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THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

CIN: L01132TZ1922PLC000234

Website: unitednilgiritea.com

E-Mail : headoffice@unitednilgiritea.com

Phone : 0422-2220566 Fax : 0422-2222865

DIRECTORS

Ms. MALLIKA SRINIVASAN – Chairman

Mr.N. SRINIVASAN, Director

Mr.SANKAR DATTA, Director

Mr.R.SUBRAMANIYAN, Director

Mr.D.HEGDE, Whole-time Director

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

GENERAL MANAGER (FINANCE) & COMPANY SECRETARY

Mr. S. RAGHURAMAN

AUDITORS :

M/s. FRASER & ROSS

Chartered Accountants,

Coimbatore - 641 018.

BANKERS :

CENTRAL BANK OF INDIA.

STATE BANK OF INDIA.

HSBC LTD., HDFC BANK LTD.

TEA ESTATES:

ALLADA VALLEY, CHAMRAJ,

DEVABETTA, AND KORAKUNDAH

CHAMRAJ ESTATE & POST,

THE NILGIRIS - 643 204.

COMMERCIAL PROPERTY :

UNITEA CENTRE,

RACE COURSE,

COIMBATORE - 641 018.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

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Phone : 0422-2220566 Fax : 0422-2222865

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety Second (92nd) Annual General Meeting of the Company will be held at "Sri.S.Anantharamakrishnan Hall" in the premises of M/s. T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore - 641 018 on Friday, the 19th September, 2014 at 2.45 PM to transact the following business :-

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report, Statement of Profit and Loss for the year ended 31st March 2014 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare a Final Dividend for the year ended 31st March 2014.
3. To appoint a Director in place of Mr. Sankar Datta, Director who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. Subramaniyan, Director who retires by rotation and is eligible for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration :

The retiring Auditors M/s. Fraser & Ross, Chartered Accountants, Coimbatore, retiring at the Annual General Meeting is eligible for re-appointment from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. The Directors may be authorized to fix the remuneration payable to the auditors.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a 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 as may be determined by the Board for a period of five financial years ending on 31st March 2019".

(By order of the Board)
For The United Nilgiri Tea Estates Company Limited
S.RAGHURAMAN
General Manager (Finance) & Company Secretary

Chennai
30th May 2014

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

NOTES:

The Register of Members and Share Transfer Books of the Company will remain closed from 5th September 2014 to 19th September 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the Final Dividend for 2013-14.

The Dividend, when declared will be paid on or after 19th September 2014 in respect of shares held in Physical form to those members who are entitled to the same and whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company at the end of the business hours on 4th September 2014 and in respect of shares held in electronic form, Dividend will be paid on the basis of statement of Beneficial ownership of the shares as on the closing of the business hours on 4th September 2014 as per details furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

The amount of Dividends which remain unclaimed for a period of 7 years is required to be transferred to the Investor Education and Protection Fund pursuant to Section 205A of the Companies Act, 1956. Hence it is in your interest to en-cash the Dividend warrants immediately.

The Company had transferred Unclaimed Dividend in respect of Interim Dividend 2007 to the account of Investor Education and Protection Fund in terms of provisions of Section 205 A of the Companies Act, 1956.

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

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

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

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

Voting by electronic means :

In compliance with the provisions of Sec 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 92nd Annual General Meeting (AGM) by electronic means and all business set forth in this notice may be transacted through e-voting services provided by National Securities Depository Limited [NSDL].

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

The instructions for e-voting are as under:

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

[C] Other Instructions:

- (i) The e-voting period commences on Saturday, the 13th September 2014 (9.00a.m. IST) and ends on Monday, 15th September 2014 (6.00p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date [i.e.14th August 2014], 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.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
- (iii) Mr.C.V.Madhusudhanan, Partner, M/s. KSR & Co Company Secretaries LLP, has been appointed as the Scrutinizer to scrutinize the e-voting process and Dr.K.S.Ravichandran, Partner, M/s. KSR & Co Company Secretaries LLP, has been appointed as the Scrutinizer to scrutinize the Postal Ballot Form received from the Members who do not have access to the e-voting process, in a fair and transparent manner.
- (iv) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. KSR & Co., Company Secretaries LLP, not later than 15th September 2014 (6.00 p.m. IST).
- (v) Members have the option to request for physical copy of the Ballot Form by sending an e-mail to headoffice@unitednilgiritea.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 15th September 2014 (6.00 p.m. IST). 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 Ballot shall be treated as invalid.
- (vi) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. Similarly, the results of the postal ballot will be counted and finalized within three working days from the completion of the postal ballot process. The results of the e-voting and the postal ballot will be declared at the 92nd Annual General Meeting of the Company.
- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.unitednilgiritea.com and on the website of NSDL <http://www.evoting.nsdl.com> within two days of the passing of the resolutions at the Ninety Second AGM of the Company on 19th September 2014 and will be communicated to the Madras Stock Exchange Limited where the shares of the Company are listed.

