



The United Nilgiri Tea Estates Company Limited

Regd. Office : P.B. No. 3708, No. 3, Savithri Shanmugam Road, Race Course, Coimbatore - 641 018

Phone : 0422-2220566, 2220125 Fax : 0422-2222865 Email : headoffice@chamrajtea.com

PAN : AABCT1206H GSTIN-Tamilnadu : 33AABCT1206H1ZX GSTIN-Kerala : 32AABCT1206H1ZZ

CIN : L01132TZ1922PLC000234 Website : www.unitednilgiritea.com

UNITEA/NSE/Annual Report

June 24, 2019
25

Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra East
Mumbai - 400 051

Dear Sirs,

Submission of Annual Report for the financial year 2018-19

We enclose soft copy of Annual Report for the financial year 2018-19 pursuant to Regulation 34 (1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018.

The hard copy of the annual report will be sent by courier.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For THE UNITED NILGIRI TEA ESTATES CO.LTD.

(R.V.SRIDHARAN)
Company Secretary &
Compliance Officer



Encl: as above

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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

Website : www.unitednilgiritea.com

E Mail : headoffice@chamrajtea.com

Phone : 0422-2220566 ; Fax : 0422-2222865

BOARD OF DIRECTORS

Ms. MALLIKA SRINIVASAN – Chairman

Mr. N. SRINIVASAN

Mr. SANKAR DATTA

Mr. KRISHNA SRINIVASAN

Mr. K. V. SRIRAM

Mr. R. SRINIVASAN – Upto 31-01-2019

Mr. D. HEGDE, Whole-time Director

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

CHIEF FINANCIAL OFFICER

Mr. S. RAGHURAMAN

COMPANY SECRETARY

Mr. R. V. SRIDHARAN

INTERNAL AUDITORS

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
41, "SHANMUGA MANRAM"
RACE COURSE,
COIMBATORE - 641 018

STATUTORY AUDITORS

K. S. AIYAR & CO.,
CHARTERED ACCOUNTANTS
No. 57, SAMBANDAM ROAD (EAST)
R.S. PURAM
COIMBATORE - 641 002

BANKERS

CENTRAL BANK OF INDIA

STATE BANK OF INDIA

HSBC LTD.

HDFC BANK LTD.

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

INTEGRATED REGISTRY MANAGEMENT
SERVICES PRIVATE LIMITED,
"KENCES TOWERS," 2nd FLOOR,
No.1, RAMAKRISHNA STREET,
NORTH USMAN ROAD,
CHENNAI - 600 017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

REGISTERED OFFICE: NO.3, SAVITHRI SHANMUGAM ROAD, RACE COURSE, COIMBATORE – 641 018

CIN:L01132TZ1922PLC000234

E-mail:headoffice@chamrajtea.com Website: www.unitednilgiratea.com

Phone: 91-422-2220566 Fax:91-422-2222865

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety-Seventh Annual General Meeting of the members of the Company will be held on Saturday, the 20th July 2019 at 3.30 P.M. at "Sri S.Anantharamakrishnan Hall" in the premises of T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore-641018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Report of the Board of Directors and Auditors thereon; and
2. (i) To confirm the payment of interim dividend of Re.1/- per equity share and
(ii) To declare Final Dividend for the financial year 2018-19.
3. To appoint a Director in place of Ms. Mallika Srinivasan (DIN 00037022), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Sankar Datta (DIN 00025380) as an Independent Director**

To consider and to give assent / dissent for passing the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulations 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr.Sankar Datta (DIN 00025380) who was appointed as an Independent Director of the Company at the Extra-ordinary General meeting of the Company held on 10th November 2014 and who holds office upto 9th November, 2019 and who is eligible for reappointment and who meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16 (1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 10th November, 2019, upto 9th November 2024".

5. **Payment of Commission to Non Whole-time Directors**

To consider and to give assent / dissent for passing the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Article 17(a) of the Articles of Association of the Company and the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, such sum by way of commission not exceeding in the aggregate one percent per annum of the net profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 be paid and distributed amongst the Non Whole-time Directors of the Company as may be determined by the Board for a period of five financial years commencing from 1st April 2019 and ending on 31st March 2024".

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

Chennai
29th May 2019

R. V. SRIDHARAN
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered Office of the Company at No.3, Savithri Shanmugam Road, Race Course, Coimbatore-641 018, not less than forty-eight hours before the commencement of the Annual General Meeting.

Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 14th July 2019 to 20th July 2019 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for the financial year 2018-19.

4. The Dividend, when declared at the Annual General Meeting to be held on 20th July 2019 will be paid as under:

- (i) To all members in respect of shares held in physical form after giving valid transfers in respect of transfer requests lodged with the Company as on the close of business hours on 13th July 2019.
- (ii) To all beneficial owners in respect of shares held in electronic form as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on the closing hours on 13th July 2019.

5. Under Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company had transferred unclaimed dividend in respect of interim Dividend 2012 to the account of Investor Education and Protection Fund.

6. Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund Authority. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

Members whose unclaimed dividend for the financial year 2010-11 already transferred to the IEPF account and who have not encashed the dividends for the subsequent financial years, are requested to note that the underlying shares of the Company, in respect of final dividend for the financial year 2011-12, are liable to be transferred to IEPF Authority in terms of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In view of this, members are requested to claim their dividends from the Company within the stipulated time. Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 which is available on the website: www.iepf.gov.in

The details of shareholders and the shares due for transfer are displayed on the website of the Company viz. www.unitednilgiratea.com

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

7. Details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
8. Integrated Registry Management Services Private Limited, “Kences Towers”, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600 017 is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for shares held in physical and electronic form. Members holding shares in physical mode are requested to intimate changes in their address to Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent of the Company. Members holding shares in electronic mode are requested to send the intimation of change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company’s subsequent records.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. To support the ‘Green Initiative,’ members are requested to register their e-mail address with the concerned Depository Participant in respect of shares held in electronic form.
11. SEBI had vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD/NRO/GN/2018/49 dated November 30, 2018 read with NSE circular no. NSE/CML/2018/26 dated July 09, 2018 directed that the transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, members are requested to consider dematerialise shares held by them in physical form. Members may note that transfer deeds lodged prior to April 1, 2019 and returned due to deficiency in the document may be re-lodged even after April 1, 2019 at the Registered Office of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining the demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the members in respect of shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form SH-13. Members are requested to submit the said form to their depository participants in case the shares are held in electronic form and to the Company in case the shares are held in physical form.
14. Members seeking any information with regard to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Annual General Meeting.
15. Members may note that the Notice of the 97th Annual General Meeting, Attendance Slip, Proxy Form and the Annual Report for 2018-19 will also be available on the Company’s website www.unitednilgiratea.com for their download.

As per Section 20 of the Companies Act, 2013, read with the relevant rules, the notice of AGM alongwith the Annual Report for the financial year 2018-19 are sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies are being sent by permitted mode.

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

The physical copies of the aforesaid documents will also be available at the Company's Registered Office at No.3, Savithri Shanmugam Road, Race Course, Coimbatore-641 018 for inspection during normal business hours on working days.

16. The route map showing directions to reach the venue of the 97th Annual General Meeting is annexed to this notice.

17. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 97th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).

A. Instructions for Remote e-Voting

How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of two steps which are mentioned below:

Step 1: Log –in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<https://www.evoting.nsdl.com> / either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> / with your existing IDEAS log-in. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below:

| Manner of holding shares i.e. Demat (NSDL, CDSL) or Physical | Your User ID is: |
|---|---|
| (a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****) |
| (b) For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****) |
| (c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001*** and EVEN is 101456, then user ID is 101456001***) |

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

5. Your password details are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'Initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e.a.pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 – Cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on " Submit " and also " Confirm " when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

B. Members receiving physical copy of the notice of AGM by post (for members whose email addresses are not registered with the Company/Depositories):

- (i) Initial Password is provided as below at the bottom of the Attendance Slip.

| EVEN (E-Voting Event Number) | User ID | Password/PIN |
|------------------------------|---------|--------------|
|------------------------------|---------|--------------|

- (ii) Please follow all steps from Serial No (ii) to (xiii) above, to caste.
- (iii) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the scrutinizer at the email address kasi.s@gopalaiyer.in with a copy marked to evoting@nsdl.co.in
- (iv) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (v) The e-voting period commences at 9.00 A.M. on 17th July, 2019 and ends at 5.00 P.M. on 19th July, 2019. During this period, members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date 13th July, 2019 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.
- (vi) The voting rights of members (for voting through remote e-Voting or by poll at the meeting) 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 21st June, 2019. Any person, who acquires shares of the Company and become members of the Company after dispatch of notice and holding shares as on cut-off date i.e. 13th July, 2019 may obtain the Login ID and password by sending a request at evoting@nsdl.co.in or headoffice@chamrajtea.com or corpserv@iepindia.com.
- (vii) Mr. S. Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore has been appointed as the Scrutinizer to scrutinize both e-voting process and ballot form received from the members who do not have access to the e-voting process, in a fair and transparent manner.

18. Voting through Ballot Form

Members who do not have access to e-voting facility may duly send completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer not later than 19th July, 2019 [5.00 P.M.]. Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted.

Members have the option to request for physical copy of the ballot form by sending an e-mail to headoffice@chamrajtea.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 19th July, 2019 (5.00 P.M.). Ballot forms 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 voting done through ballot form shall be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

19. 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 using polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting / ballot facility.
20. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting 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 her in writing, who shall counter sign the same and declare the results of the voting forthwith.
21. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.unitednilgiritea.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by her in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.
22. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the Company during normal business hours from Monday to Friday between 9.30 a.m. and 5.30 p.m. and on Saturdays between 9.30 a.m. and 1.30 p.m. up to and including the date of Annual General Meeting of the Company.
23. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of AGM i.e. 20th July, 2019.

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

R. V. SRIDHARAN
Company Secretary

Chennai
29th May 2019

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Mr.Sankar Datta is a Non-Executive Independent Director of the Company. He joined the Board in 2005. He was appointed as an Independent Director of the Company by the shareholders at the Extra-Ordinary General Meeting held on 10th November 2014 for a period of five years from 10th November 2014 to 9th November 2019, not liable to retire by rotation.

It is proposed to re-appoint him for a period of 5 years with effect from 10th November, 2019. The Board of Directors and the Nomination & Remuneration Committee are of the opinion that having regard to his credentials and vast experience in business advisory services, audit and accounts, his re-appointment as a Non-Executive Independent Director would be beneficial to the Company and this will enable the Board to discharge its functions and duties effectively. He is on the Board of Tractors and Farm Equipment Limited and TAFE Motors and Tractors Limited.

The Company has, in terms of Section 160(1) of the Act, received in writing notice from a member proposing his candidature for the office of Directors.

The Company has received declaration from Mr. Sankar Datta to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(6) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Sankar Datta fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is independent of the management of the Company.

The Board recommends the Special Resolution as set out in Item No.4 of the notice for consideration and approval of the shareholders.

Except Mr.Sankar Datta, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

Item No.5

The validity of the period of resolution authorizing payment of commission to Non Whole-time Directors upto 1% of the net profit passed by the members at the Annual General Meeting of the Company held on 19th September, 2014 was valid upto 31st March, 2019.

It is proposed to seek the approval of the members by special resolution under Section 197 of the Companies Act, 2013, for payment of Commission upto 1% of the net profit of the company computed in the manner laid down in Section 198 of the Companies Act, 2013 for the financial year commencing from 1st April, 2019 and such commission to be distributed amongst the Non Whole-time Directors as may be determined by the Board for a period of five financial years ending on 31st March, 2024.

The Board recommends the Special Resolution as set out in Item No.5 of the notice for consideration and approval of the shareholders.

None of the Directors, except Ms. Mallika Srinivasan, Mr. N.Sankar Datta, Mr. Krishna Srinivasan and Mr. K.V. Sriram, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

**Profile of Directors seeking re-appointment at the 97th Annual General Meeting to be held on 20th July, 2019
pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 and SS-2-Secretarial Standards on General Meetings**

| Name of the Director | Ms. Mallika Srinivasan | Mr. Sankar Datta |
|---|--|---|
| DIN | 00037022 | 00025380 |
| Date of Birth | 19 th November, 1959 | 21st October, 1948 |
| Date of appointment | 25 th January, 2011 | 28 th December, 2005 |
| Qualification | MA, MBA from Wharton School of Business | B.Com., FCA |
| Expertise in special Function | Industrialist. Wide experience in overall business management | Business Advisory Services, Audit and Accounts |
| Relationship between Directors inter se | None | None |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Tractors and Farm Equipment Limited 2. TAFE Motors and Tractors Limited 3. TAFE Access Limited 4. TAFE Reach Limited 5. TATA Global Beverages Limited 6. TATA Steel Limited 7. Trust Properties Development Company Private Limited 8. Indian School of Business 9. TAFE Properties Limited | <ol style="list-style-type: none"> 1. Tractors and Farm Equipment Limited 2. TAFE Motors and Tractors Limited |
| Committee positions held | <p>TAFE Motors and Tractors Limited:</p> <p>(i) Nomination & Remuneration Committee – Member</p> <p>(ii) CSR Committee – Chairman</p> <p>TATA Steel Limited</p> <p>Nomination & Remuneration Committee – Chairman</p> <p>Tractors and Farm Equipment Limited</p> <p>(i) Nomination & Remuneration Committee – Member</p> <p>(ii) CSR Committee – Chairman</p> | <ol style="list-style-type: none"> 1. TAFE Motors and Tractors Limited: Audit Committee – Chairman 2. Tractors and Farm Equipment Limited: Audit Committee – Chairman CSR Committee – Member Nomination & Remuneration Committee – Member |
| No. of shares held | 1,43,100 Equity Shares | Nil |

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

R. V. SRIDHARAN
Company Secretary

Chennai,
29th May 2019

AGM VENUE ROUTE MAP



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 97th Annual Report on the performance of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS :

| | Rs. in lakhs | |
|--|--------------|------------|
| | 31-03-2019 | 31-03-2018 |
| Profit before finance cost, depreciation and tax | 1,815.08 | 1,802.45 |
| Finance Cost | 7.14 | 6.83 |
| Depreciation | 271.46 | 265.54 |
| Profit before exceptional item and tax | 1,536.48 | 1,530.08 |
| Exceptional Item – Profit on sale of investment in associate | 163.62 | – |
| Profit before tax | 1,700.10 | 1,530.08 |
| Tax Expense including deferred tax | (262.87) | (315.04) |
| Profit for the year | 1,437.23 | 1,215.04 |
| Other Comprehensive Income | 1,007.70 | 450.47 |
| Total Comprehensive Income | 2,444.93 | 1,665.51 |

Indian Accounting Standards (Ind AS)

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind AS) and the financial results have been prepared in accordance with the recognition and measurements principles laid down in the said standards.

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, makes a total dividend of Rs.2.70 per share (27%) for the year ended 31st March, 2019 [previous year Rs.2.70/-per share (27%)]. The proposed final dividend of Rs.1.70 per share (17%) for the year amounting to Rs. 84,94,162/- will be accounted in the financial year 2019-20 in accordance with Ind AS 10 – 'Events after the reporting period'.

Transfer to Reserves

The Directors have proposed to transfer a sum of Rs.3,300 Lakhs to the General Reserve which will be accounted in the financial year 2019-20 in accordance with Ind AS 10 – 'Events after the reporting period'.

Operations

The total quantity of tea manufactured during the year was higher at 30,91,002 kgs as against 29,96,514 kgs during the previous year. The rainfall during the year was 1194 mm as against 1082 mm during the previous year.

Your Company has recorded a sale of 31,65,290 kgs (previous year 30,00,344 kgs) of tea which is the highest ever in the history of the Company. The average price realized during the year was marginally higher when compared to the previous year.

Profit before tax for the year was higher at Rs.1,700.10 lakhs as against Rs.1,530.08 lakhs during the previous year.

The total exports during the year was 18,65,911 kgs as against 14,66,671 kgs during the previous year.

Outlook

With an extended dry period and a very low rainfall, the first quarter is likely to have low crop compared to last year. With more area under organic tea cultivation, the sale of organic tea would be higher than last year. We are undertaking a significant expansion at Korakundah factory to increase organic tea production capacity that will help to achieve improved sales as well as profitability.

DIRECTORS' REPORT – (Contd.)

Share Capital

The paid up capital of the Company as at 31st March 2019 remains unchanged.

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 Annual Accounts for the year ended 31st March, 2019, the applicable Indian Accounting Standards have been followed without any material departures;
- (b) such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year then ended;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

Directors and Key Managerial Personnel

Mr.D.Hegde and Mr.T.G.B.Pinto were re-appointed as Whole-time Directors of the Company by the members on 21st January, 2019 through postal ballot for a period of three years with effect from 01.01.2019.

Mr.N.Srinivasan resigned from the Board with effect from 1st April, 2019 due to age limit prescribed by SEBI. The Board places on record its appreciation of Mr.N.Srinivasan's involvement and valuable contribution for the growth of the Company during his tenure.

The term of Mr.R.Srinivasan as Independent Director ended on 31st January, 2019. The Board places on record its appreciation for the valuable services of Mr.R.Srinivasan to the Company during his tenure as an Independent Director.

Of the Directors liable to retire by rotation, Ms.Mallika Srinivasan will retire at the forthcoming Annual General Meeting. She is eligible for re-election and offers herself accordingly.

The tenure of Mr.Sankar Datta, Independent Director will end on 9th November 2019. It is proposed to re-appoint him as an Independent Director for a period of 5 years with effect from 10th November, 2019.

The Board of Directors and the Nomination & Remuneration Committee are of the opinion that having regard to his credentials and vast experience in business advisory services, audit and accounts, his re-appointment as a Non-Executive Independent Director would be beneficial to the Company and this will enable the Board to discharge its functions and duties effectively.

Accordingly, the Board recommends his re-appointment for a second term of five years to the members for their approval at the ensuing Annual General Meeting.

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 2018-19.

DIRECTORS'

REPORT – (Contd.)

Particulars of Contracts or arrangements made with related parties

Particulars of contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is appended as **Annexure 2** to this report.

Material changes and Commitments between 31st March 2019 and date of this report

There are no material changes and commitments affecting the financial position of the company which have occurred between 31st March 2019 and the date of this report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in **Annexure-1**.

Transfer to Investor Education and Protection Fund (IEPF)

The Company has transferred during the year unclaimed dividends amounting to Rs.3,54,941/- to the Investor Education and Protection Fund.

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company transferred 7,350 shares during the year, in respect of which dividend has not been claimed for 7 consecutive years or more to the demat account of IEPF Authority. The transfer was effected after sending notices to the concerned shareholders. The details are given in the Report on Corporate Governance forming part of this report.

Annual Return

Extract of Annual Return in Form MGT-9 is given as **Annexure-5** to this report.

Number of meetings of the Board

Six meetings of the Board were held during the year the details of which are furnished in the Report on Corporate Governance which forms part of this report.

Declaration by Independent Directors

The Company has received declarations from all the independent directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Policy on appointment and remuneration of Directors

The Company's policy on Directors' appointment and remuneration remains unchanged which can be accessed on the Company's website www.unitednilgiratea.com.

Committees of the Board

The Company has four Committees as mentioned below:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

A detailed note on the composition of the Board and its Committees and the meetings held during the financial year is provided in the Report on Corporate Governance.

Auditors

There are no qualifications, reservations or adverse remarks or disclaimers made by K.S.Aiyar & Co. Statutory Auditors in their report.

DIRECTORS'

REPORT – (Contd.)

K.S. Aiyar & Co., Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 95th Annual General Meeting held on 4th August 2017 till the conclusion of the 100th Annual General Meeting. Pursuant to the Companies (Amendment Act) 2017 with effect from May 7, 2018, the ratification of appointment of Statutory Auditors at every Annual General Meeting by the members has been dispensed with.

Secretarial Audit Report

Secretarial Audit has been carried out by L. K. & Associates, Practicing Company Secretaries and their report is annexed herewith (**Annexure-7**). There are no qualifications, reservations or adverse remarks.

