accounts	0	119
– In other deposit accounts – original maturity of 3months or less	0	17,202
Total as per Cash flow statement	<u>27,180</u>	<u>31,579</u>
(ii) Other bank balances :		
– In other deposits (refer Note below)	1,23,457	88,920
– In earmarked accounts:	0	0
Unpaid dividend accounts	8,024	2,712
	<u>1,58,661</u>	<u>1,23,211</u>
Note – Other deposits include deposit marked with lien for (Rs.1,37,47,884/-). (Previous year Rs.1,00,00,000/-) towards Overdraft facility for working capital		
<b>17. Short term loans and advances</b> (Unsecured - considered good)		
Advances -Trade and Supplies	734	1,095
Security deposits	3	3
Prepaid Expenses	4,968	3,589
Due from Gratuity Trust (Refer note no.31)	1,207	771
Others	28	106
	<u>6,940</u>	<u>5,564</u>
<b>18. Other current assets</b> (Unsecured - considered good)		
Interest accrued on deposits	6,204	7,764
Replanting / Orthodox Subsidy receivable	373	1,311
	<u>6,577</u>	<u>9,075</u>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	For the year ended 31.03.2015 Rs.'000	For the year ended 31.03.2014 Rs.'000
<b>19. Revenue from operations</b>		
(a) Sale of Tea	4,57,129	4,51,031
(b) License fees from Letting of property	32,166	28,816
(c) Other operating revenues (Refer note below)	18,251	12,487
Revenue from operations (Gross)	<u>5,07,546</u>	<u>4,92,334</u>
Note : Other operating revenues comprise		
Scrap sales	275	332
Export benefits	12,240	7,075
Orthodox subsidy	846	585
Replanting subsidy	0	326
Income from other planting activities	4,890	4,169
	<u>18,251</u>	<u>12,487</u>
<b>20. Other Income</b>		
Interest Income on		
Bank deposits	9,865	6,903
Others	302	230
Dividend Income on		
Non current investments-Associates	822	872
Non current investments-Others	419	448
Profit on sale of Investments (net)	4,852	0
Net gain on foreign currency transactions	0	2,787
Profit on sale of fixed assets (net)	824	196
	<u>17,084</u>	<u>11,436</u>
<b>21. Changes in inventories of finished goods (tea)</b>		
Inventories at the beginning of the year	10,862	15,990
Inventories at the end of the year	(14,211)	(10,862)
Net (Increase)/decrease	<u>(3,349)</u>	<u>5,128</u>
<b>22. Employee benefit expense</b>		
Salaries, wages and bonus	95,026	80,506
Contributions to provident fund and family pension fund	9,729	7,927
Contribution to Superannuation Fund	1,201	1,119
Contribution to Gratuity Fund	4,057	4,908
Workmen and Staff welfare expenses	17,437	17,352
	<u>1,27,450</u>	<u>1,11,812</u>
<b>23. Finance cost</b>		
Interest expense:		
on deposits	168	432
on bank overdraft	139	81
on finance lease obligation	106	190
	<u>413</u>	<u>703</u>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	For the year ended 31.03.2015 Rs.'000	For the year ended 31.03.2014 Rs.'000
<b>24. Other expenses</b>		
Consumption of stores and spares	23,728	20,300
Power and fuel	33,187	30,788
Rent including lease rentals	1,083	1,607
Repairs and maintenance		
Building	12,513	8,352
Machinery	4,143	3,333
Rates and taxes	2,562	2,017
Insurance	2,423	2,479
Selling expenses		
Brokerage and Commission	773	926
Sampling and Other Expenses	16,179	16,448
Commission to Non-Wholesale Directors	850	700
Donation	500	500
Corporate Social Responsibility expense (Refer Note 37)	1,568	0
Directors' Sitting Fees	265	180
Payment to Auditors (Refer note below)	709	756
Transport charges	7,352	6,154
Travelling expenses	5,642	3,907
Freight and other expenses on Tea Export	29,110	25,929
Net Loss on foreign currency transactions and translation	2,478	0
Provision for diminution in value of Investments	4,941	13,300
Miscellaneous expenses	22,796	20,757
	<u>1,72,802</u>	<u>1,58,433</u>
Note (i) : Payment to Auditors		
To Statutory auditors		
For Audit	650	650
Reimbursement of expenses	59	56
To Cost Auditor for cost audit	0	50