Risk Management

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

Corporate Social Responsibility (CSR)

CSR Policy and the annual report on CSR activities are given in **Annexure-3**. The Company's policy on Corporate Social Responsibility is also available on the Company's website www.unitednilgiritea.com.

Besides supporting the orphanage and the public medical scheme administered by the Company in the area of rural development and tribal welfare, your Company has been associated with United Nilgiri Conservative Society (UNCS). UNCS since its establishment in 2013 has built confidence and trust for people in Kotagiri and Ooty through its effort to achieve better standard of life through community development works.

Board Evaluation

The details are furnished in the Report on Corporate Governance which forms part of this report. The policy regarding performance evaluation of the Board of Directors and its Committees and Independent Directors is available on the Company's website www.unitednilgiritea.com.

Report on Corporate Governance

A Report on Corporate Governance forms part of this report. The Auditors certificate on Corporate Governance is enclosed as an Annexure.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is given separately which forms part of this Report (**Annexure-6**).

Particulars of Employees

Particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-4**.

A statement showing the remuneration of employees who were in receipt of remuneration as prescribed under Rule 5(2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and will be provided to any member on a written request to the Company Secretary.

Awards and Distinctions

Chamraj and Korakundah estates have once again bagged four awards at the Golden Leaf India Awards held in Ahmedabad in April, 2019.

DIRECTORS' REPORT – (Contd.)

Environmental Protection

The Company has been certified by the Rain Forest Alliance and UTZ in the area of environmental protection. To ensure sustainability and environmental protection, your Company has undertaken planting of trees around 100 acres every year. This will ensure environmental protection and sustainable source of firewood to our factories.

Industrial Relations

Industrial relations have been cordial during the year.

Public Deposits

The Company has not accepted or renewed any public deposit during the year.

Vigil Mechanism

The Company has a vigil mechanism details of which can be accessed at the Company's website www.unitednilgiratea.com. No complaints have been received during the year under review.

Sexual Harassment of Women at Workplace

The Company's policy on Sexual Harassment of women employees can be accessed at the Company's website www.unitednilgiratea.com. An Internal Complaints Committee has been constituted to redress the grievances of women at workplace. No complaint was reported during the year under review.

Cost Records

The Company maintains cost records for its products in the books of accounts as per the requirement of Section 148(1) of the Companies Act, 2013 read with Companies (Cost records and audit) Rules, 2014.

Others

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

Acknowledgement

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

Place:Chennai
Date: 29th May 2019

For and on behalf of the Board
MALLIKA SRINIVASAN
CHAIRMAN

ANNEXURE 1**A. Conservation of Energy**

| | |
|--|---|
| 1. Steps taken or impact on conservation of energy | We have replaced direct woodfire furnaces with fuel efficient steam boilers. Use of firewood dropped by 15% |
| 2. Steps taken by the Company for utilizing alternate source of energy | |
| 3. Capital investment on energy conservation equipment | Nil |

B. Technology Absorption

| | |
|---|--|
| 1. Efforts made towards technology absorption | UPASI's recommendation with respect to field practices and manufacturing process are adopted to the extent possible to achieve better results. |
| 2. 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. 38,68,02,531 |
| Actual Outflow | Rs. 2,55,32,311 |

ANNEXURE 2**AOC-2**

[Pursuant to Clause (h) of sub-section(3) of Section 134 of the Companies Act, 2013,
and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Particulars of contracts/arrangements made with related parties

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

Details of contracts or arrangements or transactions at arm's length basis

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

| | |
|------------------------|---|
| Name of related party | : Amalgamations Private Limited |
| Nature of contract | : (a) Availing of services (b) Re-imbursement of expenses |
| Nature of relationship | : A director of the Company is a member/director in the related party company. |
| Duration of contract | : Yearly (from 01.04.2018 to 31.03.2019). |
| Salient terms | : At arm's length price in the ordinary course of business |
| Amount | : (a) Availing of services – Rs.3,03,372/- (b) Reimbursement of expenses – Rs.2,12,400/- |

For and on behalf of the Board

Place:Chennai
Date: 29th May 2019

MALLIKA SRINIVASAN
CHAIRMAN

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**1. CSR Policy Objectives**

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

- (a) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled;
- (b) Healthcare and livelihood enhancement projects;
- (c) 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;
- (d) 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;
- (e) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- (f) 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;
- (g) Rural Development Projects and Tribal Welfare.

The Company's CSR Policy is uploaded on the website of the Company www.unitednilgiratea.com

2. Composition of CSR Committee

| S.No | Name | Category | Designation |
|------|------------------------|-------------------------------|-------------|
| 1 | Ms. Mallika Srinivasan | Non-Executive Non-Independent | Chairman |
| 2 | Mr. Sankar Datta | Non-Executive Independent | Member |
| 3 | Mr. D. Hegde | Whole-time Director | Member |
| 4 | Mr. T.G.B. Pinto | Whole-time Director | Member |

3. Average Net Profit of the Company in the immediate three preceding financial years : Rs.1,320.84 lakhs
4. Prescribed CSR Expenditure (2%) : Rs.26.42 lakhs
5. Details of expenditure spent towards CSR during the financial year 2018-19
- (a) Total amount spent for the financial year : Rs.20.47 lakhs
- (b) Amount unspent, if any : Rs.5.95 lakhs
- (c) Manner in which the amount spent during the financial year is detailed below:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------|---|--|--|--|---|--|--|
| S.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 were undertaken | Amount /outlay/ 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 | Orphanage | Social Sector | Chamraj Estate The Nilgiris District Tamil Nadu | Rs.16,00,000 | Direct Expenditure Rs.15,47,352 | Rs.67,59,222 | Direct |
| 2 | Public Medical Scheme | Social Sector | The Nilgiris District, Tamil Nadu | – | – | Rs.13,41,556 | Direct |
| 3 | Rural Development and Tribal Welfare Projects | Rural Development and Tribal Welfare | The Nilgiris District, Tamil Nadu | Rs.10,42,000 | Direct Expenditure Rs.5,00,000 | Rs.17,16,462 | Direct |
| | | Total | | Rs.26,42,000 | Rs. 20,47,352 | Rs.98,17,240 | |

6. **Reasons for not spending :**

The CSR Committee has approved CSR Projects for promoting social sector and rural development and tribal welfare that are under implementation. Therefore, the amount will be spent in the coming year 2019-20.

7. **Responsibility Statement by CSR Committee :**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Chennai
29th May, 2019

D.Hegde
Member
DIN:00025468

Mallika Srinivasan
Chairman of the CSR Committee
DIN:00037022

PAYMENT OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

(Pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Particulars of Employees:

- (i) **The ratio of remuneration of each Whole-time Director to the median remuneration of the employees of the Company for the financial year:**

| S.No. | Name and Designation | Remuneration paid during the year 2018-19 (Rs. in lacs) | Ratio of remuneration to median remuneration of the employees |
|-------|---------------------------------------|---|---|
| 1. | Mr. D. Hegde, Whole-time Director | 44.77 | 6.34 |
| 2. | Mr. T.G.B. Pinto, Whole-time Director | 45.58 | 6.23 |

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

The two whole-time Directors were given 11.06% increase for the year. The Chief Financial Officer was given an increase of 18.98% for the year. There was no increase in the remuneration to the Company Secretary during the year.

- (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, 2019 is 1030.

- (v) **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 percentage increase in the salaries of workmen, staff and managers was 11.32%. Two Whole-time Directors were given an increase of 11.06% for the year.

- (vi) **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.

- (vii) **Employed throughout the year and was in receipt of remuneration not less than Rupees One Crore and two lakhs per annum:**

There were no employees who were in receipt of remuneration exceeding Rupees One Crore and two lakhs per annum.

- (viii) **Employed for part of the year and was in receipt of remuneration not less than Rupees Eight Lakhs fifty thousand per month:**

There were no employees who were in receipt of remuneration exceeding Rupees Eight Lakhs fifty thousand per month.

- (ix) **Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company:**

There were no employees who were in receipt of remuneration at a rate which in aggregate is in excess of remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

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]

I. REGISTRATION AND OTHER DETAILS:

| No | PARTICULARS | |
|-------|---|---|
| (i) | CIN | L01132TZ1922PLC000234 |
| (ii) | REGISTRATION DATE | 9th 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, SAVITHRI SHANMUGAM ROAD, RACE COURSE, COIMBATORE - 641 018 PHONE: (0422) 2220566 FAX : (0422) 2222865 EMAIL: headoffice@chamrajtea.com |
| (vi) | WHETHER LISTED COMPANY | YES |
| (vii) | NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT | INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED, "KENCES TOWERS," 2nd FLOOR, No.1, RAMAKRISHNA STREET, NORTH USMAN ROAD, CHENNAI - 600 017 PHONE: (044) 28140801, 02 and 03 FAX: (044) 28142479 EMAIL: 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 turnover of the Company |
|----|--|----------------------------------|------------------------------------|
| 1 | TEA | 09.0230 | 92% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| No. | Name and address of the Company | CIN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|-----|--|-----------------------|-------------------------------|------------------|--------------------|
| 1 | Kuduma Fasteners Private Limited* 41/42, Boomasandra Industrial Area, Hosur Road, Ankel Taluk Bangalore - 560 009 | U28991KA1984PTC006227 | Associate | 50% | 2(6) |

* Associate upto 30th April 2018.

(IV) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

| 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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 2,38,821 | – | 2,38,821 | 4.78 | 2,38,821 | – | 2,38,821 | 4.78 | – |
| (b) Central Government | – | – | – | – | – | – | – | – | – |
| (c) State Government | – | – | – | – | – | – | – | – | – |
| (d) Bodies Corporate | 22,48,781 | – | 22,48,781 | 45.01 | 22,49,161 | – | 22,49,161 | 45.01 | 0.01 |
| (e) Fis/Banks | – | – | – | – | – | – | – | – | – |
| (f) Any others Trust | – | – | – | – | – | – | – | – | – |
| Sub-total (A) (1) | 24,87,602 | – | 24,87,602 | 49.79 | 24,87,982 | – | 24,87,982 | 49.79 | 0.01 |
| (2) Foreign | | | | | | | | | |
| (a) Individuals - NRI | – | – | – | – | – | – | – | – | – |
| (b) Others - Individuals | – | – | – | – | – | – | – | – | – |
| (c) Bodies Corporate | – | – | – | – | – | – | – | – | – |
| (d) Fis/Banks | – | – | – | – | – | – | – | – | – |
| (e) Any other | – | – | – | – | – | – | – | – | – |
| Sub-total (A) (2) | – | – | – | – | – | – | – | – | – |
| Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 24,87,602 | – | 24,87,602 | 49.79 | 24,87,982 | – | 24,87,982 | 49.79 | 0.01 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| (a) Mutual Funds | – | – | – | – | – | – | – | – | – |
| (b) Fis/Banks | – | 5,480 | 5,480 | 0.11 | 2,733 | 2,747 | 5,480 | 0.11 | – |
| (c) Central Government | – | – | – | – | – | – | – | – | – |
| (d) State Government | – | – | – | – | – | – | – | – | – |
| (e) Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| (f) Insurance Companies | 8,46,514 | – | 8,46,514 | 16.94 | 8,46,514 | – | 8,46,514 | 16.94 | – |
| (g) FIs | – | – | – | – | – | – | – | – | – |
| (h) Foreign Venture Capital Investors | – | – | – | – | – | – | – | – | – |
| (i) Any Other (specify) | – | – | – | – | – | – | – | – | – |
| Sub-total (B) (1) | 8,46,514 | 5,480 | 8,51,994 | 17.05 | 8,49,247 | 2,747 | 8,51,994 | 17.05 | – |
| (2) Non Institutions | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| (i) Indian | 77,898 | 1,215 | 79,113 | 1.58 | 74,717 | 1,215 | 75,932 | 1.52 | (0.06) |
| (ii) Overseas | – | – | – | – | – | – | – | – | – |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 6,32,372 | 3,49,685 | 9,82,057 | 19.65 | 6,84,326 | 2,93,584 | 9,77,910 | 19.57 | (0.08) |
| (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 1,57,050 | 90,946 | 2,47,996 | 4.96 | 1,63,167 | 77,618 | 2,40,785 | 4.82 | (0.14) |
| (c) Others Specify | | | | | | | | | |
| (a) Directors & their relatives | – | – | – | – | – | – | – | – | – |
| (b) Foreign Nationals | 3 | – | 3 | – | – | – | – | – | – |
| (c) Non-Resident Indians/OCB's | 10,355 | 19,998 | 30,353 | 0.61 | 10,697 | 19,998 | 30,695 | 0.61 | 0.01 |
| (d) Clearing Members | 8,390 | – | 8,390 | 0.17 | 5,750 | – | 5,750 | 0.11 | 0.00 |
| (e) Trusts | – | 2,64,816 | 2,64,816 | 5.30 | 9,110 | 2,64,816 | 2,73,926 | 5.48 | 0.18 |
| (f) IEPF | 44,242 | – | 44,242 | 0.89 | 51,592 | – | 51,592 | 1.03 | 0.15 |
| Sub-total (B)(2) | 9,30,310 | 7,26,660 | 16,56,970 | 33.17 | 9,99,359 | 6,57,231 | 16,56,590 | 33.16 | (0.01) |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 17,76,824 | 7,32,140 | 25,08,964 | 50.21 | 18,48,606 | 6,59,978 | 25,08,584 | 50.21 | (0.01) |
| C. Shares held by Custodian for GDRs & ADRs | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Grand Total (A+B+C) | 42,64,426 | 7,32,140 | 49,96,566 | 100.00 | 43,36,588 | 6,59,978 | 49,96,566 | 100.00 | – |

(IV) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(ii) Shareholding of Promoters and Promoter Group

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change during the year |
|---------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------|
| | | No of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | |
| 1. | Tractors and Farm Equipment Limited | 8,55,363 | 17.12% | 0.00 | 8,55,363 | 17.12% | 0.00 | 0.00 |
| 2. | T.Stanes and Company Limited | 8,36,308 | 16.74% | 0.00 | 8,36,688 | 16.75% | 0.00 | 0.01 |
| 3. | Amalgamations Private Limited | 3,25,460 | 6.51% | 0.00 | 3,75,460 | 7.51% | 0.00 | 1.00 |
| 4. | Ms. Mallika Srinivasan | 1,43,100 | 2.86% | 0.00 | 1,43,100 | 2.86% | 0.00 | 0.00 |
| 5. | Stanes Amalgamated Estates Limited | 87,506 | 1.75% | 0.00 | 37,506 | 0.75% | 0.00 | (1.00) |
| 6. | Mr. Shriram Murali | 76,185 | 1.52% | 0.00 | 76,185 | 1.52% | 0.00 | 0.00 |
| 7. | Simpson and Company Limited | 61,506 | 1.23% | 0.00 | 61,506 | 1.23% | 0.00 | 0.00 |
| 8. | Addison & Company Limited | 24,344 | 0.49% | 0.00 | 24,344 | 0.49% | 0.00 | 0.00 |
| 9. | Bimetal Bearings Limited | 17,264 | 0.35% | 0.00 | 17,264 | 0.35% | 0.00 | 0.00 |
| 10. | Associated Printers (Madras) Private Limited | 16,652 | 0.33% | 0.00 | 16,652 | 0.33% | 0.00 | 0.00 |
| 11. | Sri Rama Vilas Service Limited | 10,934 | 0.22% | 0.00 | 10,934 | 0.22% | 0.00 | 0.00 |
| 12. | Southern Tree Farms Limited | 7,520 | 0.15% | 0.00 | 7,520 | 0.15% | 0.00 | 0.00 |
| 13. | Mrs. Bhavani Krishnamoorthy | 6,680 | 0.13% | 0.00 | 6,680 | 0.13% | 0.00 | 0.00 |
| 14. | Speed-A-Way Private Limited | 3,224 | 0.06% | 0.00 | 3,224 | 0.06% | 0.00 | 0.00 |
| 15. | Simpson and General Finance Co.Ltd | 2,700 | 0.05% | 0.00 | 2,700 | 0.05% | 0.00 | 0.00 |
| 16. | Mr. Sudarshan Venu | 2,000 | 0.04% | 0.00 | 2,000 | 0.04% | 0.00 | 0.00 |
| 17. | Mr. A. Krishnamoorthy | 732 | 0.01% | 0.00 | 732 | 0.01% | 0.00 | 0.00 |
| 18. | Mr. A. Krishnamoorthy and Mrs. Bhavani Krishnamoorthy | 10,124 | 0.20% | 0.00 | 10,124 | 0.20% | 0.00 | 0.00 |
| | | 24,87,602 | 49.79% | 0.00 | 24,87,982 | 49.79% | 0.00 | 0.01 |

(iii) Change in Promoters' shareholding (please specify, if there is no change)

| Shareholder's Name | Shareholding at the beginning of the year | | Increase / Decrease | | Cumulative Shareholding during the year | |
|--|---|----------------------------------|---------------------|----------------------------------|---|----------------------------------|
| | No of shares | % of total shares of the company | 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 | | | | | | |
| T.Stanes and Company Limited PAN:AAACT7126P | | | | | | |
| Opening Balance as on 01.04.2018 | 8,36,308 | 16.738 | | | | |
| Transfer of Shares on 04.02.2019 | | | 380 | 0.008 | 8,36,688 | 16.745 |
| Closing Balance as on 31.03.2019 | | | | | 8,36,688 | 16.745 |
| Amalgamations Private Limited PAN:AAACA2922N | | | | | | |
| Opening Balance as on 01.04.2018 | 3,25,460 | 6.514 | | | | |
| Transfer of Shares on 02.01.2019 | | | 50,000 | 1.000 | 3,75,460 | 7.514 |
| Closing Balance as on 31.03.2019 | | | | | 3,75,460 | 7.514 |
| Stanes Amalgamated Estates Limited PAN:AACCS7196Q | | | | | | |
| Opening Balance as on 01.04.2018 | 87,506 | 1.751 | | | | |
| Transfer of Shares on 02.01.2019 | | | (50,000) | (1.000) | 37,506 | 0.751 |
| Closing Balances as on 31.03.2019 | | | | | 37,506 | 0.751 |

(iv) Shareholding Pattern of top 10 shareholders (other than directors, promoters and holders of GDR's and ADR's)

| Sl. No. | For each of the Top 10 Shareholders | Opening Balance | % | Increase / Decrease | % | Closing Balance | % |
|---------|---|-----------------|--------|---------------------|---------|-----------------|--------|
| 1. | Life Insurance Corporation of India | | | | | | |
| | PAN: AAACL 0582 H | | | | | | |
| | Opening Balance as on 01.04.2018 | 7,71,496 | 15.441 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 7,71,496 | 15.441 |
| 2. | Trustees, T.Stanes & Co.Ltd Staff Pension Fund | | | | | | |
| | Opening Balance as on 01.04.2018 | 2,64,816 | 5.300 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 2,64,816 | 5.300 |
| 3. | United India Insurance Company Limited | | | | | | |
| | PAN:AAACU 5552 C | | | | | | |
| | Opening Balance as on 01.04.2018 | 75,018 | 1.501 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 75,018 | 1.501 |
| 4. | Ayesha Adi Madan | | | | | | |
| | PAN: AAFPM 3507 R | | | | | | |
| | Opening Balance as on 01.04.2018 | 30,878 | 0.618 | – | – | – | – |
| | Transfer of shares on 31.08.2018 | – | – | (500) | (0.010) | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 30,378 | 0.608 |
| 5. | Mahendra Girdharilal | | | | | | |
| | PAN: AAAPW 1327 L | | | | | | |
| | Opening Balance as on 01.04.2018 | 27,889 | 0.558 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 27,889 | 0.558 |
| 6. | Emerging Securities Private Limited | | | | | | |
| | PAN: AAACE 0195 R | | | | | | |
| | Opening Balance as on 01.04.2018 | 22,312 | 0.447 | – | – | – | – |
| | Transfer of shares on 17.08.2018 | – | – | 188 | 0.004 | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 22,500 | 0.450 |
| 7. | Margaretha Henrica Maria Wadia Hendriks | | | | | | |
| | Opening Balance as on 01.04.2018 | 19,740 | 0.395 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 19,740 | 0.395 |
| 8. | Mehroo Phiroze Vaghaiwala | | | | | | |
| | PAN: AADPV 7091 B | | | | | | |
| | Opening Balance as on 01.04.2018 | 18,224 | 0.365 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 18,224 | 0.365 |
| 9. | Lakshmanan P.CT. | | | | | | |
| | Opening Balance as on 01.04.2018 | 18,000 | 0.360 | – | – | – | – |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 18,000 | 0.360 |
| 10. | PP. Zibi Jose | | | | | | |
| | PAN: AAAPZ6993K | | | | | | |
| | Opening Balance as on 01.04.2018 | 16,898 | 0.338 | – | – | – | – |
| | Transfer of Shares on 25.05.2018 | – | – | 675 | 0.014 | 17,573 | 0.352 |
| | Transfer of Shares on 29.06.2018 | – | – | 39 | 0.001 | 17,612 | 0.352 |
| | Transfer of Shares on 13.07.2018 | – | – | 30 | 0.001 | 17,642 | 0.353 |
| | Transfer of Shares on 27.07.2018 | – | – | 344 | 0.007 | 17,986 | 0.360 |
| | Transfer of Shares on 31.08.2018 | – | – | 846 | 0.017 | 18,832 | 0.377 |
| | Transfer of Shares on 07.09.2018 | – | – | 275 | 0.006 | 19,107 | 0.382 |
| | Transfer of Shares on 14.09.2018 | – | – | 1,332 | 0.027 | 20,439 | 0.409 |
| | Transfer of Shares on 21.09.2018 | – | – | 600 | 0.012 | 21,039 | 0.421 |
| | Transfer of Shares on 08.02.2019 | – | – | 1,965 | 0.039 | 23,004 | 0.460 |
| | Closing Balance as on 31.03.2019 | – | – | – | – | 23,004 | 0.460 |

(v) Shareholding of Directors and Key Managerial Personnel

| For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding | |
|-------------------------------------|---|--------------|-------------------------|--------------|
| | No. of Shares | % | No. of Shares | % |
| At the beginning of the year | | | | |
| DIRECTORS | | | | |
| Ms.Mallika Srinivasan | 1,43,100 | 2.86% | 1,43,100 | 2.86% |
| 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% |
| KEY MANAGERIAL PERSONNEL | | | | |
| Mr. S. Raghuraman | 1,002 | 0.02% | 1,002 | 0.02% |
| | 1,51,278 | 3.03% | 1,51,278 | 3.03% |
| At the end of the year | | | | |
| DIRECTORS | | | | |
| Ms.Mallika Srinivasan | 1,43,100 | 2.86% | 1,43,100 | 2.86% |
| 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% |
| KEY MANAGERIAL PERSONNEL | | | | |
| Mr. S. Raghuraman | 1,002 | 0.02% | 1,002 | 0.02% |
| | 1,51,278 | 3.03% | 1,51,278 | 3.03% |

(VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment – NIL

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Whole-time Directors

| S.No. | Particulars of Remuneration | Remuneration to Wholetime Directors | | Total |
|-------|--|-------------------------------------|------------------|--------------------|
| | | Mr. D. Hegde | Mr. T.G.B. Pinto | |
| 1 | Gross Salary | | | |
| | (a) Salary u/s 17 (1) of the Income Tax Act, 1961 | 30,46,200 | 31,24,200 | 61,70,400 |
| | (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 | – | – | – |
| 3 | Sweat Equity | – | – | – |
| 4 | Commission as % of profit - other specify | – | – | – |
| 5 | Others (specify) | | | |
| | (a) Incentive | 3,52,500 | 3,52,500 | 7,05,000 |
| | (b) Holiday Allowance | 2,47,300 | 2,68,000 | 5,15,300 |
| | (c) Contribution to Superannuation Fund | 4,32,000 | 4,22,100 | 8,54,100 |
| | (d) Contribution to Provident Fund | 3,65,544 | 3,57,624 | 7,23,168 |
| | (e) Medi-claim | 33,790 | 33,790 | 67,580 |
| | Total A | 44,77,334 | 45,58,214 | 90,35,548 |
| | Overall Ceiling as per the Companies Act, 2013 | | | 1,55,07,749 |

B. Remuneration to other Directors

| S.No. | Particulars of Remuneration | Sankar Datta | Krishna Srinivasan | K. V. Sriram | R. Srinivasan | Malika Srinivasan | N. Srinivasan | Total Amount |
|-------|---|-----------------|--------------------|-----------------|-----------------|-------------------|-----------------|--------------------|
| 1. | Independent Directors | | | | | | | |
| | (a) Fee for attending Board and Committee Meetings | 50,000 | 25,000 | 47,500 | 20,000 | - | - | 1,42,500 |
| | (b) Commission* | 1,75,000 | 1,75,000 | 1,75,000 | 1,75,000 | - | - | 7,00,000 |
| | (c) Others, please specify | - | - | - | - | - | - | - |
| | Total (1) | 2,25,000 | 2,00,000 | 2,22,500 | 1,95,000 | - | - | 8,42,500 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | (a) Fee for attending Board and Committee Meetings | - | - | - | - | 27,500 | 62,500 | 90,000 |
| | (b) Commission* | - | - | - | - | 1,75,000 | 1,75,000 | 3,50,000 |
| | (c) Others, please specify | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | 2,02,500 | 2,37,500 | 4,40,000 |
| | Total (B) = (1 + 2) | 2,25,000 | 2,00,000 | 2,22,500 | 1,95,000 | 2,02,500 | 2,37,500 | 12,82,500 |
| | Total Managerial Remuneration (Total A + B) | | | | | | | 1,03,18,048 |
| | Overall Ceiling as per the Companies Act, 2013 | | | | | | | 1,55,07,749 |
| | * Commission paid for the financial year 2017-18 | | | | | | | |

C. Remuneration to Key Managerial Personnel other than MD / Manager / Whole-time Director

| S.No. | Particulars of Remuneration | Remuneration to Key Managerial Personnel | | Total |
|-------|--|--|-------------------------------------|------------------|
| | | Chief Financial Officer S. Raghuraman | Company Secretary R.V. Sridharan | |
| 1 | Gross Salary | | | |
| | (a) Salary u/s 17 (1) of the Income Tax Act, 1961 | 22,56,000 | 9,00,000 | 31,56,000 |
| | (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 | – | – | – |
| 3 | Sweat Equity | – | – | – |
| 4 | Commission | | | |
| | (a) as % of profit | – | – | – |
| | (b) others, specify | – | – | – |
| 5 | Others (specify) | | | |
| | (a) Incentive | 2,92,250 | – | 2,92,250 |
| | (b) Holiday Allowance | 1,73,500 | – | 1,73,500 |
| | (c) Contribution to Superannuation Fund | 3,06,900 | – | 3,06,900 |
| | (d) Contribution to Provident Fund | 2,49,840 | – | 2,49,840 |
| | (e) Medi-claim | 26,869 | – | 26,869 |
| | Total | 33,05,359 | 9,00,000 | 42,05,359 |

(VIII) Penalties, Punishment / Compounding of Offences

| Type | Section of the Companies Act | Brief Description | Details of penalty/ punishment/ compounding fees imposed | RD/NCLT/ Court | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

PROGRESS REPORT AND CROP HARVESTED

| Year | Profit Rs. | Taxation Rs. | Net Profit after taxation Rs. | Tea Crop (made tea) Kg. | Dividend % |
|-----------|---------------|-----------------|-------------------------------------|-------------------------------|---------------|
| 2014-2015 | 11,25,34,023 | 2,55,58,303 | 8,69,75,720 | 27,37,312 | 27% |
| 2015-2016 | 13,55,90,744 | 3,33,18,490 | 10,22,72,254 | 29,26,635 | 27% |
| 2016-2017 | 12,19,72,440 | 3,03,41,387 | 9,16,31,053 | 24,42,018 | 27% |
| 2017-2018 | 15,30,07,701 | 3,15,03,780 | 12,15,03,921 | 29,96,514 | 27% |
| 2018-2019 | 17,00,10,280 | 2,62,87,131 | 14,37,23,149 | 30,91,002 | 27%* |

*Subject to confirmation of Re.1/- per share (10%) interim dividend paid already and approval of Rs. 1.70 per share (17%) final dividend by the members at the Annual General Meeting.

AREA OF ESTATES ARE AS FOLLOWS (Approximately in Hectares)

| Division | Mature Tea | Immature Tea | Fuel Area and Wind Belts Rocks & Roads | Shola, Jungles, Frost Prone Areas, Frost Prone Area Maintenance | Total |
|---------------|---------------|-----------------|--|--|-----------------|
| ALLADA VALLEY | 225.68 | 3.71 | 1.00 | 10.17 | 240.56 |
| CHAMRAJ | 127.07 | — | 1.00 | 19.96 | 148.03 |
| DEVABETTA | 172.50 | — | 2.00 | 18.12 | 192.62 |
| KORAKUNDAH | 273.00 | 5.00 | 128.00 | 520.86 | 926.86 |
| ROCKLAND | 19.75 | — | — | — | 19.75 |
| TOTAL | 818.00 | 8.71 | 132.00 | 569.11 | 1,527.82 |

ANNEXURE – 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The climate changes due to global warming leading to inadequate rainfall, drought and frost significantly impacting productivity and profitability of the tea industry.

Opportunities and threats

Organic tea has good demand in the export market. Your Company converted three of its gardens into organic cultivation as the margins are better than conventional tea. Your Company is also focusing on specialty teas where prices are good.

The vagaries of monsoon being unpredictable together with increase in wages and input cost could vary the profitability of the Company. The increase in cost of production could be matched if there is corresponding increase in sales realization which depends on market forces.

Outlook

With an extended dry period and a very low rainfall, the first quarter is likely to have low crop compared to last year. With more area under organic tea cultivation, the sale of organic tea would be higher than last year. Increase in the organic tea production capacity at Korakundah will help to achieve improved sales as well as profitability. The Commercial Building ensures a regular stream of revenues.

Internal Control Systems and their adequacy

Your Company has adequate internal control system in place which is further strengthened by an external audit firm carrying out the internal audit function. With the statutory auditors operating at the apex level, in the opinion of the Board of Directors, these systems are adequate considering the size of the Company's business.

Financial Performance

Revenue from operations achieved during the year was Rs. 6,570 lakhs as against Rs. 6,183 lakhs made during the previous year. Profit before tax for the year was higher at Rs.1,700 lakhs against Rs.1,530 lakhs during the previous year.

Labour Relations

The labour relations at the estate during the year were cordial. The estate management continues to implement various measures beyond what is stipulated by the Government. The total number of permanent employees on the rolls of the Company as on 31st March 2019 is 1030.

Corporate Social Responsibility

Your Company has incurred an amount of Rs.20.48 Lakhs towards maintenance of orphanage and rural development activities as CSR expenditure during the year 2018-19. The Company's CSR policy objectives and other details required to be disclosed as per Companies Act, 2013 are given in Annexure 3 to the Directors' Report.

10 Year Performance

A Chart showing past 10 years performance is appended forming part of this report.

| 10 Years Performance at a Glance | | | | | | | | | | | | |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|--|--|
| ₹. in Lakhs | | | | | | | | | | | | |
| Particulars | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | | |
| Sales | 2,836.40 | 2,654.84 | 3,193.07 | 3,674.93 | 4,912.13 | 5,064.48 | 5,649.84 | 5,501.75 | 6,183.24 | 6,570.03 | | |
| PBID | 698.99 | 522.43 | 624.02 | 841.83 | 1,227.28 | 1,377.12 | 1,623.08 | 1,490.49 | 1,802.45 | 1,978.70 | | |
| Profit after tax | 474.61 | 324.66 | 422.33 | 574.49 | 776.00 | 869.75 | 1,022.72 | 916.32 | 1,215.04 | 1,700.10 | | |
| Dividend paid | 137.41 | 112.42 | 114.92 | 114.92 | 134.90 | 134.90 | 134.90 | 134.90 | 134.90 | 134.90 | | |
| Dividend % | 27.50% | 22.50% | 23.00% | 23.00% | 27.00% | 27.00% | 27.00% | 27.00% | 27.00% | 27.00% | | |
| Share Capital | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | 499.66 | | |
| Reserves and Surplus | 3,186.04 | 3,379.61 | 3,668.38 | 4,109.30 | 4,727.47 | 5,406.43 | 6,420.90 | 7,174.85 | 11,154.67 | 13,436.96 | | |
| Networth | 3,685.70 | 3,879.27 | 4,168.04 | 4,608.96 | 5,227.13 | 5,906.09 | 6,920.56 | 7,674.51 | 8,155.69 | 11,251.12 | | |
| Gross Fixed Assets | 1,952.82 | 2,078.39 | 2,204.03 | 4,554.38 | 4,869.83 | 5,336.34 | 5,536.81 | 2,121.98 | 2,415.69 | 2,472.74 | | |
| Earnings per share | 9.50 | 6.50 | 8.45 | 11.50 | 15.53 | 17.41 | 20.47 | 18.34 | 24.32 | 28.76 | | |
| Book Value per share | 73.77 | 77.64 | 83.43 | 92.25 | 104.61 | 118.21 | 138.52 | 153.61 | 163.22 | 225.18 | | |
| Debt-Equity Ratio | 0.01 | 0.11 | 0.07 | 0.01 | — | — | — | — | — | — | | |

Form No. MR-3

Secretarial Audit Report

(For the Financial year ended on March 31, 2019)

[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, Savithri 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 31st March, 2019, 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, 2019 according to the provisions of:
 - (i) The Companies Act, 2013 and the Rules made thereunder 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; presently, (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently, (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.
 - (vi) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings, General Meetings and Dividend.

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) Plantation Act, 1951
 - (b) Payment of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948 and rules made thereunder,
 - (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - (e) The Payment of Bonus Act, 1965 and rules made thereunder,
 - (f) Payment of Gratuity Act, 1972 and rules made thereunder,
 - (g) Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013
 - (h) The Tea Board Guidelines and Orders;
 - (i) Pollution Control Act, Rules and Notification issued thereof;
 - (j) The Tea Act, 1953
 - (k) The Factories Act, 1948 and Rules made thereunder;
 - (l) Shops and Establishment Act, 1953;
 - (m) The Maternity Benefits Act, 1961;
 - (n) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder 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 96th Annual General Meeting held on 6th August, 2018;
 - (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 and shares 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 III 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, 2013 and the Rules made thereunder.

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, 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, 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. There was no circumstance during the period under report, requiring compliance with the provisions of FEMA, 1999 and the Rules made thereunder 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;
9. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 presently, (Prohibition of Insider Trading) Regulations, 2015; 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 : 03.05.2019

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 Secretarial Audit Report

To

The Members

The United Nilgiri Tea Estates Company Limited

3, Savithri Shanmugam Road

Race Course

Coimbatore - 641 018

Our report of even date is to be read along with 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 the management. Our examination was limited to check that there are sufficient systems and processes in place to monitor and ensure compliance with these Acts, Rules and Laws.
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.

For **L K & Associates**
Company Secretaries

LALITHA KANNAN
C.P. 1894

Place : CHENNAI
Date : 03.05.2019

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

Compliance Report on Corporate Governance as required under Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is furnished below:

Company's philosophy on Corporate 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 the export of organic teas.

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

1. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company as on 31.03.2019 comprised of –

| S.No. | Directors | Designation |
|-------|------------------------|--|
| 1 | Ms. Mallika Srinivasan | Chairman (Non-Executive and Non-Independent) |
| 2 | Mr. N. Srinivasan | Director (Non-Executive and Non-Independent) |
| 3 | Mr. Sankar Datta | Director (Non-Executive – Independent) |
| 4 | Mr. Krishna Srinivasan | Director (Non-Executive – Independent) |
| 5 | Mr. K.V. Sriram | Director (Non-Executive – Independent) |
| 6 | Mr. R. Srinivasan* | Director (Non-Executive – Independent) |
| 7 | Mr. D. Hegde | Whole-time Director |
| 8 | Mr. T.G.B. Pinto | Whole-time Director |

*Mr.R. Srinivasan's term as an Independent Director ended on 31.01.2019

Details of directorship in other Companies

| Name of the Director | Directorship in other Companies** excluding Private Limited/Foreign Companies | Membership of other Board** Committees | |
|------------------------|---|---|----------|
| | | Member | Chairman |
| Ms. Mallika Srinivasan | 8 | – | – |
| Mr. N. Srinivasan | 6 | 1 | 5 |
| Mr. Sankar Datta | 2 | – | 2 |
| Mr. Krishna Srinivasan | 2 | 3 | – |
| Mr. K.V. Sriram | 2 | – | – |
| Mr. R. Srinivasan* | – | – | – |
| Mr. D. Hegde | – | – | – |
| Mr. T.G.B. Pinto | – | – | – |

* Mr. R. Srinivasan's term as an Independent Director ended on 31.01.2019

**Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee in Public Limited Companies, whether listed or not, alone are considered pursuant to Regulation 26(1)(a) and (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per disclosures received from the Directors, none of the Directors serve as member of more than 10 committees or as Chairman/Chairperson of more than 5 committees as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the listed entities where the person is a director

| Name of the Director | Name of the listed entities in which he / she is a Director | Category of Directorship |
|-----------------------------|--|---------------------------------|
| Ms. Mallika Srinivasan | Tata Steel Limited | Independent Director |
| | Tata Global Beverages Limited | Independent Director |
| Mr.N.Srinivasan | India Cements Limited | Independent Director |
| | Gati Limited | Independent Director |
| | Essar Shipping Limited | Independent Director |
| | Essar Oilfields Services Limited | Independent Director |
| Mr. Sankar Datta | Nil | Nil |
| Mr. Krishna Srinivasan | Bimetal Bearings Limited | Independent Director |
| Mr. K.V.Sriram | Nil | Nil |
| Mr. R. Srinivasan # | Nil | Nil |
| Mr. D. Hegde | Nil | Nil |
| Mr.T.G.B.Pinto | Nil | Nil |

ceased to be Independent Director with effect from 31.01.2019

Meetings of the Board of Directors

| No. | Date of Board Meeting | Total Strength of the Board of Directors | Number of Directors present |
|------------|------------------------------|---|------------------------------------|
| 1 | 17th May 2018 | 8 | 6 |
| 2 | 6th August 2018 | 8 | 7 |
| 3 | 2nd November 2018 | 8 | 5 |
| 4 | 5th December 2018 | 8 | 4 |
| 5 | 11th February 2019 | 7 | 7 |
| 6 | 15th March 2019 | 7 | 6 |

Attendance of Directors at Board Meetings and Annual General Meeting

The attendance of directors at the meetings of Board of Directors held during the financial year 2018-19 and at the last Annual General Meeting held on 6th August 2018 were as under:

| Director | No. of Board Meetings Attended | Last AGM Attended |
|------------------------|---------------------------------------|--------------------------|
| Ms. Mallika Srinivasan | 5 | No |
| Mr. N. Srinivasan | 6 | Yes |
| Mr. Sankar Datta | 5 | Yes |
| Mr. Krishna Srinivasan | 4 | Yes |
| Mr. K.V. Sriram | 4 | No |
| Mr. R. Srinivasan | 4 | Yes |
| Mr. D. Hegde | 4 | Yes |
| Mr. T.G.B. Pinto | 4 | Yes |

Disclosure of relationships between directors inter-se

None of the Directors is related to each other.

Familiarization Programme for Directors

The Independent Directors were regularly provided with documents, reports and other internal policies of the company to familiarize them with the Company's policies, procedures and practices. Periodic presentations are made at the Board/Committee meetings on the Company's business, developments and various statutory compliances.

Directors were briefed about the manufacturing process, field operations, cultural practices, productivity, labour related matters, overall power consumption, cost savings and environmental protection activities undertaken by the factories. Details of familiarization programme conducted for the Independent Directors are available on the Company's website www.unitednilgiritea.com.