	<u>709</u>	<u>756</u>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	31-03-2015 Rs.'000	31-03-2014 Rs.'000
<p><b>25.</b> In view of notification dated 14th October 2014 from Ministry of Corporate Affairs the preparation of consolidated financial statement to include the proportionate loss of an associate company which however is not material, is not required.</p> <p><b>26.</b> The Company follows Straight Line Method to depreciate its assets.'During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied rates / useful life are as follows:</p> <p><b>Asset</b></p> <p>Factory Buildings <span style="float: right;"><b>3.63%</b></span> <span style="float: right;">Revised useful life based on SLM 30 years</span></p> <p>Buildings other than factory buildings <span style="float: right;"><b>1.63%</b></span> <span style="float: right;">30 years</span></p> <p>Computers and Data Processing Equipment <span style="float: right;"><b>16.21%</b></span> <span style="float: right;">3 years</span></p> <p>General Plant and Machinery <span style="float: right;"><b>4.75%</b></span> <span style="float: right;">15 years</span></p> <p>Furniture and Fixtures <span style="float: right;"><b>6.33%</b></span> <span style="float: right;">10 years</span></p> <p>Vehicles <span style="float: right;"><b>9.50%</b></span> <span style="float: right;">8 years</span></p> <p>Effective 1st April 2014, the Company has adopted revised depreciation rates based on effective useful life of depreciable assets in accordance with Part C of Schedule II to the Companies Act, 2013; Consequently, the impact on statement of profit &amp; loss for the year ended 31st March 2015 is increase in depreciation charge by Rs.33.62 lacs and depreciation adjustments of Rs.28.60 lacs (net of deferred tax) on certain assets whose carrying value as on 1st April, 2014 based on effective remaining useful life is nil, has been charged against opening balance of retained earning in the Balance sheet.</p> <p><b>27.</b> Deferred Tax Liability (on account of Depreciation)</p> <p>Opening Balance <span style="float: right;"><b>3,791</b></span> <span style="float: right;">4,775</span></p> <p>Add: Current year charge/(credit) <span style="float: right;"><b>(142)</b></span> <span style="float: right;">(984)</span></p> <p>On transition adjustment on Depreciation as per Sch-II of Companies Act, included in Surplus account <span style="float: right;"><b>(426)</b></span> <span style="float: right;">0</span></p> <p>Closing Balance <span style="float: right;"><b>3,223</b></span> <span style="float: right;">3,791</span></p>		

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31-03-2015 Rs.'000	31-03-2014 Rs.'000
<b>28.</b> (i) The Company did not cover short term Foreign Currency exposure relating to Export of Tea based on cost benefit analysis <div style="margin-left: 40px;"> <div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <span>2014-2015</span> <span>2013-2014</span> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <span>USD</span> <span>2,84,923.47</span> <span>3,81,460.90</span> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <span>EURO</span> <span>40,532.40</span> <span>1,91,073.50</span> </div> <div style="display: flex; justify-content: space-between;"> <span>GBP</span> <span>2,15,070.00</span> <span>22,964.00</span> </div> </div>	<b>36,101</b>	41,877
<b>29.</b> The Company has obtained stay of Proceeding from the Honorable High Court Madras on 16th March 2006 against a proposition notice from the Commercial Tax Department for levy of Sales Tax for Export Sales effected through Auction Centres and the matter is pending. Legal counsel is of the view that the Company has a strong case and accordingly no provision is considered in the Accounts.		