The terms and conditions of appointment of Independent Directors have been posted on the Company's website www.unitednilgiritea.com

Separate meeting of the Independent Directors

The Independent Directors' meeting was held on 11th February, 2019 without the attendance of Non-Independent Directors and members of Management. The independent directors reviewed the performance of Non-Independent Directors. The Board as a whole reviewed the performance of the Chairman and assessed the quality, quantity and timeliness of flow of information between Company and the Board.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the Companies Act, 2013, SEBI Listing Regulations and Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The performance of the Board was evaluated after seeking inputs from all the Directors on various parameters viz. board composition, structure, effectiveness of board processes, timeliness of flow of information etc.

The performance of various committees was evaluated based on inputs received from the committee members based on various parameters viz. composition, effectiveness of meetings, meaningful and constructive contribution .

Certification from Company Secretary in Practice

L.K. & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed which forms part of this report.

Expertise and attributes of Board Members

The Board comprises quality members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Company's Board is in compliance with the highest standards of corporate governance.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

| Director | Area of Expertise | | | | | |
|---|-----------------------|-----------------------|------------|------------------------------|-------|-----------------|
| | Strategy and Planning | Financial Performance | Leadership | Board service and governance | Legal | Global Business |
| Mallika Srinivasan – Chairman | ✓ | ✓ | ✓ | ✓ | – | ✓ |
| Sankar Datta – Independent Director | ✓ | ✓ | ✓ | ✓ | – | – |
| Krishna Srinivasan – Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | – |
| K.V.Sriram – Independent Director | ✓ | ✓ | ✓ | ✓ | – | – |
| D.Hegde – Whole-time Director | ✓ | ✓ | ✓ | ✓ | – | ✓ |
| T.G.B.Pinto – Whole-time Director | ✓ | ✓ | ✓ | ✓ | – | ✓ |

COMMITTEES OF THE BOARD

At present, the Board has 4 Committees:

1. Audit Committee.
2. Nomination and Remuneration Committee.
3. Stakeholders Relationship Committee.
4. Corporate Social Responsibility Committee.

The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.

2. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors.

Composition

The members of the Audit Committee as on 31st March 2019 comprised of:

| Name of the Director | Designation | Category |
|----------------------|-------------|-------------------------------|
| Mr. Sankar Datta | Chairman | Independent Non-Executive |
| Mr. K.V. Sriram | Member | Independent Non-Executive |
| Mr. N. Srinivasan | Member | Non-Independent Non-Executive |

Mr. Sankar Datta, Mr. N. Srinivasan and Mr. K.V. Sriram possess expert knowledge in finance and accounts.

Mr. R.V. Sridharan, Company Secretary is the Secretary of the Committee.

The Chairman of the Audit Committee has attended the last Annual General Meeting.

Meetings

During the year, the Audit Committee met five (5) times on 13th April 2018, 14th May 2018, 6th August 2018, 29th October 2018 and 11th February 2019.

Attendance of each member is given below:

| Name of the Director | No.of meetings held | No.of meetings attended |
|----------------------|---------------------|-------------------------|
| Mr. Sankar Datta | 5 | 5 |
| Mr. N. Srinivasan | 5 | 5 |
| Mr. K.V. Sriram | 5 | 5 |

The Board of Directors at its meeting held on 15th March, 2019 has reconstituted the Audit Committee effective 1st April, 2019 consequent to the resignation of Mr. N. Srinivasan.

The members of the reconstituted committee are as follows:

| Name of the Director | Designation | Category |
|------------------------|-------------|---------------------------|
| Mr. Sankar Datta | Chairman | Independent Non-Executive |
| Mr. K.V. Sriram | Member | Independent Non-Executive |
| Mr. Krishna Srinivasan | Member | Independent Non-Executive |

3. NOMINATION & REMUNERATION COMMITTEE

The broad terms of reference to the Nomination and Remuneration Committee is to recommend to the Board salary, perquisites and incentive payable to the Company's Whole-time Directors, to finalise the annual increments payable within the overall ceiling fixed by the Board. The Committee also recommends re-appointments and tenure of office, whether of Whole-time Directors or non-executive Directors.

The remuneration policy of the Company can be accessed on the Company's website www.unitednilgiritea.com

Composition

The members of the Nomination and Remuneration Committee as on 31st March 2019 comprised of:

| Name of the Director | Designation | Category |
|-----------------------|-------------|--|
| Mr.Krishna Srinivasan | Chairman | Non-Executive Independent Director |
| Ms.Mallika Srinivasan | Member | Non-Executive Non-Independent Director |
| Mr.N.Srinivasan | Member | Non-Executive Non-Independent Director |
| Mr.K.V.Sriram | Member | Non-Executive Independent Director |

Mr.R.V.Sridharan, Company Secretary is the Secretary of the Committee

Meetings

During the year 2018-19, Nomination and Remuneration Committee met three (3) times on 17th May 2018, 6th August 2018 and 5th December 2018.

Attendance of each member is given below:

| Name of the Director | No.of meetings held | No.of meetings attended |
|------------------------|---------------------|-------------------------|
| Mr. Krishna Srinivasan | 3 | 2 |
| Ms. Mallika Srinivasan | 3 | 1 |
| Mr. N. Srinivasan | 3 | 3 |
| Mr. K.V. Sriram | 3 | 1 |

The Board of Directors at its meeting held on 15th March, 2019 has reconstituted the Nomination and Remuneration Committee effective 1st April, 2019 consequent to the resignation of Mr.N.Srinivasan .

The Members of the reconstituted committee are as follows:

| Name of the Director | Designation | Category |
|------------------------|-------------|--|
| Mr. Krishna Srinivasan | Chairman | Non-Executive Independent Director |
| Ms. Mallika Srinivasan | Member | Non-Executive Non-Independent Director |
| Mr. K.V. Sriram | Member | Non-Executive Independent Director |

4. REMUNERATION TO DIRECTORS

(a) Remuneration to Whole-time Directors

The details of remuneration paid to Mr.D.Hegde, Whole-time Director, and Mr.T.G.B.Pinto, Whole-time Director during the financial year 2018-19 are given below:

| Description | Mr.D.Hegde (Rs.) | Mr.T.G.B.Pinto (Rs.) | Total (Rs.) |
|---|---------------------|-------------------------|------------------|
| Salary | 30,46,200 | 31,24,200 | 61,70,400 |
| Contribution to Provident Fund, Superannuation Fund and Medici claim | 8,31,334 | 8,13,514 | 16,44,848 |
| Holiday Allowance | 2,47,300 | 2,68,000 | 5,15,300 |
| Incentive | 3,52,500 | 3,52,500 | 7,05,000 |
| TOTAL | 44,77,334 | 45,58,214 | 90,35,548 |

(b) Remuneration to Non Whole-time Directors

| Name | Sitting Fees (Rs.) | Commission (Rs.) | Total (Rs.) |
|------------------------|-----------------------|---------------------|------------------|
| Ms.Mallika Srinivasan | 27,500 | 1,75,000 | 2,02,500 |
| Mr. N.Srinivasan | 62,500 | 1,75,000 | 2,37,500 |
| Mr. Sankar Datta | 50,000 | 1,75,000 | 2,25,000 |
| Mr. Krishna Srinivasan | 25,000 | 1,75,000 | 2,00,000 |
| Mr. K.V. Sriram | 47,500 | 1,75,000 | 2,22,500 |
| Mr. R. Srinivasan | 20,000 | 1,75,000 | 1,95,000 |
| TOTAL | 2,32,500 | 10,50,000 | 12,82,500 |

(c) Shareholding of Non Whole-time Directors

| Name | No.of Shares | Dividend Paid (Rs.) |
|------------------------|-----------------|---------------------|
| Ms. Mallika Srinivasan | 1,43,100 | 3,86,370 |
| Mr. N. Srinivasan | 2,002 | 5,406 |
| TOTAL | 1,45,102 | 3,91,776 |

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The members of the Committee as on 31st March 2019 comprised of:

| Name of the Director | Designation | Category |
|-----------------------|-------------|------------------------------------|
| Mr.Krishna Srinivasan | Chairman | Non-Executive Independent Director |
| Mr.R.Srinivasan* | Member | Non-Executive Independent Director |
| Mr.T.G.B.Pinto | Member | Whole-time Director |

The Board has designated Mr. R.V. Sridharan, Company Secretary as Compliance Officer.

*Since Mr.R.Srinivasan's term as an Independent Director ended on 31.01.2019, he was a member of the Committee upto 31.01.2019 only.

Meetings

The Committee met 16 times during the year on 17.05.2018, 23.05.2018, 12.06.2018, 29.06.2018, 19.07.2018, 05.10.2018, 09.10.2018, 29.10.2018, 22.11.2018, 13.12.2018, 31.12.2018, 14.01.2019, 31.01.2019, 12.02.2019, 07.03.2019 and 19.03.2019.

Mr. Krishna Srinivasan and Mr.T.G.B.Pinto attended all the meetings. Mr.R.Srinivasan attended all the meetings up-to the date of his retirement i.e. 31.01.2019.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints such as non-receipt of shares, non-receipt of dividend etc. and other matters related to shares.

The Share Transfers/transmissions approved by the Committee are placed at the Board Meeting from time to time.
The Board of Directors at its meeting held on 15th March, 2019 has reconstituted the Committee effective 1st April, 2019.
The Members of the reconstituted committee are as follows:

| Name of the Director | Designation | Category |
|-----------------------|-------------|------------------------------------|
| Mr.Krishna Srinivasan | Chairman | Non-Executive Independent Director |
| Mr.T.G.B.Pinto | Member | Whole-time Director |
| Mr.D.Hegde | Member | Whole-time Director |

Status of Complaints

The status of complaints received from the investors during the financial year 2018-19 is furnished below:

| | |
|--|-----|
| Complaints pending as on 1st April 2018 | Nil |
| Complaints received during the year | Nil |
| Complaints resolved during the year | Nil |
| Complaints pending as on 31st March 2019 | Nil |

Pursuant to Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from the Practicing Company Secretary has been submitted to the Stock Exchange within the stipulated time.

Equity Shares in the suspense account:

In accordance with the requirement of Regulation 34 (3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

| Particulars | Number of shareholders | Number of equity shares |
|--|------------------------|-------------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2018 | 82 | 60,256 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | — | — |
| Shareholders to whom shares were transferred from the suspense account during the year | — | — |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019 | 82 | 60,256 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claim the shares.

Transfer of unclaimed dividend to Investor Education and Protection Fund during 2018-19.

| Nature of Dividend | Date of transfer | Amount transfered |
|--------------------|------------------|-------------------|
| Interim 2011 | 21.05.2018 | Rs. 1,43,498 |
| Final 2011 | 27.09.2018 | Rs. 2,11,443 |

Transfer of unclaimed shares to Investor Education and Protection Fund Authority

Pursuant to the notification dated 16th October 2017 issued by the Ministry of Corporate Affairs, the Company transferred 7,350 shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more to the demat account of IEPF Authority. The transfer was effected after sending notice to the concerned shareholders.

Due dates for transfer of unclaimed dividend to the Investor Education and Protection Fund (IEPF)

| Financial year | Dividend | Date of declaration | Last date for claiming unpaid dividend |
|----------------|----------|---------------------|--|
| 2011-12 | Final | 03.08.2012 | 10.09.2019 |
| 2012-13 | Interim | 07.02.2013 | 14.03.2020 |
| | Final | 08.08.2013 | 17.09.2020 |
| 2013-14 | Interim | 01.04.2014 | 08.05.2021 |
| | Final | 19.09.2014 | 27.10.2021 |
| 2014-15 | Interim | 25.03.2015 | 02.05.2022 |
| | Final | 04.08.2015 | 11.09.2022 |
| 2015-16 | Interim | 30.03.2016 | 07.05.2023 |
| | Final | 09.07.2016 | 17.08.2023 |
| 2016-17 | Interim | 22.03.2017 | 29.04.2024 |
| | Final | 04.08.2017 | 11.09.2024 |
| 2017-18 | Interim | 15.03.2018 | 22.04.2025 |
| | Final | 06.08.2018 | 13.09.2025 |
| 2018-19 | Interim | 15.03.2019 | 22.04.2026 |

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The members of the Committee as on 31st March 2019 comprised of:

| S.No. | Name of the Director | Designation |
|-------|------------------------|-------------|
| 1. | Ms. Mallika Srinivasan | Chairman |
| 2. | Mr. Sankar Datta | Member |
| 3. | Mr. D. Hegde | Member |
| 4. | Mr. T.G.B. Pinto | Member |

Mr.R.V.Sridharan, Company Secretary is the Secretary of the Committee.

Meetings

The Committee met one time during the financial year 2018-19. All the members attended the meeting.

The initiatives taken by the Company are listed in **Annexure 3** which forms part of the Directors' Report.

7. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings held are given as under:

| Year | Date | Time | Venue |
|---------|------------|-----------|---|
| 2015-16 | 09.07.2016 | 3.15 P.M. | Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road,Coimbatore - 641 018 |
| 2016-17 | 04.08.2017 | 2.45 P.M. | Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road, Coimbatore - 641 018 |
| 2017-18 | 06.08.2018 | 2.45 P.M. | Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road, Coimbatore - 641 018 |

Special Resolution passed in the previous three Annual General Meetings

| Date | Description of Special Resolution passed |
|------------|--|
| 09.07.2016 | Nil |
| 04.08.2017 | Nil |
| 06.08.2018 | Nil |

EGM and Postal Ballot

During the year, no EGM was held.

Postal Ballot

Two ordinary resolutions were put through postal ballot last year. Details are furnished below:

| Date | Description of Ordinary Resolution passed |
|-------------|---|
| 21.01.2019 | Re-Appointment of Mr. D. Hegde as Whole-time Director for a term of three years from 1st January, 2019. |
| 21.01. 2019 | Re-Appointment of Mr. T.G.B. Pinto as Whole-time Director for a term of three years from 1st January, 2019. |

No Special Resolution was passed during the year through postal ballot.

Mr. S. Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore was appointed as Scrutinizer to conduct the postal ballot process.

At present no special resolution is proposed to be passed through postal ballot. However, the procedure laid down under Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 would be followed as and when necessary.

8. Management Discussion and Analysis Report forms part of this Annual Report.

9. MEANS OF COMMUNICATION

Quarterly, half yearly and annual financial results are published in "Business Line" (All India 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 www.unitednilgiritea.com.

10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM

| | DATE & TIME | VENUE |
|-----------------------------|--|--|
| 97th Annual General Meeting | Saturday, 20th July 2019 3.30 P.M. | "Sri S.Anantharamakrishnan Hall", T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore - 641 018 |

Financial Calendar (tentative and subject to change)

| Particulars of meeting | On or before |
|--|--------------------|
| Unaudited Financial Results for the quarter ending 30th June 2019 | 14th August 2019 |
| Unaudited Financial Results for the quarter ending 30th September 2019 | 14th November 2019 |
| Unaudited Financial Results for the quarter ending 31st December 2019 | 14th February 2020 |
| Audited Financial Results for the year ending 31st March 2020 | 30th May 2020 |

Date of book closure for payment of dividend:

14th July 2019 to 20th July 2019
(both days inclusive)

Date of payment of equity dividend :

Around 17th August 2019

Listing on Stock Exchanges

The Company's Shares are listed in The National Stock Exchange of India Limited, "Exchange Plaza," C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai-400 051.

The Company has paid the annual listing fees for the year 2019-20 to the National Stock Exchange of India Limited.

Stock Code : UNITEDTEA

ISIN : INE 458F 01011

Market Price data - High, Low and closing price during each month in the last financial year and performance in comparison to broad based indices

| Month | UNITEA NSE (Rs.) | | | NSE NIFTY 50 |
|----------------|------------------|--------|-------------|--------------|
| | High | Low | Month Close | Month Close |
| April 2018 | 394.00 | 338.50 | 342.90 | 10,739.35 |
| May 2018 | 406.00 | 304.50 | 372.20 | 10,736.15 |
| June 2018 | 389.00 | 338.50 | 357.00 | 10,714.30 |
| July 2018 | 393.80 | 332.55 | 364.25 | 11,356.50 |
| August 2018 | 538.40 | 346.05 | 490.90 | 11,680.50 |
| September 2018 | 489.00 | 339.95 | 342.15 | 10,930.45 |
| October 2018 | 423.60 | 302.70 | 348.95 | 10,386.60 |
| November 2018 | 395.55 | 339.00 | 344.95 | 10,876.75 |
| December 2018 | 360.00 | 335.50 | 352.05 | 10,862.55 |
| January 2019 | 357.00 | 296.00 | 300.90 | 10,830.95 |
| February 2019 | 350.85 | 277.00 | 317.50 | 10,792.50 |
| March 2019 | 340.00 | 307.00 | 315.55 | 11,962.90 |

Registrar and Share Transfer Agents

Integrated Registry Management Services Private Limited
 "Kences Towers," 2nd Floor,
 No.1, Ramakrishna Street,
 North Usman Road, T.Nagar,
 Chennai - 600 017
 Phone : 044-28140801 / 28149893
 Fax No: 044-28142479
 E-mail : corpserve@integratedindia.in

Share Transfer System

Share Transfers are processed within a period of 15 days from the date of receipt of documents by the Registrar & Share Transfer Agents, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories NSDL and CDSL within 15 days.

Distribution of Equity Shareholding as on 31st March 2019

| Range of shareholdings | Shareholders | | Shares | |
|------------------------|------------------------|---------------|------------------|---------------|
| | Number of shareholders | % | Number of shares | % |
| Upto 5000 | 3,039 | 97.56 | 7,67,837 | 15.37 |
| 5001 - 10000 | 44 | 1.41 | 3,02,392 | 6.05 |
| 10001 - 20000 | 15 | 0.48 | 2,14,488 | 4.29 |
| 20001 - 30000 | 4 | 0.13 | 97,737 | 1.96 |
| 30001 - 40000 | 3 | 0.10 | 1,02,888 | 2.06 |
| 40001 - 50000 | 0 | 0.00 | 0 | 0.00 |
| 50001 and above | 10 | 0.32 | 35,11,224 | 70.27 |
| Total | 3,115 | 100.00 | 49,96,566 | 100.00 |

Category of Shareholders as on 31st March 2019

| S.No. | Category | Number of Shares | Shares % |
|----------|---|------------------|---------------|
| A | Indian Promoters & Promoters Group | 24,87,982 | 49.79 |
| | Total Promoters & Promoters Group Shareholding | 24,87,982 | 49.79 |
| B | Public Shareholding | | |
| | (1) Institutions | | |
| | (a) Financial Institutions / Banks | 5,480 | 0.11 |
| | (b) Insurance Companies | 8,46,514 | 16.94 |
| | (c) Central / State Governments | — | — |
| | (2) Non Institutions | | |
| | (a) Bodies Corporate | 4,37,895 | 8.77 |
| | (b) Individuals | 12,18,695 | 24.39 |
| | Total Public Shareholding (1 + 2) | 25,08,584 | 50.21 |
| | Total (A + B) | 49,96,566 | 100.00 |

Dematerialisation of shares as on 31st March 2019

Equity shares representing 86.79% of the Company's paid-up share capital has been dematerialized as on 31st March, 2019.

| Name of the Depository | Number of shares dematerialised | % on Equity Share Capital |
|---|---------------------------------|---------------------------|
| National Securities Depository Limited | 40,65,071 | 81.36 |
| Central Depository Services (India) Limited | 2,71,517 | 5.43 |
| Total | 43,36,588 | 86.79 |

No GDRs', ADRs' or Warrants have been issued by the Company during the year.

Estate Location

Chamraj Estate

Chamraj Estate & Post

The Nilgiris - 643 204

Address for Correspondence

The Company Secretary,
The United Nilgiri Tea Estates Company Limited,
No.3, Savithri Shanmugam Road,
Race Course,
Coimbatore - 641 018.

Email ID for Investor Grievance Redressal: headoffice@chamrajtea.com

11. OTHER DISCLOSURES**Related Party Transactions**

All related party transactions with the Company's promoters, Directors, or Key Managerial Personnel etc. are disclosed in the Accounts under Note No.29 of Notes forming part of the financial statements and in the opinion of the Board of Directors, these financial and commercial transactions are not in conflict with the interest of the Company.

The Related Party Transaction Policy as approved by the Board of Directors is uploaded on the Company's website www.unitednilgiratea.com.

Details of non-compliance by the Company.