<b>30.</b> The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous the planted area in the Tea garden, but due to rocky terrain and land could not be cultivated as stipulated by Government and eviction proceeding relating to the aforesaid piece of land had been stayed by the Supreme Court of India. In its final order dated 7th August, 2013, the Supreme Court has directed the Land Board to review the case afresh.		
<b>31.</b> Disclosures required under Accounting Standard 15 R notified in the Companies (Accounting Standards) Rules 2006, are given below:		
<b>I. Defined benefit plan - Gratuity (Funded)</b>		
<b>A. Change in Present Value of obligation during the year</b>		
1. Present value of obligation at the beginning of the year	40,981	37,362
2. Current Service Cost	3,686	3,443
3. Interest Cost	2,897	2,960
4. Benefits paid	(4,113)	(4,737)
5. Actuarial (Gain)/Loss on obligation	1,351	1,953
6. Present value of obligation at the closing of the year	44,802	40,981
<b>B. Change in Fair Value of Assets during the year</b>		
1. Fair value of plan assets at the beginning of the year	41,752	35,437
2. Expected return on plan assets	3,668	3,448
3. Contribution made	4,493	7,604
4. Benefits paid	(4,113)	(4,737)
5. Actuarial Gain/(Loss) on plan assets	209	0
6. Fair Value of plan assets at the closing of the year	46,009	41,752

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	31-03-2015 Rs.'000	31-03-2014 Rs.'000
<b>I. Defined benefit plan - Gratuity (Funded) – (Contd.)</b>		
<b>C. Net Asset/(Liability) recognised in the Balance Sheet</b>		
1. Present value of the obligation	44,802	40,981
2. Fair Value of plan assets	46,009	41,752
3. Funded status surplus/(deficit)	1,207	771
4. Unrecognised past service cost	0	0
5. Net Asset/(Liability) recognised in the Balance Sheet	1,207	771
<b>D. Expenses recognised during year</b>		
1. Current Service Cost	3,686	3,443
2. Interest Cost	2,897	2,960
3. Expected return on plan assets	(3,668)	(3,448)
4. Actuarial Loss/(Gain) during the year	1,142	1,953
5. Total Expenses recognised in Statement of Profit and Loss	4,057	4,908
<b>E. Major categories of plan assets as a percentage of Total Plan</b>		
Bank balances and Investment with Life Insurance Corporation	100.00%	100.00%
The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors. In the absence of readily available information about experience adjustment, the same are not furnished.		
<b>F. Actuarial Assumptions</b>		
(I) 1. Discount rate	7.80%	8.00%
2. Salary escalation	5%	6%
3. Expected rate of return on plan assets	8.75%	9.25%
4. Attrition rate	5%	1% to 3%
(II) Defined benefit plan- Compensated Absence		
Actuarial Assumptions		
1. Discount rate	8.00%	8.00%
2. Salary escalation	5.00%	6.00%
3. Attrition rate	5%	1% to 3%

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars					31-03-2015 Rs.'000	31-03-2014 Rs.'000
32.	The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises and consequently the amount paid/payable to these parties has been considered as NIL. Trade payable includes amount due on account of goods purchased or services received in the normal course of business Trade payable includes amount payable to employees				13,904	12,664
33.	Earning per share: For the purpose of computing the earnings per share, the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered, as the denominator					
	Profit for the year		Rs.'000	86,975	77,600	
	Number of shares (Face value of Rs.10/- per share)		Nos.	49,96,566	49,96,566	
	Earning per share (Basic and Diluted)		Rs.	17.41	15.53	
34.	Cost of Green Leaf, Stores and spare Parts & Components Consumed				1,67,680	1,65,518
		2014-2015		2013-2014		
	%	Value	%	Value		
		(Rs. '000)		(Rs. '000)		
	Indigenous	97.33	1,63,588	97.72	1,61,748	
	Imported	2.67	4,092	2.28	3,770	
35.	Cost of Green Leaf Consumed					
	(a) Cost of Green Leaf Purchased			76,776	90,216	
	(b) Cost of Green Leaf Harvested			67,177	55,002	
	(Classified under various natural heads)			143,953	1,45,218	
36.	Repairs to Building and Machinery include					
	Salaries and Wages			6,646	5,432	
	Consumption of Stores			8,425	6,001	
				15,071	11,433	
37.	In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend (Rs.'000)1487/- calculated at 2% of average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. The Company has actually incurred an expenditure of (Rs.'000)1,568/- as below:					
	(i) Salaries & Wages			410	0	
	(ii) Welfare Expenses			469	0	
	(iii) Scholarship			268	0	
	(iv) Other Expenses			421	0	
				1,568	0	
38.	Earnings in Foreign Currency					
	F.O.B. Value of Tea Export			266,533	256,970	
39.	C.I.F Value of Imports					
	Stores & Spares-Packing Materials			4,483	1,529	
	Capital Goods-Machinery			5,472	0	
				9,955	1,529	
40.	Expenditure in foreign currency					
	Travel			1,510	1,177	
	Commission			4,461	2,128	
				5,971	3,305	



**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	31-03-2015 Rs.'000		31-03-2014 Rs.'000	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
<b>41.</b> Disclosure as per Clause 32 of the Listing Agreement There are no loans and advances in the nature of loans given to associates and others and investment in shares of the Company by such parties.				
<b>42.</b> Finance Leases relating to vehicles :- Terms of repayment & security Finance lease is repayable in 36 instalments and hypothication of vehicle under finance				
(a) Reconciliation between total minimum lease payment and their present value.				
Total Minimum lease payments	422		1,552	
Less: Future liability on interest account	32		137	
Present value of minimum lease payment	390		1,415	
(b) Year – wise future minimum lease rental payments on contract entered:				
Not later than one year	349	322	1,129	1,025
Later than one year and not later than five years	73	70	423	390
<b>43.</b> (i) Deposits from Public includes deposit held by a Director (Rate of Interest for the Public Deposits is 10% per annum)	0		90	
<b>44. Segment Report :</b>				
<b>A. Primary Segment Information - Business Segment</b>				
<b>(a) Segment Revenue</b>				
Plantation		4,74,282		4,62,397
Property*		32,166		28,816
<b>Total Income from Operations (net)</b>		5,06,448		4,91,213
<b>(b) Segment Results (Profit before Tax)</b>				
Plantation		1,08,616		1,10,178
Property		19,453		15,108
<b>Total</b>		1,28,069		1,25,286
Less :				
(i) Unallocated Interest and finance charges		413		703
(ii) Other unallocable expenditure net of unallocable income		15,123		23,966
<b>Profit before tax</b>		1,12,533		1,00,616
<b>Segment Capital Employed</b> (Segment Assets - Segment Liabilities)				
Plantation		2,51,398		1,94,735
Property		1,98,965		2,02,328
Unallocated		1,40,246		1,25,650
<b>Total</b>		5,90,609		5,22,713

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	31-03-2015 Rs.'000	31-03-2014 Rs.'000
<b>44. Segment Report – (Contd.)</b>		
<b>B. Secondary Segment information - By Geographical Segments</b>		
<b>(a) Segment Revenue (Net of Excise Duty)</b>		
India	<b>2,13,731</b>	2,09,295
Outside India	<b>2,92,717</b>	2,81,918
<b>Total</b>	<b>5,06,448</b>	4,91,213
<b>(b) Segment Assets</b>		
India	<b>6,19,206</b>	5,65,822
Outside India	<b>36,101</b>	40,996
<b>Total</b>	<b>6,55,307</b>	6,06,818
<b>(c) Capital Expenditure (including work-in-progress)</b>	<b>51,878</b>	37,536
<b>45. Related Party Disclosures:</b>		