There have been no instances of non-compliances by the Company on any matters relating to capital markets and there were no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

Whistle Blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a formal mechanism for Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's code of conduct. No person has been denied access to the Chairman of the Audit Committee. During the year, the Whistle Blower Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 enabling employees to report any violations under the Insider Trading Regulations and leak of Unpublished Price Sensitive Information (UPSI).

The Whistle Blower Policy is available on the website of the Company www.unitednilgiritea.com.

No complaints have been received during the year under review.

Compliance with non-mandatory requirements

The Company has complied with the following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. The Company has complied with the requirement of having separate persons to the post of Chairman and Whole-time Director.
2. The Auditors' Report on the financial statements of the Company are not qualified.
3. Deloitte, Haskins and Sells LLP, the internal auditors of the Company make quarterly presentations directly to the Audit Committee on their reports.

The Committee has not adopted other non-mandatory requirements.

Material Subsidiaries

The Company does not have material subsidiaries.

Policy on determination of Materiality for disclosures

The Company has adopted a policy on determination of materiality for disclosures. The policy has been posted on the website of the Company www.unitednilgiritea.com

Policy on archival and preservation of documents

The Company has adopted a policy on archival and preservation of documents which is available on the website of the Company www.unitednilgiritea.com

Compliance with Accounting Standards

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind AS) and the financial results have been prepared in accordance with the recognition and measurements principles laid down in the said standards.

Risk Management

The Company's risk management is carried out by the treasury team under policies approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk and credit risk.

Commodity price risks and hedging activities

The Company did not engage in commodity hedging activities during the financial year.

Code of conduct for Directors and Senior Management Personnel

The Company has adopted a Code of Business Conduct and Ethics for its Directors and Senior Management Personnel. All Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct for the year under review.

The Whole-time Directors have given a declaration that all the Directors and concerned Senior Management Personnel have affirmed compliance with the Code of Conduct.

The policy relating to Code of Conduct has been posted on the website of the Company www.unitednilgiritea.com

Code for prevention of Insider Trading

During the year, the Company has amended the 'Code of Conduct for prevention of Insider Trading' in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This code is applicable to all Directors/Officers/Designated Employees.

Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI)

During the year, the Company has amended 'The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' (UPSI) in compliance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The amended policy is available on the website of the company www.unitednilgiritea.com

Declaration for Code of Conduct

We hereby affirm and state that all Board Members and Senior Management Personnel of the Company have given a declaration pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and we hereby affirm compliance with the said Code of Conduct for the financial year 2018-19.

T.G.B.PINTO
Whole-time Director
DIN:00025593

D.HEGDE
Whole-time Director
DIN:00025468

Chennai
29th May 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

**The Members of
The United Nilgiri Tea Estates Company Ltd.,
3, Savithri Shanmugham Road,
Race Course,
Coimbatore - 641018**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The United Nilgiri Tea Estates Company Limited having CIN L01132TZ1922PLC000234 and having registered office at 3, Savithri Shanmugham Road, Race Course, Coimbatore 641018 (herein after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

| Sl. No. | Name of Director | DIN | Date of appointment in Company |
|---------|------------------------------|----------|--------------------------------|
| 1 | SANKAR DATTA | 00025380 | 28/12/2005 |
| 2 | DURGADASS HEGDE | 00025468 | 27/05/2006 |
| 3 | TITUS GERARD BEVERLY PINTO | 00025593 | 27/05/2006 |
| 4 | MALLIKA SRINIVASAN | 00037022 | 25/01/2011 |
| 5 | KRISHNA SRINIVASAN | 02629544 | 10/11/2014 |
| 6 | SRIRAM KALAPATTI VISWANATHAN | 02703839 | 10/11/2014 |

Ensuring the eligibility of and for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date : 24th May, 2019

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

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**THE MEMBERS
THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
3, SAVITHIRI SHANMUGAM ROAD,
RACE COURSE,
COIMBATORE- 641018**

1. We, K.S.Aiyar & Co, Chartered Accountants, the Statutory Auditors of The United Nilgiri Tea Estates Company Limited ("the company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring compliance within the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on Auditing specified under 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

Opinion

7. In our opinion and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2019.
8. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

For **K.S.Aiyar & Co**
Chartered Accountants
Firm Registration No: 100186W

Date: 29th May 2019
Place: Chennai

S.Kalyanaraman
Partner
Membership No: 200565

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial statements of **The United Nilgiri Tea Estates Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sl.No | Key Audit Matter | Auditor's Response |
|-------|--|---|
| 1 | <p>Net Realizable Value of Finished Goods</p> <p>Finished goods of inventory (Made Tea) is valued at lower of cost and net realizable value. Considering that there is always a volatility in the selling price of made tea, which is dependent upon various market conditions, determination of the net realizable value for this involves significant management judgement and therefore has been considered as a Key Audit Matter.</p> <p>The total value of finished goods of Made tea as at 31 March 2019 is Rs.453.03 Lakhs. Also refer to Note 2.10 for the accounting policy on</p> | <p>Evaluated the design of internal controls relating to the valuation of finished goods of made tea and tested the operating effectiveness of the aforesaid controls.</p> <p>Obtained an understanding of the determination of the net realizable values of the Made tea and assessed and tested the reasonableness of the significant judgements applied by the management.</p> <p>Compared the actual costs incurred to sell after the year end/based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.</p> <p>Compared the actual realization after the year end/latest realization to assess the reasonableness of the net realizable value that was estimated and considered by the management.</p> <p>Compared the cost of the finished goods of made tea with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</p> <p>Assessed the appropriateness of the disclosure in the financial statements in accordance with the</p> |

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

Information other than Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc., but does not include the Financial Statements and our auditor's report thereon.
- Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In Connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 judgements 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.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

- (e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditors report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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) Rule, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (1) The Company has no litigation impacting its financial position;
 - (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, if any;
 - (3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **K.S. Aiyar & Co**
Chartered Accountants
Firm Registration No: 100186W

S. KALYANARAMAN
Partner
Membership No:200565

Date : 29th May 2019
Place: Chennai

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

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **The United Nilgiri Tea Estates Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial

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

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. Aiyar & Co**
Chartered Accountants
Firm Registration No: 100186W

S. KALYANARAMAN
Partner
Membership No:200565

Date : 29th May 2019
Place: Chennai

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

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees and hence the provisions of Section 185 is not applicable. The Company has made investments which are within limits prescribed under section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013 for tea and tea products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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 havenot made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amount payable in respect of Provident Fund, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no disputed dues of Provident Fund, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues.

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

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loans or borrowings from financial institution or bank or Government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) In our opinion, and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with the provisions of Sections 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related parties transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause (xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with its directors or persons connected with him and hence section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **K.S. Aiyar & Co**
Chartered Accountants
Firm Registration No: 100186W

S. KALYANARAMAN
Partner
Membership No:200565

Date : 29th May 2019
Place: Chennai

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Balance Sheet as at 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | Note No. | As at 31st March 2019 | As at 31st March 2018 |
|--|----------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 2,14,907 | 2,13,709 |
| (b) Capital work-in-progress | | 11,684 | 4,514 |
| (c) Investment property | 4 | 1,61,303 | 1,71,780 |
| (d) Financial assets | | | |
| Investments | 5a | 6,69,125 | 6,19,136 |
| (e) Other non-current assets | 6 | 25,691 | 5,259 |
| Total non-current assets | | 10,82,710 | 10,14,398 |
| Current assets | | | |
| (a) Inventories | 7 | 63,169 | 49,268 |
| (b) Financial assets | | | |
| (i) Investments | 5a | 57,647 | 14,520 |
| (ii) Trade receivables | 5b | 44,435 | 53,349 |
| (iii) Cash and cash equivalents | 5c | 1,78,727 | 75,069 |
| (iv) Other financial assets | 5d | 29,566 | 33,820 |
| (c) Other current assets | 8 | 16,648 | 8,637 |
| (d) Current tax assets | 15 | 2,676 | 666 |
| Total current assets | | 3,92,868 | 2,35,329 |
| Total Assets | | 14,75,578 | 12,49,727 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 9a | 49,966 | 49,966 |
| (b) Other equity | 9b | 13,43,696 | 11,15,467 |
| Total Equity | | 13,93,662 | 11,65,433 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| Other financial liabilities | 10a | 14,664 | 13,951 |
| (b) Provisions | 11 | 1,762 | 1,273 |
| (c) Deferred tax liabilities (net) | 12 | 3,375 | 3,576 |
| (d) Other non current liabilities | 13 | 7,985 | 2,125 |
| Total non-current liabilities | | 27,786 | 20,925 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | | | |
| (a) total outstanding dues of micro and small enterprises | 10b | — | — |
| (b) total outstanding dues of creditors other than micro and small enterprises | 10b | 14,791 | 12,114 |
| (ii) Other financial liabilities | 10a | 8,398 | 17,350 |
| (b) Other current liabilities | 14 | 30,733 | 33,480 |
| (c) Provisions | 11 | 208 | 425 |
| Total current liabilities | | 54,130 | 63,369 |
| Total equity and liabilities | | 14,75,578 | 12,49,727 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes form an integral part of these financial statements | | | |

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W
S.KALYANARAMAN
Partner
Membership No. 200565
Place : Chennai
Date : 29th May 2019

MALLIKA SRINIVASAN
(DIN:00037022)
Chairman

S.RAGHURAMAN
Chief Financial Officer

SANKAR DATTA
(DIN : 00025380)
Director

R. V. SRIDHARAN
Company Secretary

D.HEGDE
(DIN: 00025468)
Director

Place : Chennai
Date : 29th May 2019

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | Note No. | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|--|----------|------------------------------------|------------------------------------|
| I. Income | | | |
| Revenue from operations | 16 | 6,57,003 | 6,18,324 |
| Other Income | 17 | 41,050 | 50,600 |
| Total Income (I) | | 6,98,053 | 6,68,924 |
| II. Expenses | | | |
| Cost of green leaf purchased and consumed | | 1,32,856 | 1,17,693 |
| Purchases of tea | | 18,022 | 8,670 |
| Changes in value of finished goods (Tea) | 18 | (9,936) | (7,197) |
| Excise duty / Service tax | | - | 1,766 |
| Employee benefits expense | 19 | 1,76,877 | 1,83,964 |
| Finance cost | 20 | 714 | 683 |
| Depreciation and amortisation expense | | 27,146 | 26,554 |
| Other expenses | 21 | 1,98,726 | 1,83,783 |
| Total Expenses (II) | | 5,44,405 | 5,15,916 |
| III. Profit before tax and exceptional items (I - II) | | 1,53,648 | 1,53,008 |
| IV. Exceptional items : | | | |
| Profit on sale of Investment in Associate | | 16,362 | - |
| V. Profit before tax (III + IV) | | 1,70,010 | 1,53,008 |
| VI. Tax expense: | | | |
| Current tax | 22 | 27,200 | 30,200 |
| Deferred tax | 12 | (913) | 1,304 |
| Total tax expense (VI) | | 26,287 | 31,504 |
| VII. Profit for the year (V-VI) | | 1,43,723 | 1,21,504 |
| VIII. Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss: | | | |
| – Re-measurement of gains/(losses) on defined benefit obligation | | 6,399 | (7,617) |
| – Tax on re-measurement of defined benefit obligation | | (712) | - |
| – Changes in fair value of FVOCI Equity investments | | 55,083 | 35,133 |
| – Profit on sale of FVOCI equity investments | | 40,000 | 17,531 |
| Total other comprehensive income (VIII) | | 1,00,770 | 45,047 |
| Total comprehensive income for the year (VII+VIII) | | 2,44,493 | 1,66,551 |
| Earnings per equity share (of Rs.10/- each) | | | |
| Basic and diluted (in Rs.) | 25 | 28.76 | 24.32 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes form an integral part of these financial statements | | | |

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W
S.KALYANARAMAN
Partner
Membership No. 200565
Place : Chennai
Date : 29th May 2019

MALLIKA SRINIVASAN
(DIN:00037022)
Chairman

S.RAGHURAMAN
Chief Financial Officer

SANKAR DATTA
(DIN : 00025380)
Director

R. V. SRIDHARAN
Company Secretary

D.HEGDE
(DIN: 00025468)
Director

Place : Chennai
Date : 29th May 2019

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

A. Equity share capital – (Refer note 9 a)

| | |
|---------------------------------|---------------|
| As at April 1, 2017 | 49,966 |
| Changes in equity share capital | – |
| As at March 31, 2018 | 49,966 |
| Changes in equity share capital | – |
| As at March 31, 2019 | 49,966 |

B. Other Equity – (Refer note 9 b)

| | Reserves and surplus | | Other Reserves | Total |
|--|----------------------|-------------------|--------------------------|------------------|
| | General Reserve | Retained Earnings | FVOCI Equity Instruments | |
| Balance as at April 1, 2017 | 6,00,000 | 1,17,419 | 2,47,734 | 9,65,153 |
| Profit for the year | – | 1,21,504 | – | 1,21,504 |
| Other Comprehensive income for the year (net of tax) | – | (7,617) | 52,664 | 45,047 |
| Transfer to General Reserve | 70,000 | (70,000) | – | – |
| Transactions with owners in their capacity as owners | | | | |
| Dividend declared and paid during the year | | | | |
| – Final 2017 | – | (8,494) | – | (8,494) |
| – Interim 2018 | – | (4,997) | – | (4,997) |
| Dividend distribution tax paid | – | (2,746) | – | (2,746) |
| Balance as at March 31, 2018 | 6,70,000 | 1,45,069 | 3,00,398 | 11,15,467 |
| Balance as at April 1, 2018 | 6,70,000 | 1,45,069 | 3,00,398 | 11,15,467 |
| Profit for the year | – | 1,43,723 | – | 1,43,723 |
| Other Comprehensive income for the year (net of tax) | – | 5,687 | 95,083 | 1,00,770 |
| Transfer to General Reserve | 75,000 | (75,000) | – | – |
| Amount transferred from Other Reserves to retained earnings in respect of FVOCI instruments sold during the year / previous year | – | 1,76,403 | (1,76,403) | – |
| Transactions with owners in their capacity as owners | | | | |
| Dividend declared and paid during the year | | | | |
| – Final 2018 | – | (8,494) | – | (8,494) |
| – Interim 2019 | – | (4,997) | – | (4,997) |
| Dividend distribution tax paid | – | (2,773) | – | (2,773) |
| Balance as at March 31, 2019 | 7,45,000 | 3,79,618 | 2,19,078 | 13,43,696 |

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No.100186W
S.KALYANARAMAN
Partner
Membership No.200565

MALLIKA SRINIVASAN
(DIN:00037022)
Chairman

SANKAR DATTA
(DIN : 00025380)
Director

D.HEGDE
(DIN: 00025468)
Director

Place : Chennai
Date : 29th May 2019

S.RAGHURAMAN
Chief Financial Officer

R. V. SRIDHARAN
Company Secretary

Place : Chennai
Date : 29th May 2019

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Cash Flow Statement for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 1,70,010 | 1,53,008 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation expense | 27,146 | 26,554 |
| (Gain) on disposal of property, plant and equipment | (520) | (943) |
| Interest on financial liability | 714 | 683 |
| Deferred license fees | (623) | (623) |
| Provision for impairment in value of investments no longer required written back | – | (20,889) |
| Liabilities no longer required written back | (4,801) | – |
| Impairment provision for property, plant and equipment | 4,342 | – |
| Fair value gain from financial assets (mutual funds) | (22,987) | (9,168) |
| Profit on sale of investments in Associate | (16,362) | – |
| Interest income classified as investing cash flow | (4,870) | (6,061) |
| Dividend Income classified as investing cash flow | (2,313) | (2,956) |
| Profit on switch out / redemption of financial assets(mutual funds) | (756) | (5,516) |
| Net unrealised exchange (gain)/loss | (4,804) | (5,068) |
| Operating profit before changes in operating asset /liabilities | 1,44,176 | 1,29,021 |
| Adjustments for increase / (decrease) in liabilities: | | |
| Other financial liabilities | (8,239) | 10,040 |
| Trade payables | 2,677 | 6,837 |
| Other non current liabilities | 5,860 | (622) |
| Other current liabilities | (2,747) | (2,109) |
| Non current Provision | 489 | 288 |
| Current Provision | (217) | (497) |
| Adjustments for (increase) / decrease in assets: | | |
| Trade receivables | 8,914 | (32,724) |
| Inventories | (13,901) | (5,574) |
| Other non current assets | (104) | (264) |
| Other current assets | (8,011) | 11,665 |
| Other financial assets | 5,665 | (18,070) |
| Cash generated from operations | 1,34,562 | 97,991 |
| Income tax paid | (29,208) | (34,611) |
| Net cash flow from operating activities (A) | 1,05,354 | 63,380 |
| Cash flow from investing activities : | | |
| Payments for purchase of property, plant and equipment | (29,922) | (33,942) |
| Proceeds from sale of property, plant and equipment | 984 | 943 |
| Capital advance | (20,328) | – |
| Payment for purchase of non-current investments | (66,200) | (2,07,200) |
| Payment for purchase of current investments | (2,09,250) | (67,500) |
| Proceeds from sale of non-current investments | 1,44,016 | 66,634 |
| Proceeds from sale of current investments | 1,72,378 | 63,000 |
| Bank balances not considered as cash and cash equivalents | (1,09,627) | 95,885 |
| Profit on switch out / redemption of financial assets (mutual funds) | 756 | 5,516 |
| Profit on sale of investments in Associate | 16,362 | – |
| Interest received | 3,459 | 11,220 |
| Dividend received | 2,313 | 2,956 |
| Net cash flow used in investing activities (B) | (95,059) | (62,488) |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Cash Flow Statement for the year ended 31st March 2019 – (Contd.)

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Cash flows from financing activities | | |
| Dividends paid | (13,491) | (13,491) |
| Tax on dividend | (2,773) | (2,746) |
| Net cash flow used in financing activities (C) | <u>(16,264)</u> | <u>(16,237)</u> |
| Net Increase/(decrease) in Cash and cash equivalents (A+B+C) | (5,969) | (15,345) |
| Cash and cash equivalents at the beginning of the year {Note 5 c (i)} | 14,083 | 29,264 |
| Effect of exchange differences on restatement of foreign currency cash and cash equivalent | – | 164 |
| Cash and cash equivalents at the end of the year | <u>8,114</u> | <u>14,083</u> |
| Components of cash and cash equivalents at the end of the year comprise | | |
| Cash on hand | 79 | 40 |
| Balances with banks | | |
| – In current accounts | 8,035 | 10,621 |
| – In EEFC accounts | – | 3,422 |
| – In deposit accounts (original maturity of three months or less) | – | – |
| Cash and cash equivalents at the end of the year (Refer Note No. 16) | <u>8,114</u> | <u>14,083</u> |
| The accompanying notes form an integral part of these financial statements | | |

Note: The above Cash Flow Statement has been prepared under “Indirect Method” set out in the Ind AS 7 – Cash Flow Statement.

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No.100186W
S.KALYANARAMAN
Partner
Membership No.200565
Place : Chennai
Date : 29th May 2019

MALLIKA SRINIVASAN
(DIN:00037022)
Chairman

S.RAGHURAMAN
Chief Financial Officer

SANKAR DATTA
(DIN : 00025380)
Director

R. V. SRIDHARAN
Company Secretary

D.HEGDE
(DIN: 00025468)
Director

Place : Chennai
Date : 29th May 2019

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

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 of India Limited. 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 preparation of financial statements

(a) Statement of compliance

These financial statements have been prepared in accordance with the generally accepted accounting principles in India and have complied in all material respects with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable and also complied with other relevant provisions of the Act and Interpretations issued by the Ind AS Transition Facilitation Group (ITFG) applicable to Companies reporting under Ind As and additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Basis of measurement

These financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

(c) Current / Non-current classification

The assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Use of estimates and judgement

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amounts of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The judgements, estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

2.3 Significant estimates and judgements

The areas involving significant estimates and judgements are :

- (i) Estimation of fair value of investment property – (Refer Note.4.3)
- (ii) Defined benefit Obligation – (Refer Note 23)
- (iii) Current tax expense – (Refer Note.22)

2.4 Property, Plant and Equipment

- (a) Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortization and impairment losses, if any.

Subsequent expenditure relating to an asset is included in its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.4 Property, Plant and Equipment – (Contd.)

(b) Biological Assets

Bearer Plants

Biological Assets which are held to bear agricultural produce are classified as bearer plants. The Company recognises tea bushes in the estates as bearer plants which are carried at cost of acquisition less accumulated depreciation and any recognised impairment losses. Costs comprise of expenditure on development, extension planting, infilling and replanting including cost of uprooting and maintenance of the newly planted bushes. The above costs are carried under Capital Work in Progress until maturity of such bushes.

Live stocks

Live stocks are carried at fair market value ascertained at each year end and adopted for subsequent reporting dates. The fair market value is determined based on productive life of animals.

2.5 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is carried at cost including related transaction costs less accumulated depreciation and impairment losses, if any. Subsequent expenditure is included in the asset's book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed when incurred. When a part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Depreciation and amortisation

Depreciation on tangible assets is provided using straight line method over the useful life of the assets in line with the rates specified in Schedule II to the Act, except for Bearer Plants which are depreciated over their estimated useful life of 60 years. Cost of Intangible asset is amortized over a period of three years on straight line basis. Investment property is depreciated using the straight line method over its estimated useful life in line with the rates specified in Schedule II to the Act.

2.7 Borrowing Costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized 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.

2.8 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 recognized, 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 recognized 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.

2.9 Foreign Currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(ii) Transactions and balances

Initial Recognition

Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.9 Foreign Currency translation – (Contd.)

Subsequent recognition

As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/ realisation and from the year end restatement are recognized in the statement of profit and Loss.

Forward contracts

Foreign exchange forward contracts outstanding at the year-end on account of firm commitment / highly probable forecast transactions are marked to market and the gains / losses, if any, are recognised in the Statement of Profit and Loss. The Company does not enter into any speculative transactions in derivatives.

2.10 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of stores and spares is ascertained on moving weighted average basis. Cost of Nursery stocks represents cost incurred in raising and maintaining such stocks till transplanted.

Cost of Finished Goods (Tea) is determined based on absorption costing method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 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.

2.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.13 Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories :

- (a) Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- (b) those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For Investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt instruments when and only when its business model for managing those assets changes. For investments in equity instruments the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through Other Comprehensive Income (FVOCI). The Company transfers amounts from FVOCI equity instruments to retained earnings on de-recognition of the relevant equity instruments.

(ii) Measurement

Initial recognition :

The Company measures a financial asset (in the case of a financial asset not carried at a fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.13 Investments and other financial assets – (Contd.)

Subsequent measurement :

(a) Equity Instruments

The Company subsequently measures all investments in equity (except that in the associate) at fair value and has elected to present fair value gains and losses on equity investments in other comprehensive income with no subsequent reclassification of fair value gains and losses to profit or loss.

Investments in associates are measured at cost less provision for impairment.

(b) Debt Instruments:

Company's investments in Mutual Funds (debt funds) are measured at Fair Value through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss in the period in which it arises.

(iii) Impairment of financial assets :

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. Impairment is considered when there is significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when :

- (a) The Company's contractual right to the cash flow expires or
- (b) The Company has transferred the rights to receive cash flows from the financial asset.

2.14 Revenue recognition

(i) Revenue from Contracts with customer

Revenue from contracts with customers (export tea sales) is recognised when the Company satisfies performance obligation by transferring promised goods to customers. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue from private tea sales is recognised when the significant risks and rewards of ownership in the goods are transferred to customers and recovery of the consideration is probable. Revenue from sale of tea at auction is recognised on receipt of sale notes from the brokers.

Revenue is measured at fair value of the consideration received or receivable. Revenue is net of returns, allowances, rebates and Goods and Service Tax.

(ii) Export benefits are accounted for based on eligibility and when there is no uncertainty in receiving them.

(iii) 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 recognized upon its determination as per the agreement.

(iv) Interest income from debt instruments is recognized using the effective interest rate method.

(v) Dividends are recognized in the statement of profit and loss only when the right to receive payment is established.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.15 Leases :

As a Lessee

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 lease. Such leases are capitalised at the inception of the lease at the lower of the fair value and present value of the minimum lease payments and the 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 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.

As a Lessor

Lease income (Licence fees) from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term unless the license fees is structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases in which event such increases are recognised in the year in which such benefits accrue.

2.16 Government grant

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are recognised in the statement of profit and loss over the periods in which the related costs, for which the grants are intended to compensate, are recognised as expenses.

Government grants relating to purchase of property, plant and equipment are included in other non-current / current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.17 Employee benefits / Obligations

(i) Short term obligations

Liabilities for wages and salaries including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered their related service are recognised in respect of employees' services upto to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Post employment obligations

The Company has the following post employment obligations / plans :

- (a) Defined benefit plans such as gratuity for its eligible employees; and
- (b) Defined contribution plans such as provident fund and superannuation.

(a) Gratuity :

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the Projected Unit Credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.17 Employee benefits / Obligations – (Contd.)

(ii) Post employment obligations

(a) Gratuity :

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income (net of tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) 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 its monthly contributions.

(c) Superannuation Fund :

This is a defined contribution plan. The Company contributes 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 monthly contributions and recognises such contributions as expense in the year incurred.

(iii) Other long term employee benefit obligation

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render their related service. They are, therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

2.18 Taxes on Income

Taxes on Income comprise current tax and deferred tax.

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognised in the statement of profit and loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is possible that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Provisions and contingencies

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability. Show Cause notices are not considered as contingent liabilities unless converted into demand.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

2.20 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.

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 equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Premium from Fair Trade International (FLO)

Sale of tea under "Fair Trade International (FLO) charter" offer a certain premium besides "minimum price" for the grade, which is recognized as part of current liability and the premium is transferred to the registered joint body (Chamraj Plantation Welfare Trust) as required by FLO charter for the benefit of the workers and community welfare.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

2.23 Dividend to Shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board meeting. Dividend distributed (including interim dividend) is recognised in the Statement of changes in Equity.

2.24 Recent Accounting pronouncements to be effective from 1st April 2019

Ind AS 116 Leases:

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

Amendment to Ind AS 12 'Income Taxes':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands, unless otherwise stated)

Note 3 Property, Plant and Equipment

| | Freehold Land and Development | Buildings | Machinery and Electrical Installations | Furniture and Fixture | Property, Plant and Equipment | | | | Intangible Assets | Ground Total |
|---|-------------------------------|-----------|--|-----------------------|-------------------------------|----------|--------------|-------------|-------------------|--------------|
| | | | | | Office and Computer Equipment | Vehicles | Bearer Plant | Live Stocks | | |
| Year ended March 31, 2018 | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | |
| Balance as at March 31, 2017 | 64,280 | 47,059 | 72,440 | 1,672 | 888 | 12,190 | 10,705 | 2,328 | 636 | 2,12,198 |
| Additions | 12,214 | 1,419 | 14,637 | 19 | 135 | 3,361 | - | - | 82 | 31,867 |
| Disposals | - | - | 604 | - | - | 1,824 | - | 67 | - | 2,495 |
| Balance as at March 31, 2018 | 76,494 | 48,478 | 86,473 | 1,691 | 1,023 | 13,727 | 10,705 | 2,261 | 718 | 2,41,570 |
| Accumulated depreciation/amortisation | - | 3,280 | 9,145 | 359 | 200 | 756 | 309 | - | 163 | 14,212 |
| Depreciation/amortisation charge during the year | - | 2,584 | 9,818 | 300 | 249 | 2,549 | 352 | - | 225 | 16,077 |
| Disposals | - | - | 604 | - | - | 1,824 | - | - | - | 2,428 |
| Balance as at March 31, 2018 | - | 5,864 | 18,359 | 659 | 449 | 1,481 | 661 | - | 388 | 27,861 |
| Net carrying amount as on March 31, 2018 | 76,494 | 42,614 | 68,114 | 1,032 | 574 | 12,246 | 10,044 | 2,261 | 330 | 2,13,709 |
| Year ended March 31, 2019 | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | |
| Balance as at March 31, 2018 | 76,494 | 48,478 | 86,473 | 1,691 | 1,023 | 13,727 | 10,705 | 2,261 | 718 | 2,41,570 |
| Additions | 11,269 | 1,297 | 3,701 | 33 | 122 | 6,330 | - | - | - | 22,752 |
| Disposals | - | 30 | 9,803 | 41 | 151 | 2,317 | - | 81 | - | 12,423 |
| Impairment provision | - | - | 4,342 | - | - | - | - | - | 282 | 4,624 |
| Balance as at March 31, 2019 | 87,763 | 49,745 | 76,029 | 1,683 | 994 | 17,740 | 10,705 | 2,180 | 436 | 2,47,275 |
| Accumulated depreciation/amortisation | - | 5,864 | 18,359 | 659 | 449 | 1,481 | 661 | - | 388 | 27,861 |
| Depreciation /amortisation charge during the year | - | 2,791 | 10,092 | 267 | 232 | 2,716 | 352 | - | 218 | 16,668 |
| Disposals | - | 30 | 9,803 | 41 | 151 | 1,853 | - | - | 283 | 12,161 |
| Balance as at March 31, 2019 | - | 8,625 | 18,648 | 885 | 530 | 2,344 | 1,013 | - | 323 | 32,368 |
| Net carrying amount as at March 31, 2019 | 87,763 | 41,120 | 57,381 | 798 | 464 | 15,396 | 9,692 | 2,180 | 113 | 2,14,907 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

Note 4. Investment Property

| Description of Assets | Freehold Land | Buildings | Machinery and Electrical Installations | Total |
|--|---------------|-----------|--|----------|
| Year ended March 31, 2018 | | | | |
| Gross carrying amount | | | | |
| Balance as at March 31, 2017 | 400 | 1,47,458 | 44,876 | 1,92,734 |
| Additions | — | — | — | — |
| Disposals | — | — | — | — |
| Balance as at March 31, 2018 | 400 | 1,47,458 | 44,876 | 1,92,734 |
| Accumulated depreciation / amortisation | — | 5,898 | 4,579 | 10,477 |
| Depreciation/amortisation charge during the year | — | 5,898 | 4,579 | 10,477 |
| Disposals | — | — | — | — |
| Balance as at March 31, 2018 | — | 11,796 | 9,158 | 20,954 |
| Net carrying amount as on March 31, 2018 | 400 | 1,35,662 | 35,718 | 1,71,780 |
| Year ended March 31, 2019 | | | | |
| Gross carrying amount | | | | |
| Balance as at March 31, 2018 | 400 | 1,47,458 | 44,876 | 1,92,734 |
| Additions | — | — | — | — |
| Disposals | — | — | — | — |
| Balance as at March 31, 2019 | 400 | 1,47,458 | 44,876 | 1,92,734 |
| Accumulated depreciation / amortisation | — | 11,796 | 9,158 | 20,954 |
| Depreciation/amortisation charge during the year | — | 5,898 | 4,579 | 10,477 |
| Disposals | — | — | — | — |
| Balance as at March 31, 2019 | — | 17,694 | 13,737 | 31,431 |
| Net carrying amount as at March 31, 2019 | 400 | 1,29,764 | 31,139 | 1,61,303 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

| | 31st March 2019 | 31st March 2018 |
|--|--------------------|--------------------|
| | | |
| 4.1 Amounts recognised in profit and loss for investment property : | | |
| Rental income from freehold buildings | 41,725 | 42,480 |
| Direct operating expense from property that generated rental income | 3,213 | 4,630 |
| Profit from investment property before depreciation | 38,512 | 37,850 |
| Depreciation | 10,477 | 10,477 |
| Profit from investment property | 28,035 | 27,373 |
| Particulars | Year ended | |
| | 31st March 2019 | 31st March 2018 |
| 4.2 Fair Value | | |
| Land | 4,02,540 | 3,59,500 |
| Buildings | 1,94,670 | 1,90,186 |
| Machinery and Electrical installations | 34,000 | 36,827 |
| | 6,31,210 | 5,86,513 |
| 4.3 Estimation of Fair value | | |
| <p>The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable leases, the market rate for sale / purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. The market approach is being followed for ascertaining the fair value of the investment properties and hence fair value is ascertained on the basis of market rates prevailing for similar properties in those locations determined by an independent registered valuer. Consequently this is classified as a Level 2 valuation.</p> | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

Note 5(a) Investments Non-current Investments

| Particulars | Nominal Value of shares/units | As at 31st March 2019 | | As at 31st March 2018 | |
|--|----------------------------------|------------------------|----------|------------------------|----------|
| | | No. of shares/units | Amount | No. of shares/units | Amount |
| A. Investments in equity instruments | | | | | |
| Investment in Associate (fully paid) - at cost - unquoted | 100 | - | - | 75,000 | 20,889 |
| Kuduma Fasteners Private Limited | | | | | 20,889 |
| Investments in other equity instruments designated at fair value through other comprehensive income | | | | | |
| I. Unquoted (fully paid) | | | | | |
| Stanes Amalgamated Estates Limited | 10 | 81,783 | 8,178 | 81,783 | 10,632 |
| Hifame Private Limited | 10 | 27,600 | 8,335 | 27,600 | 9,990 |
| Simpson and Company Limited | 10 | 16,333 | 1,71,497 | 26,333 | 1,71,165 |
| Orkay Industries Limited | 10 | 450 | - | 450 | - |
| Palani Andavar Cotton & Synthetic Spinners Limited | 10 | 500 | - | 500 | - |
| | | | 1,88,010 | | 1,91,787 |
| II. Quoted (fully paid) | | | | | |
| IP Rings Limited | 10 | 3,600 | 373 | 3,600 | 575 |
| TATA Coffee Limited | 1 | 1,000 | 902 | 1,000 | 1,134 |
| Tata Steel Limited | 10 | 6,739 | 3,511 | 6,739 | 3,847 |
| The Tata Power Company Limited | 1 | 10,000 | 738 | 10,000 | 793 |
| Uniworth India Limited | 10 | 750 | - | 750 | 1 |
| Wabco (India) Limited | 5 | 4,300 | 28,647 | 4,300 | 33,960 |
| | | | 34,171 | | 40,310 |
| Total Investments in equity instruments | | | 2,22,181 | | 2,52,986 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

Note 5(a) Investments Non-current Investments

| Particulars | Nominal Value of shares/units | As at 31st March 2019 | | As at 31st March 2018 | |
|--|----------------------------------|------------------------|--------|------------------------|--------|
| | | No. of shares/units | Amount | No. of shares/units | Amount |
| B. Investments in debt instruments designated as Fair Value through Profit and Loss | | | | | |
| Investments in Mutual Funds | | | | | |
| Sundaram Select Debt Short term Asset Plan-Growth | 10 | 6,77,630 | 22,741 | 6,77,630 | 21,112 |
| Reliance Short Term Fund – Growth | 10 | 83,721 | 2,907 | – | – |
| Reliance Equity Hybrid Fund – Growth | 10 | 91,211 | 5,393 | 91,211 | 5,159 |
| Reliance Short Term Fund – Monthly Dividend | 10 | – | – | 2,45,416 | 2,743 |
| Reliance Short Term Fund – Direct – Growth | 10 | 3,10,174 | 11,184 | 3,10,174 | 10,448 |
| Reliance Classic Bond Fund - Growth | 10 | 7,31,855 | 10,761 | 7,31,855 | 10,256 |
| Reliance Fixed Horizon Fund-Series XXXI 4 – Growth | 10 | 5,00,000 | 6,318 | 5,00,000 | 5,818 |
| Reliance Fixed Horizon Fund-Series XXXV-16 – Growth | 10 | 7,50,000 | 8,067 | 7,50,000 | 7,631 |
| Reliance Fixed Horizon Fund-Series XXXV-09 – Growth | 10 | 10,00,000 | 10,653 | – | – |
| Reliance Credit Risk Fund – Growth | 10 | 4,88,099 | 12,578 | 4,88,099 | 11,816 |
| HDFC Medium Term Debt Fund – Growth | 10 | 1,84,379 | 6,792 | 1,84,379 | 6,378 |
| HDFC Regular Savings Fund – Monthly Dividend | 10 | – | – | 6,46,098 | 6,715 |
| HDFC Fixed Maturity Plan – Quarterly Dividend | 10 | 5,00,000 | 5,007 | 5,00,000 | 5,051 |
| HDFC Fixed Maturity Plan – Growth | 10 | 45,00,000 | 51,238 | 42,50,000 | 45,481 |
| HDFC Credit Risk Fund – Growth | 10 | 17,24,090 | 27,445 | 13,81,788 | 20,635 |
| HDFC Hybrid equity Fund Growth – Direct | 10 | 1,97,286 | 11,186 | 67,600 | 10,323 |
| HDFC Regular Savings Fund – Growth – Direct | 10 | – | – | 1,44,422 | 5,089 |
| HDFC Short Term Debt fund – Growth | 10 | 1,41,722 | 2,925 | 1,41,722 | 2,717 |
| HDFC Credit Risk Fund – Growth | 10 | 12,74,109 | 19,437 | 8,07,220 | 11,633 |
| Birla Sun Life Dynamic Fund – Growth | 10 | 4,85,087 | 15,327 | 6,07,492 | 18,214 |
| Birla Sun Life Corporate Bond Fund – Growth | 10 | 80,338 | 5,756 | 80,338 | 5,338 |
| Birla Sun Life Short Term Opportunities Fund – Growth | 10 | 6,29,371 | 19,447 | 6,29,371 | 18,161 |
| Birla Sun Life Short Term Opportunities Fund – Quarterly Dividend Reinvestment | 10 | 3,22,255 | 3,430 | 3,22,255 | 3,273 |
| Birla Sunlife Banking and PSU Debt Fund – Growth – Direct | 10 | 22,651 | 5,480 | 22,651 | 5,086 |
| Birla Sun Life Hybrid fund – Growth – Direct | 10 | 6,571 | 5,329 | 6,571 | 5,112 |
| Birla Sun Life Corporate Bond fund – Growth – Direct | 10 | 2,33,874 | 16,870 | 2,33,874 | 15,628 |
| Birla Sunlife Banking and PSU Debt Fund – Growth | 10 | 48,591 | 11,565 | 48,591 | 10,766 |
| Birla Sunlife Medium Term Plan – Growth | 10 | 4,09,310 | 9,324 | 4,09,310 | 8,996 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

Note 5(a) Investments Non-current Investments

| Particulars | Nominal Value of shares/units | As at 31st March 2019 | | As at 31st March 2018 | |
|--|----------------------------------|------------------------|----------|------------------------|----------|
| | | No. of shares/units | Amount | No. of shares/units | Amount |
| B Investments in debt instruments designated as Fair Value through Profit and Loss – (Contd.) | | | | | |
| Investments in Mutual Funds | | | | | |
| ICICI Prudential Corporate Bond Fund-Growth | 10 | 1,51,598 | 2,896 | 1,51,598 | 2,700 |
| ICICI Prudential Credit Risk Fund-Growth | 10 | 21,07,716 | 41,877 | 21,07,716 | 39,129 |
| ICICI Prudential Medium Term Bond fund - Growth | 10 | 8,21,255 | 24,632 | 8,21,255 | 23,219 |
| ICICI Prudential Short Term Fund - Growth | 10 | 2,87,044 | 11,090 | 2,87,044 | 10,390 |
| DSP BlackRock Income Opportunities fund - Growth | 10 | 2,14,987 | 6,034 | 2,14,987 | 6,148 |
| DSP BlackRock Equity and Bond fund - Growth-Direct | 10 | 33,540 | 5,361 | 33,540 | 4,985 |
| TATA Value Fund Series 1 - Growth | 10 | 45,00,000 | 44,025 | – | – |
| TATA Multicap Fund - Growth | 10 | 3,70,000 | 3,869 | – | – |
| Total investments in debt instruments | | | 4,46,944 | | 3,66,150 |
| Total non current investments | | | 6,69,125 | | 6,19,136 |
| Other Disclosures | | | | | |
| Aggregate carrying amount of quoted investments | | | 34,171 | | 40,310 |
| Aggregate market value of quoted investments | | | 34,171 | | 40,310 |
| Aggregate amount of unquoted investments | | | 6,34,954 | | 5,78,826 |

5 a.1 Extent of holdings in associate

5 a.2. The Company in response to a Buyback offer from Simpson and Company Limited has tendered 10,000 equity shares out of 26,333 shares held as long term investment resulting in a gain of Rs. 10.50 crore which in terms of the offer document is to be treated as distribution of dividend exempt from income tax. Of the above Rs.6.50 crore has been included in Other Comprehensive Income upto 31st March 2018 following the valuation principles (Fair Value through Other Comprehensive Income) as mandated by Ind AS and the balance of Rs.4 crore has been included in Other Comprehensive Income for the year ended 31st March 2019.