<b>(a) Names of related parties and nature of related party relationship exists are as under:</b> (related parties have been identified by the Management)		
<b>(i) Related party where control exists:</b>	Ms. Mallika Srinivasan - Chairman	
<b>(ii) Associates :</b>	Amalgamations Private Limited Simpson and Company Limited IP Rings Limited T.Stanes and Company Limited Tractors and Farm Equipment Limited Stanes Amalgamated Estates Limited Stanes MJF Teas Limited Kuduma Fasteners Private Limited The United Plantations Plc., Ethiopia (Liquidated during the year)	
<b>(iii) Key managerial personnel</b>	Mr.D.Hegde, Whole-time Director Mr.T.G.B.Pinto, Whole-time Director Mr.S.Raghuraman, Chief Financial Officer Mr.K.Guruswamy – Company Secretary	

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (iii) Particulars of transactions with related parties :

Description	Related party where control exists		Associates		Key Management Personnel		Total	
	2014-2015 Rs.'000	2013-2014 Rs.'000	2014-2015 Rs.'000	2013-2014 Rs.'000	2014-2015 Rs.'000	2013-2014 Rs.'000	2014-2015 Rs.'000	2013-2014 Rs.'000
<b>Transactions during the year</b>								
<b>Purchase of goods</b>			<b>15,558</b>	<b>14,922</b>			<b>15,558</b>	<b>14,922</b>
T.Stanes and Company Limited			6,386	4,946			6,386	4,946
Tractors and Farm Equipment Limited			9,172	9,976			9,172	9,976
<b>Sale of goods</b>			<b>1,778</b>	<b>1,595</b>			<b>1,778</b>	<b>1,595</b>
T.Stanes and Company Limited			1,039	990			1,039	990
Tractors and Farm Equipment Limited			739	605			739	605
<b>Receiving of services,</b>								
Amalgamations Private Limited			197	179			197	179
<b>Reimbursement of Expenses</b>								
Amalgamations Private Limited			202	202			202	202
<b>Dividend Received</b>			<b>822</b>	<b>872</b>			<b>822</b>	<b>872</b>
Stanes Amalgamated Estates Limited			164	82			164	82
IP Rings Limited			0	0			0	0
Simpson and Company Limited			658	790			658	790
<b>Interest on Fixed Deposit</b>	88	90					88	90
<b>Non-Wholetime Directors Commission</b>	175	150					175	150
<b>Salary paid to key managerial personnel</b>					8,678	5,811	8,678	5,811
<b>Dividend Paid</b>	<b>385</b>	<b>153</b>	<b>5,788</b>	<b>2,787</b>	<b>17</b>		<b>6,190</b>	<b>2,940</b>
Amalgamations Private Limited			825	397			825	397
Simpson and Company Limited			166	80			166	80
Tractors and Farm Equipment Limited			2,303	1,109			2,303	1,109
T Stanes and Company Limited			2,258	1,087			2,258	1,087
Stanes Amalgamated Estates Limited			236	114			236	114
Ms. Mallika Srinivasan	385	153					385	153
Mr. D. Hegde					6		6	0
Mr. T.G.B Pinto					8		8	0
Mr. S. Raghuraman					3		3	0
<b>Balance at the year end</b>								
<b>Investments</b>			<b>29,428</b>	<b>32,196</b>			<b>29,428</b>	<b>32,196</b>
Stanes MJF Teas Limited			7,500	7,500			7,500	7,500
Kuduma Fasteners Private Limited			20,889	20,889			20,889	20,889
Stanes Amalgamated Estates Limited			608	608			608	608
IP Rings Limited			324	324			324	324
Simpson and Company Limited			107	107			107	107
The United Plantations Plc-Ethiopia			0	2,768	0	0	0	2,768
<b>Trade Receivables</b>								
T.Stanes and Company Limited			219	221			219	221
Tractors and Farm Equipment Limited			4	126			4	126
<b>Trade Payables</b>								
Tractors and Farm Equipment Limited			(144)	0			(144)	0
T.Stanes and Company Limited			475	241			475	241
Transactions reported above reflects relationship with the parties from the date such relationship came into effect and hence the current year figures may not be comparable to the previous year.								
<b>46.</b> The Previous year figures have been reclassified to make them comparable with those of current year.								