5 a.3. The investments in Mutual Funds are in open ended schemes which are not listed on any recognised stock exchanges. The Net Asset Values are based on the data published by the respective Asset Management Companies. Consequently this is classified as level 2 valuation.

Note 5(a) Investments Current Investments

| PARTICULARS | Nominal Value of shares/units | As at 31st March 2019 | | As at 31st March 2018 | |
|--|----------------------------------|------------------------|--------|------------------------|--------|
| | | No. of shares/units | Amount | No. of shares/units | Amount |
| B Investments in debt instruments designated as Fair Value through Profit and Loss – (Contd.) | | | | | |
| Investment in Mutual Funds | | | | | |
| HDFC Liquid Fund Daily Dividend | 10 | 36,629 | 37,355 | 14,237 | 14,520 |
| Franklin India Ultra Short Term Bond Fund - Growth | 10 | 7,72,487 | 20,292 | – | – |
| Total current investments | | | 57,647 | | 14,520 |

The investments in Mutual Funds are in open ended schemes which are not listed on any recognised stock exchanges. The Net Asset Values are based on the data published by the respective Asset Management Companies. Consequently this is classified as level 2 valuation.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|--|-----------------------------|-----------------------------|
| Note 5 (b) – Trade receivables | | |
| Unsecured - considered good | 44,435 | 53,349 |
| Total | <u>44,435</u> | <u>53,349</u> |
| There are no dues from related parties. | | |
| Note 5 (c) – Cash and cash equivalents | | |
| (i) Cash and Cash equivalents (as per Cash Flow Statement) | | |
| (a) Cash on hand | 79 | 40 |
| (b) Balances with banks | | |
| – In current accounts | 8,035 | 10,621 |
| – In EEFC accounts | – | 3,422 |
| | <u>8,114</u> | <u>14,083</u> |
| (ii) Other bank balances | | |
| – In deposit accounts (original maturity of more than three months) | 1,62,215 | 52,782 |
| – In earmarked accounts | | |
| Unpaid dividend accounts | 8,398 | 8,204 |
| Total | <u>1,78,727</u> | <u>75,069</u> |
| Note 5 (d) – Other financial assets (Unsecured - considered good) | | |
| Current | | |
| Accrued interest on fixed deposits | 3,085 | 1,674 |
| Replanting / Orthodox Subsidy receivable | 22,085 | 23,649 |
| MEIS Licence receivable | 4,396 | 8,497 |
| Total | <u>29,566</u> | <u>33,820</u> |
| Note 6 Other non current assets (Unsecured - considered good) | | |
| Capital advance | 20,328 | – |
| Security deposits | 5,363 | 5,259 |
| Total | <u>25,691</u> | <u>5,259</u> |
| Note 7 Inventories (at lower of cost and net realizable value) | | |
| Finished goods (Tea) | 45,303 | 35,367 |
| Stores and Spare Parts | 16,506 | 12,914 |
| Nursery Stock | 1,360 | 987 |
| Total | <u>63,169</u> | <u>49,268</u> |
| Note 8 Other current assets (Unsecured - considered good) | | |
| Advances-Trade and Supplies | 2,137 | 433 |
| Prepaid expenses | 9,796 | 7,357 |
| Due from Gratuity Trust (Note 23) | 4,396 | – |
| Others | 319 | 847 |
| Total | <u>16,648</u> | <u>8,637</u> |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|-------------------------|---------------|-------------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Note 9(a) Equity share capital | | | | |
| Authorised | | | | |
| Equity shares of Rs.10/- each | 50,00,000 | 50,000 | 50,00,000 | 50,000 |
| Issued, subscribed and fully paid-up | | | | |
| Equity shares of Rs.10/- each | 49,96,566 | 49,966 | 49,96,566 | 49,966 |
| | | <u>49,966</u> | | <u>49,966</u> |
| (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year | | | | |
| Equity Shares | | | | |
| At the beginning of the year | 49,96,566 | 49,966 | 49,96,566 | 49,966 |
| Less: Changes during the year | — | — | — | — |
| Outstanding at the end of the year | <u>49,96,566</u> | <u>49,966</u> | <u>49,96,566</u> | <u>49,966</u> |
| (b) Rights, preferences and restrictions attached to equity shares | | | | |
| Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act, 2013. | | | | |
| (c) Details of shares held by each shareholder holding more than 5% of share capital | Number of shares | % | Number of shares | % |
| Tractors and Farm Equipment Limited | 8,55,363 | 17.12% | 8,55,363 | 17.12% |
| T.Stanes & Company Limited | 8,36,688 | 16.75% | 8,36,308 | 16.74% |
| Life Insurance Corporation of India | 7,71,496 | 15.44% | 7,71,496 | 15.44% |
| Amalgamations Private Limited | 3,75,460 | 7.51% | 3,25,460 | 6.51% |
| Trustees T.Stanes & Company Limited | 2,64,816 | 5.30% | 2,64,816 | 5.30% |
| Staff Pension Fund | <u>31,03,823</u> | | <u>30,53,443</u> | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | As at | |
|--|--------------------|--------------------|
| | 31st March 2019 | 31st March 2018 |
| Note 9 (b) – Other Equity | | |
| Reserves and Surplus | | |
| General Reserve | 7,45,000 | 6,70,000 |
| Retained earnings (Surplus) | 3,79,618 | 1,45,069 |
| Other reserves – Refer Note (9.b.iii) | 2,19,078 | 3,00,398 |
| Total | 13,43,696 | 11,15,467 |
| (i) General Reserve | | |
| Opening balance | 6,70,000 | 6,00,000 |
| Add : Transfer from retained earnings | 75,000 | 70,000 |
| Closing balance | 7,45,000 | 6,70,000 |
| (ii) Retained earnings (surplus) | | |
| Opening balance | 1,45,069 | 1,17,419 |
| Add : Profit for the year | 1,43,723 | 1,21,504 |
| Add: Items of Other Comprehensive income recognised directly in retained earnings | | |
| Remeasurements of post-employment benefit obligations, net of tax | 5,687 | (7,617) |
| Add: Amount transferred from Other Reserves in respect of FVOCI instruments sold during the year / previous year | 1,76,403 | – |
| Less : Appropriations | | |
| Transfer to General Reserve | (75,000) | (70,000) |
| Transaction with owners in their capacity as owners | | |
| Dividend declared and paid during the year – Final 2018/Final 2017 | (8,494) | (8,494) |
| – Interim 2019/ Interim 2018 | (4,997) | (4,997) |
| Tax on dividend | (2,773) | (2,746) |
| Closing Balance | 3,79,618 | 1,45,069 |
| (iii) Other Reserves : | | |
| FVOCI Equity Instruments | | |
| Opening balance | 3,00,398 | 2,47,734 |
| Add: Change in fair value of FVOCI equity instruments | 95,083 | 52,664 |
| Less: Amount transferred to Retained earnings in respect of FVOCI instruments sold during the year / previous year | (1,76,403) | – |
| Closing balance | 2,19,078 | 3,00,39 |
| Nature and purpose of Other Reserves | | |
| The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVOCI equity instruments in other equity. The Company has an option of transferring amounts from FVOCI equity instruments to retained earnings on de-recognition of the relevant equity instruments. | | |
| Note 10 (a) Other financial liabilities | | |
| Non Current (carried at amortized cost) | | |
| Security deposits | 14,664 | 13,951 |
| Total | 14,664 | 13,951 |
| Current | | |
| Unclaimed/Unpaid Dividend | 3,401 | 3,207 |
| Interim Dividend Payable | 4,997 | 4,997 |
| Due to gratuity trust (Note 23) | – | 5,230 |
| Other payables | – | 3,916 |
| Total | 8,398 | 17,350 |
| Note 10 (b) Trade payables | | |
| Total outstanding dues of micro, small and medium enterprises | – | – |
| Total outstanding dues of creditors other than micro and small enterprises | 14,791 | 12,114 |
| Total | 14,791 | 12,114 |
| There are no dues to any related party nor were there any acceptances outstanding as at the year end. | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | | | | As at | |
|--|-------------------------------|--|-----------------------------------|------------------------------|------------------------------|
| | | | | 31st March 2019 | 31st March 2018 |
| Note 11 Provisions | | | | | |
| Non Current | | | | | |
| Provision for Compensated Absences | | | | 1,762 | 1,273 |
| | | | | <u>1,762</u> | <u>1,273</u> |
| Current | | | | | |
| Provision for Compensated Absences | | | | 208 | 425 |
| | | | | <u>208</u> | <u>425</u> |
| Note 12.1. Deferred tax liabilities /assets : | | | | | |
| Tax effect of items constituting deferred tax liabilities : | | | | | |
| On difference between book and tax balance of Property,Plant and Equipment | | | | 3,367 | 4,474 |
| On expenditure capitalised in books but allowable for tax purpose | | | | – | 312 |
| | | | | <u>3,367</u> | <u>4,786</u> |
| Tax effect of items constituting deferred tax assets : | | | | | |
| Expenses allowable on payment basis | | | | 485 | 985 |
| Provision for Employee benefit | | | | (493) | 225 |
| | | | | <u>(8)</u> | <u>1,210</u> |
| Deferred tax liabilities (Net) | | | | <u>3,375</u> | <u>3,576</u> |
| 12.2. Movement in deferred tax liability | Property, Plant and equipment | Expenses capitalised but allowable for tax purpose | Expenses allowed on payment basis | Employee benefit | Total |
| As at 1st April 2017 | 3,080 | 281 | 836 | 253 | 2,272 |
| Credited/(charged) to | | | | | |
| – Profit and Loss | (1,394) | (31) | (149) | 28 | (1,304) |
| – Other Comprehensive Income | – | – | – | – | – |
| As at 31st March 2018 | 4,474 | 312 | 985 | 225 | 3,576 |
| As at 1st April 2018 | 4,474 | 312 | 985 | 225 | 3,576 |
| Credited/(charged) to | | | | | |
| – Profit and Loss | 1,107 | 312 | 500 | 6 | 913 |
| – Other Comprehensive Income | – | – | – | 712 | 712 |
| As at 31st March 2019 | 3,367 | – | 485 | (493) | 3,375 |
| Note 13 Other non current liabilities | | | | As at 31st March 2019 | As at 31st March 2018 |
| Deferred Government grants | | | | 309 | 309 |
| Deferred licence income | | | | 1,193 | 1,816 |
| Other Liabilities | | | | 6,483 | – |
| Total | | | | <u>7,985</u> | <u>2,125</u> |
| Note 14 Other current liabilities | | | | | |
| Statutory remittances | | | | 3,501 | 3,736 |
| Payable on purchase of property,plant and equipment | | | | – | 2,987 |
| Advance from customers | | | | 351 | 580 |
| Employee Benefits payable | | | | 26,101 | 24,966 |
| Other Liabilities | | | | 780 | 1,211 |
| Total | | | | <u>30,733</u> | <u>33,480</u> |
| Note 15 Current tax asset / (liabilities) | | | | | |
| Advance tax paid | | | | 1,54,585 | 1,29,504 |
| Tax deducted at source | | | | 25,998 | 21,870 |
| Less : Provision for Current tax | | | | 1,77,907 | 1,50,708 |
| Current tax asset / (liabilities) | | | | <u>2,676</u> | <u>666</u> |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|--|--|
| Note 16. Revenue from operations | | |
| (a) Sale of Products - Tea {Refer note (i) and (iia) below} | 5,78,061 | 5,36,567 |
| (b) Sale of services - License fees from letting of property {Refer note (iib) below} | 41,725 | 42,480 |
| (c) Other operating revenues {Refer note (iii) below} | 37,217 | 39,277 |
| | <u>6,57,003</u> | <u>6,18,324</u> |
| Note : (iii) Other operating revenues comprise | | |
| Export benefits | | |
| Duty Drawback | 728 | 1,528 |
| MEIS License | 4,119 | 10,175 |
| Orthodox subsidy | 3,747 | 12,827 |
| Insurance claim on damaged stock | 19,407 | — |
| Income from other planting activities | 9,216 | 14,747 |
| | <u>37,217</u> | <u>39,277</u> |
| Note : (i) Includes Revenue from contracts with customer | <u>3,80,084</u> | <u>3,09,855</u> |
| Note : (iia) Previous year- includes excise duty of Rs.307/- upto 30th June 2017 | | |
| Note : (iib) Previous year - includes service tax of Rs.1458/- upto 30th June 2017 | | |
| Current year Nil due to implementation of GST with effect from 1st July 2017 | | |
| Note 17. Other Income | | |
| Fair value gain from financial assets (mutual funds) mandatorily measured at FVTPL | 22,987 | 9,168 |
| Profit on switch out / redemption of financial assets (mutual funds) | 756 | 5,516 |
| Interest Income on | | |
| Bank deposits | 4,558 | 5,252 |
| Others | 312 | 808 |
| Dividend Income on | | |
| Non current investments | 980 | 1,589 |
| Current investments | 1,333 | 1,367 |
| Gain on Foreign currency transactions (net) | 4,803 | 5,068 |
| Provision for diminution in value of investments no longer required written back | — | 20,889 |
| Liabilities no longer required written back | 4,801 | — |
| Gain on disposal of property, plant and equipment | 520 | 943 |
| Total | <u>41,050</u> | <u>50,600</u> |
| Note 18. Changes in value of finished goods (Tea) | | |
| Inventories at the end of the year | 45,303 | 35,367 |
| Inventories at the beginning of the year | 35,367 | 28,170 |
| Net (increase)/decrease | <u>(9,936)</u> | <u>(7,197)</u> |
| Note 19. Employee benefits expense | | |
| Salaries, wages and bonus | 1,47,359 | 1,32,375 |
| Contribution to provident and family pension funds | 14,182 | 12,971 |
| Contribution to Superannuation Fund | 2,254 | 4,737 |
| Gratuity (Refer Note: 23) | 5,919 | 8,682 |
| Workmen and staff welfare expenses | 7,163 | 25,199 |
| Total | <u>1,76,877</u> | <u>1,83,964</u> |
| Note 20. Finance Cost | | |
| Interest expense on financial liability at FVTPL | 714 | 683 |
| Total | <u>714</u> | <u>683</u> |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Note 21. Other expenses | | |
| Consumption of stores and spares | 29,752 | 32,363 |
| Power and fuel | 38,641 | 34,048 |
| Repairs and maintenance | | |
| Building | 26,751 | 14,445 |
| Machinery | 4,002 | 5,066 |
| Rates and taxes | 2,570 | 3,650 |
| Insurance | 4,860 | 4,213 |
| Selling expenses | | |
| Brokerage and Commission | 820 | 954 |
| Sampling and Other Expenses | 14,162 | 14,202 |
| Freight and other expenses on Tea Export | 32,269 | 28,378 |
| Commission to Non-Wholetime Directors | 1,050 | 1,050 |
| Donation | 500 | 500 |
| Corporate Social Responsibility expense (Refer Note: 26) | 2,047 | 2,585 |
| Directors' Sitting Fees | 233 | 315 |
| Remuneration to Auditors : | | |
| – for Audit | 650 | 650 |
| – for certification | 101 | 134 |
| – for taxation | 175 | 19 |
| Professional charges | 2,105 | 1,900 |
| Transport charges | 8,651 | 7,628 |
| Travelling expenses | 6,105 | 5,764 |
| Rent including lease rentals | 32 | 39 |
| Impairment provision of property, plant and equipment | 4,342 | – |
| Miscellaneous expenses | 18,908 | 25,880 |
| Total | 1,98,726 | 1,83,783 |
| Note 22 Current Tax | | |
| Current tax charge | 27,200 | 30,200 |
| Current tax expense recognised in the statement of profit or loss | 27,200 | 30,200 |
| The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows: | | |
| Profit before tax | 1,70,010 | 1,53,008 |
| Enacted income tax rate in India | 27.82% | 33.063% |
| | 47,297 | 50,589 |
| Effect of: | | |
| Income that is exempt from tax | (19,399) | (21,425) |
| Expenses that are not deductible in determining taxable profit | 3,613 | 944 |
| Income subject to different tax | (4,381) | – |
| Others | 70 | 92 |
| Current Tax expense recognised in the statement of profit and loss | 27,200 | 30,200 |
| The tax rates under Indian Income-tax Act, for the year ended 31st March 2019 and 31st March 2018 are 27.82% and 33.063% respectively. | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
|---|-----------------------------------|---------------------------------|---------------------------|---------------------------|
| Note 23. Employee benefit obligations | Compensated absence | | Gratuity | |
| Current | 208 | 425 | (4,396) | 5,230 |
| Non current | 1,762 | 1,273 | – | – |
| Total | 1,970 | 1,698 | (4,396) | 5,230 |
| Other long-term employee benefits Compensated absence The compensated absences cover the Company's liability for earned leave. The amount of provision of Rs.208/- (March 31, 2018 - Rs. 425/-) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Post employment benefits (a) Defined contribution plan – Provident fund and Superannuation fund Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to recognised provident fund administered by the Government. The Company also makes contribution to superannuation fund at a specified percentage of the basic pay of the eligible employees in accordance with the Company's scheme administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. | | | | |
| Amount recognised in statement of profit and loss | | | March 31, 2019 | March 31, 2018 |
| Provident Fund | | | 14,182 | 12,971 |
| Superannuation Fund | | | 2,254 | 4,737 |
| Total | | | 16,436 | 17,708 |
| (b) Defined benefit plan - Gratuity The Company provides for Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied by the number of years of service. The Gratuity plan is a funded plan and the Company makes contribution to LIC. | | | | |
| (i) Reconciliation | Present value of obligation | Fair value of plan assets | Net Amount | |
| April 1, 2017 | 53,408 | 53,451 | 43 | |
| Current service cost | 9,634 | – | (9,634) | |
| Interest expense/(income) | 3,587 | 4,539 | 952 | |
| Total amount recognised in the statement of profit and loss | 13,221 | 4,539 | (8,682) | |
| Remeasurements | | | | |
| – Return on plan assets, excluding amounts included in interest expense/(income) | – | 303 | 303 | |
| – (Gain)/loss from change in demographic assumptions | – | – | – | |
| (Gain)/loss from change in financial assumptions | (2,217) | – | (2,217) | |
| Experience (gains)/losses | 9,531 | – | 9,531 | |
| Total amount recognised in other comprehensive income | 7,314 | 303 | 7,617 | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Note 23. Employee benefit obligations – (Contd.) | Present value of obligation | Fair value of plan assets | Net Amount |
|--|------------------------------------|----------------------------------|-------------------|
| Employer contributions | (3,926) | 7,100 | 11,026 |
| Benefit payments | (1,221) | 1,221 | – |
| March 31, 2018 | 68,796 | 63,566 | (5,230) |
| April 1, 2018 | 68,796 | 63,566 | (5,230) |
| Current service cost | 5,868 | – | (5,868) |
| Interest expense/(income) | 5,086 | 5,035 | (51) |
| Total amount recognised in the statement of profit and loss | 10,954 | 5,035 | (5,919) |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | – | 699 | 699 |
| (Gain)/loss from change in demographic assumptions | (486) | – | (486) |
| (Gain)/loss from change in financial assumptions | (212) | – | (212) |
| Experience (gains)/losses | (6,400) | – | (6,400) |
| Total amount recognised in other comprehensive income | (7,098) | 699 | (6,399) |
| Employer contributions | – | 9,146 | 9,146 |
| Benefit payments | (6,504) | 6,504 | – |
| March 31, 2019 | 66,148 | 70,544 | (4,396) |
| Net Asset/(liability) disclosed above relating to funded obligations are as follows: | | March 31, 2019 | March 31, 2018 |
| Present value of funded obligations | | 66,148 | 68,796 |
| Fair value of plan assets | | 70,544 | 63,566 |
| (Surplus)/Deficit of funded plan | | (4,396) | 5,230 |
| (ii) Significant actuarial assumptions | | | |
| The significant actuarial assumptions are as follows: | | March 31, 2019 | March 31, 2018 |
| Discount rate | | 7.76% | 7.70% |
| Expected return on plan assets | | 7.76% | 7.60% |
| Salary growth rate | | 6.00% | 6.00% |
| Attrition rate | | 5% | 5% |
| The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market. | | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
|--|-----------------------------|-------------------|--------------------------------------|--------------------------------------|
| Note 23. Employee benefit obligations – (Contd.) | Change in assumption | | Defined Benefit Obligation | |
| (iii) (a) Sensitivity Analysis | | | | |
| Discount rate | 1.00% | 0.50% | 60,950 | 66,493 |
| | –1.00% | –0.50% | 71,957 | 71,269 |
| Salary growth rate | 1.00% | 0.50% | 71,958 | 71,258 |
| | –1.00% | –0.50% | 60,872 | 66,481 |
| The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period. | | | | |
| (b) Expected total benefit payments for following years | | | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Within one year | | | 4,179 | 13,241 |
| 1-2 years | | | 4,835 | 6,887 |
| 2-3 years | | | 2,748 | 4,606 |
| 3-4 years | | | 3,738 | 6,808 |
| 4-5 years | | | 3,480 | 5,125 |
| 5-10 years | | | 15,803 | 28,919 |
| The Company has plan assets by way of investments in LIC. | | | | |
| (iv) Risk exposure | | | | |
| Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below: | | | | |
| Asset volatility | | | | |
| The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bond rate. If the return on plan asset is lower than this rate, then it will create a plan deficit. | | | | |
| Changes in bond yields | | | | |
| A decrease in bond yields will increase plan liabilities although this will be partly offset by increase in the value of the plan holdings. | | | | |
| (v) The weighted average duration of the defined benefit obligation is 14.21 years (2018 – 12.84 years). | | | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| <p>Note 24. The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous to the planted area in the tea garden but due to rocky terrain, the land could not be cultivated as stipulated by Government and eviction proceedings 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.</p> | | |
| <p>Note 25. Earnings Per Share</p> <p>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.</p> | | |
| Net Profit attributable to shareholders | 1,43,723 | 1,21,504 |
| Number of shares in thousands (Face value Rs.10/-) | 4,997 | 4,997 |
| Earnings per Share (Basic and Diluted) – (Rs.) | 28.76 | 24.32 |
| <p>Note 26. Corporate Social Responsibility</p> <p>(a) In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend Rs. 2,642/- (P.Y. Rs. 2,585) calculated at 2% of the average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. Amounts spent towards CSR activities are monitored by CSR committee and CSR Policy of the Company which covers predominantly Orphanage, healthcare and rural development and tribal welfare. The Company has incurred an expenditure of Rs.2,047/- (P.Y. Rs. 2,585/-) as below:</p> <p>(b) Amounts spent during the year in cash on:</p> <p>(i) Construction / acquisition of any asset</p> <p>(ii) Purpose other than (i) above</p> <p>Total</p> | <p>–</p> <p>2,047</p> <p>2,047</p> | <p>–</p> <p>2,585</p> <p>2,585</p> |
| <p>Note 27. Repairs to Building and Machinery include</p> <p>Salaries and Wages</p> <p>Consumption of stores</p> <p>Total</p> | <p>10,660</p> <p>14,989</p> <p>25,649</p> | <p>9,104</p> <p>8,545</p> <p>17,649</p> |
| <p>Note 28. Due to micro , small and medium enterprises :</p> <p>There are no dues including interest to any micro,small and medium enterprises at the end of the financial year and no dues including any interest thereon have been paid beyond the appointed date during the year.</p> | | |
| <p>Note 29. Related Party Disclosures</p> <p>(1) List of related parties and nature of relationship are as under:</p> <p>Key Managerial Personnel</p> <p>Mr. D. Hegde, Whole-time Director</p> <p>Mr. T.G.B. Pinto, Whole-time Director</p> <p>Mr. S. Raghuraman, Chief Financial Officer</p> <p>Mr. R.V. Sridharan, Company Secretary</p> <p>Mr. K. Guruswamy, Company Secretary (upto 30.09.2017)</p> | | |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

| Note 29. Related Party Disclosures – (Contd.) | | |
|---|--------------------------|-----------|
| (2) Particulars of transactions with related parties | | |
| Description | Key Managerial Personnel | |
| | 2018-2019 | 2017-2018 |
| (a) Transactions during the year | | |
| (i) Remuneration to Key Managerial Personnel | 13,240 | 11,965 |
| Mr. D. Hegde | 4,477 | 4,181 |
| Mr. T.G.B. Pinto | 4,558 | 4,233 |
| Mr. S. Raghuraman | 3,305 | 2,801 |
| Mr. K. Guruswamy (upto 30.09.2017) | – | 300 |
| Mr. R.V. Sridharan | 900 | 450 |
| (ii) Dividend Paid | 17 | 17 |
| Mr. D. Hegde | 6 | 6 |
| Mr. T.G. B.Pinto | 8 | 8 |
| Mr. S. Raghuraman | 3 | 3 |
| (b) Payments to Directors | | |
| Description | Directors | |
| | 2018-2019 | 2017-2018 |
| (i) Sitting Fees paid : | 233 | 315 |
| Ms. Mallika Srinivasan | 28 | 40 |
| Mr. N. Srinivasan | 63 | 80 |
| Mr. Sankar Datta | 50 | 70 |
| Mr. K.V. Sriram | 47 | 57 |
| Mr. Krishna Srinivasan | 25 | 33 |
| Mr. R.Srinivasan | 20 | 35 |
| (ii) Commission paid : | 1,050 | 1006 |
| Ms. Mallika Srinivasan | 175 | 175 |
| Mr. N. Srinivasan | 175 | 175 |
| Mr. Sankar Datta | 175 | 175 |
| Mr. K.V. Sriram | 175 | 175 |
| Mr. Krishna Srinivasan | 175 | 175 |
| Mr. R. Srinivasan | 175 | 29 |
| Mr. R. Subramaniyan | – | 102 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

Note 30. Segment Information

30.1 The Whole-time Directors of the Company have been identified as the Chief Operating Decision Makers (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators for business as a whole. The Company's main business is growing and manufacturing of tea and letting of Commercial Property. Income from investments and interest income are not allocated to segments as the related activities are carried out by the central treasury function which manages the cash position of the Company.

30.2 (a) The business operations are restricted in India. The Company operates in domestic and foreign markets. The Company has opted to disclose segment information using quantitative threshold as per Ind AS 108.

| Description | 31st March 2019 | | | 31st March 2018 | | |
|--|-----------------|---------------------|------------------|----------------------------------|----------------------------------|-----------|
| | Segment I | Segment II | Total | Segment I | Segment II | Total |
| | Plantation | Commercial Property | | Plantation | Commercial Property | |
| Segment revenue | | | | | | |
| External sales | 6,15,278 | 41,725 | 6,57,003 | 5,75,844 | 42,480 | 6,18,324 |
| Inter-segment sales | — | — | — | — | — | — |
| Total Revenue | 6,15,278 | 41,725 | 6,57,003 | 5,75,844 | 42,480 | 6,18,324 |
| Segment results – Profit | 1,25,077 | 28,035 | 1,53,112 | 1,12,254 | 27,372 | 1,39,626 |
| Unallocated corporate expenses (HO expense) | | | 13,314 | | | 9,635 |
| Profit from operations | | | 1,39,798 | | | 1,29,991 |
| Investment income | | | 30,926 | | | 23,700 |
| Finance cost | | | 714 | | | 683 |
| Income Taxes | | | 26,287 | | | 31,504 |
| Net Profit | | | 1,43,723 | | | 1,21,504 |
| Segment assets | 3,47,679 | 2,08,075 | 5,55,754 | 3,58,980 | 1,76,639 | 5,35,619 |
| Unallocated corporate assets | | | 9,19,824 | | | 7,14,108 |
| Total Assets | | | 14,75,578 | | | 12,49,727 |
| Segment liabilities | 44,850 | 15,858 | 60,708 | 52,962 | 16,075 | 69,037 |
| Unallocated corporate liabilities | | | 21,208 | | | 15,257 |
| Total liabilities | | | 81,916 | | | 84,294 |
| 30.2 (b) Segment Information - Geographical | | | | Year ended March 31, 2019 | Year ended March 31, 2018 | |
| (i) Revenue | | | | | | |
| India | | | | 2,76,919 | 3,08,469 | |
| Outside India | | | | 3,80,084 | 3,09,855 | |
| Total | | | | 6,57,003 | 6,18,324 | |
| (ii) Assets* | | | | | | |
| India | | | | 14,42,418 | 12,09,849 | |
| Outside India | | | | 33,160 | 39,878 | |
| Total | | | | 14,75,578 | 12,49,727 | |

*Trade receivable are disclosed on geographical locations of customers. Other assets are not identifiable separately to any reportable segments as these are used interchangeably between segments and are disclosed under "India".

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

Note 31. Fair Value Measurements

(a) Financial Instrument by category and hierarchy

| Particulars | Hierarchy | Notes | 31st March 2019 | | | 31st March 2018 | | |
|---|-----------|-------|-----------------|----------|----------------|-----------------|----------|----------------|
| | | | FVTPL | FVOCI | Amortized cost | FVTPL | FVOCI | Amortized cost |
| Financial assets | | | | | | | | |
| (i) Financial assets at fair value | | | | | | | | |
| Investments | | | | | | | | |
| Equity instruments – quoted | 1 | 5 a | – | 34,171 | – | – | 40,310 | – |
| Equity instruments – unquoted | 3 | 5 a | – | 1,88,010 | – | – | 1,91,787 | – |
| Mutual funds | 2 | 5 a | 5,04,591 | – | – | 3,80,670 | – | – |
| (ii) Financial assets at amortized cost | | | | | | | | |
| Trade receivables | 3 | 5 b | – | – | 44,435 | – | – | 53,349 |
| Cash and cash equivalents | 3 | 5 c | – | – | 1,78,727 | – | – | 75,069 |
| Other financial assets | 3 | 5 d | – | – | 29,566 | – | – | 33,820 |
| Financial liabilities | | | | | | | | |
| (i) Financial liabilities held at amortized cost | | | | | | | | |
| Trade payables | 3 | 10 b | – | – | 14,791 | – | – | 12,114 |
| Other financial liabilities | 3 | 10 a | – | – | 23,062 | – | – | 31,301 |

Investment in the Associate was valued at cost and hence not considered for categorisation.

Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is determined using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the board of directors. Discussions of valuation processes and results are held between the board of directors and the finance department biannually which is in accordance with the Company's policy.

(c) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets and other financial liabilities(current) are considered to be the same as their fair values, due to their short-term nature and categorized as Level 3 hierarchy.

(d) Valuation techniques

- Quoted equity instruments are valued using quoted prices.
- Open ended Mutual funds are valued at NAVs declared.
- The fair value of non current financial liabilities is determined using discounted cash flow analysis.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2019

(All amounts in Rs. thousands unless otherwise stated)

Note 32. Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|--|--|---|
| Credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalents, investments in equity instruments, trade receivables. | Ageing analysis, Credit ratings | Diversification of bank deposits, review of credit ratings, credit limits and letters of credit |
| Liquidity risk | Trade payables and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines |
| Market risk – foreign exchange | Export trade receivables | Sensitivity analysis of exchange rates | Forward contracts and monitoring exchange rate movements |
| Market risk – security prices | Investment in equity instruments | Sensitivity analysis of the share prices | Portfolio Diversification |

The Company's risk management is carried out by the treasury team under policies approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The Board provides written policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and credit risk.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

32. Financial risk management – (Contd.)

(A) Credit risk

Credit risk arises from cash and cash equivalents, bank balances other than cash and cash equivalents, financial assets measured at amortised cost and credit exposures to customers including outstanding receivables, advances given to vendors.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with Nationalised / Scheduled Commercial banks. Investments in equity are made only in AA rated instruments. The board of directors periodically reviews the investment portfolio of the Company. Credit risk with respect to domestic and export trade receivables is managed by the Company through setting up credit limits for customers and also periodically reviewing their credit worthiness. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information. Based on the assessment made by the Company, credit risk increases significantly since the initial recognition if the financial assets are realised after three months from the due date. A default on a financial asset is when the counterparty fails to make contractual payments within six months from the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for loss allowance based on 12 month expected credit loss except in the case of trade receivables which are provided based on life-time expected credit loss. For the assessment of 12 month or life-time expected credit loss, assets are classified into three categories as Standard, substandard and doubtful based on the counter-party's capacity to meet the obligations and provision is determined accordingly. Standard assets are those where the risk of default is negligible, sub-standard assets are those where the credit risk is significantly increased since inception and doubtful assets are those where the assets are impaired.

Year ended March 31, 2019:

(a) Expected credit loss for trade receivables under simplified approach:

| Ageing | Less than six months | More than six months | Total |
|---|----------------------|----------------------|---------------|
| Gross carrying amount | 44,435 | – | 44,435 |
| Loss allowance rate | 0% | 0% | 0% |
| Expected credit losses (Loss allowance provision) | – | – | – |
| Carrying amount of trade receivables (net of impairment) | 44,435 | – | 44,435 |

(b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.29,566/- are classified as standard assets and hence no provision for expected credit loss has been made.

Year ended March 31, 2018:

(a) Expected credit loss for trade receivables under simplified approach

| Ageing | Less than six months | More than six months | Total |
|---|----------------------|----------------------|---------------|
| Gross carrying amount | 53,349 | – | 53,349 |
| Loss allowance rate | 0% | 0% | 0% |
| Expected credit losses (Loss allowance provision) | – | – | – |
| Carrying amount of trade receivables (net of impairment) | 53,349 | – | 53,349 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
9Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

32. Financial risk management – (Contd.)

(A) Credit risk – (Contd.)

- (b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.33,820/- are classified as standard assets and hence no provision for expected credit loss has been made.

(iii) Reconciliation of loss allowance provision- Trade receivables, loans and other financial assets

There is no loss allowance provision created for trade receivables and other financial assets.

During the years ended March 31, 2019 and March 31, 2018 the Company has not made any write offs of trade receivables.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash equivalents, liquid mutual funds and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company does not have any borrowing facility at the end of the reporting period

(ii) Maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities. The Company has only non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. Balance due beyond 12 months are carried at amortised cost.

Contractual maturities of financial liabilities:

| | Less than 6 months | 6 months to 1 year | More than 1 year |
|---|-----------------------|-----------------------|---------------------|
| March 31, 2019 | | | |
| Non-derivatives | | | |
| Trade payables | 14,791 | – | – |
| Other financial liabilities | 8,398 | – | 15,910 |
| Total non-derivative liabilities | 23,189 | – | 15,910 |
| | Less than 6 months | 6 months to 1 year | More than 1 year |
| March 31, 2018 | | | |
| Non-derivatives | | | |
| Trade payables | 12,114 | – | – |
| Other financial liabilities | 17,350 | – | 15,910 |
| Total non-derivative liabilities | 29,464 | – | 15,910 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2018
(All amounts in Rs. thousands unless otherwise stated)

32. Financial risk management – (Contd.)

(C) Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions with respect to USD, EURO and GBP on account of sale of tea. Foreign exchange risk arises from recognised assets denominated in a currency that is not the Company's functional currency (Rs). The risk is measured through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held. The objective of the hedges is to minimise the volatility of the INR cash flows arising on account of the underlying assets.

The Company has not taken options, futures or any other derivative instruments other than foreign exchange forward contracts to manage the foreign currency risk. The strategy followed by the Company is tracking the foreign currency exchange rates.

Foreign currency exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed is as follows:

| Trade Receivables | March 31, 2019 | March 31, 2018 |
|--|-----------------------|-----------------------|
| Particulars | | |
| USD [3,68,308 (March 31,2018: 1,91,895)] | 22,816 | 12,482 |
| EURO [1,20,360 (March 31,2018 : 2,94,043)] | 9,326 | 23,706 |
| GBP [Nil (March 31,2018 : 73,688)] | – | 6,800 |
| AUD [20,635 (March 31, 2018 : Nil)] | 1,017 | – |
| Total | 33,159 | 42,988 |

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

The following table details Company's sensitivity to a 10% increase and decrease in the exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transition at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance would be negative.

| | Impact on Profit after tax | |
|------|-----------------------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| USD | 2,282 | 1,248 |
| EURO | 933 | 2,371 |
| GBP | – | 680 |
| AUD | 102 | – |

(ii) Price risk

(a) Exposure: The Company has invested in equity instruments and the exposure is equity securities price risk from investments held by the Company and classified in the Balance Sheet as FVOCI.

(b) Sensitivity: An increase in the price risk by 100 basis points would increase the impact in the other comprehensive income by Rs.342/- as on March 31, 2019 and Rs. 403 as on March 31, 2018. A corresponding reduction in the other comprehensive income would be noted upon decreasing the market index levels.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019
(All amounts in Rs. thousands unless otherwise stated)

33. Capital management

(a) Risk management

The Company has equity share capital and other reserves attributable to the equity shareholders, as the only source of capital and the Company does not have any interest bearing borrowings/debts.

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements. The cash surpluses are currently invested in income generating equity instruments and debt instruments (through mutual funds) and in bank deposits depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

| Particulars | March 31, 2019 | March 31, 2018 |
|---|------------------|----------------|
| Equity | 13,93,662 | 11,65,433 |
| Less : Tangible and other assets (net) | 3,85,799 | 3,74,336 |
| Working capital | 1,18,876 | 1,04,658 |
| Investment in the associate | — | 20,889 |
| Investment in equity instruments, debt instruments and bank deposits | 8,88,987 | 6,65,550 |

(b) Dividends

| Particulars | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| (i) Dividends recognised on equity shares | | |
| Final dividends for the year ended 31st March 2018 of Rs. 1.70 (31st March 2017 – Rs.1.70) per fully paid-up share | 10,240 | 10,223 |
| Interim dividend for the year ended 31st March 2019 of Re 1.00 (31st March 2018 – Re.1.00) per fully paid share | 6,024 | 6,014 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, since year end the Directors have recommended a final dividend of Rs. 1.70 per fully paid equity share (31 March 2018 – Rs. 1.70). This proposed final dividend is subject to the approval of shareholders in the ensuing Annual General Meeting. The proposed dividend including distribution tax thereon when approved by the shareholders will be met out of surplus in the retained earnings in the Balance Sheet. | 10,240 | 10,223 |

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
Notes to the Financial Statements as at and for the year ended 31st March 2019
 (All amounts in Rs. thousands unless otherwise stated)

34. Events occurring after the reporting period

(a) Final dividend

Refer note 33 above for the final dividend recommended by the Directors, which is subject to the approval of shareholders in the ensuing Annual General Meeting.

(b) Transfer of profits to General Reserve

The transfer of profits to General Reserve recommended by Directors after the end of reporting period which have not been recognised at the end of the reporting period is as follows :

| Particulars | 31st March 2019 | 31st March 2018 |
|---|-----------------|-----------------|
| Transfer of profits to general reserve not recognised as at the end of the reporting period | 3,30,000 | 75,000 |

(c) The financial statements for the year ended March 31,2019 were approved by the Board of Directors and authorised for issuance on May 29, 2019.

35. Previous year figures have been re-grouped wherever necessary to conform to current year's presentation.

As per our Report of even date attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No.100186W
S.KALYANARAMAN
Partner
Membership No.200565
Place : Chennai
Date : 29th May 2019

MALLIKA SRINIVASAN
(DIN:00037022)
Chairman

S.RAGHURAMAN
Chief Financial Officer

SANKAR DATTA
(DIN : 00025380)
Director

R. V. SRIDHARAN
Company Secretary

D.HEGDE
(DIN:00025468)
Director

Place : Chennai
Date : 29th May 2019