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

S.RAGHURAMAN

General Manager (Finance) & Company Secretary

Chennai
30th May 2014

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

Item No : 6

The validity of the period of resolution authorizing payment of Commission to Non Whole-time Directors at 1% of the profits passed by the members at the Annual General Meeting of the Company dated 26th August 2010 was upto 31st March 2014.

It is proposed to seek the approval of the members by a Special Resolution under Section 197 of the Companies Act, 2013, for payment of Commission at 1% of the net profits of the Company computed in the manner laid down in Sections 198 of the Companies Act, 2013 for the financial year commencing from 1st April 2014 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 2019.

Ms.Mallika Srinivasan, Mr.N.Srinivasan, Mr. Sankar Datta and Mr. R.Subramaniyan, may be considered as interested in this Resolution.

(By order of the Board)
For The United Nilgiri Tea Estates Company Limited
S.RAGHURAMAN
General Manager (Finance) & Company Secretary

Chennai
30th May 2014

Brief Particulars of Directors seeking re-appointment

NAME	Mr. SANKAR DATTA	Mr. R. SUBRAMANIYAN
Date of Appointment	28 th December 2005	27 th August 2008
Qualification	B.Com., F.C.A	B.Com., A.C.A., A.C.S
Expertise in special function	Business Advisory Services and Audit	Accounts and Secretarial
Directorship in other Companies	TAFE Motors and Tractors Ltd.	Nil
Management Committee Member	NIL	NIL

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

S.RAGHURAMAN

General Manager (Finance) & Company Secretary

Chennai,
30th May 2014

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 92nd Annual Report on the performance of the Company together with the Statement of Profit and Loss for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Auditors' Report thereon.

These statements are presented on the same basis as in previous year and not under Companies Act, 2013 pursuant to the directive in circular no : 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs, New Delhi.

FINANCIAL RESULTS :

	Rs. in lakhs	
	2013-2014	2012-2013
Profit before Interest, Depreciation and Tax	1,227.29	841.83
Finance Cost	7.03	21.91
Depreciation and amortization	214.10	115.85
Profit Before Tax	1,006.16	704.07
Provision for Taxation (including Deferred Tax)	230.16	129.58
Profit for the year	776.00	574.49
Add: Balance brought forward from previous year	809.60	426.13
Profit available for appropriation	<u>1,585.60</u>	<u>1,000.62</u>
Appropriations:		
Interim Dividend	49.96	49.96
Proposed Final Dividend	84.94	64.96
Tax on distribution of Dividend	22.93	18.65
Transfer to General Reserve	1,200.00	57.45
Balance carried forward	227.77	809.60
	<u>1,585.60</u>	<u>1,000.62</u>

DIVIDEND :

Your Directors have recommended a Final Dividend of Rs.1.70 per Share (17%) which together with an Interim Dividend of Re.1.00 per Share (10 %) already paid, aggregate to Rs.2.70 per share (27%) for the year ended 31st March 2014 [Previous year Rs.2.30 per Share (23%)].

OPERATIONS:

The total quantity of Tea manufactured during the year was 26,98,451 Kg. as against 23,60,005 Kg. during the previous year. As against a normal average rainfall of 1250 mm, the rainfall during the year was lower at 1017 mm.

Your Directors are happy to inform you that your Company has achieved a record net profit of Rs.1006.16 lacs as against Rs.704.07 lacs during the previous year mainly on account of economy in operations, better product mix, improved price realization and full years' rental from the commercial building at Coimbatore.

Total export of Tea during the year was 15,81,627 Kg. as against 11,51,186 Kg. during last year. There was good demand for organic tea from overseas customers which enabled your Company to substantially increase the export of organic teas.

Your Company has been focusing on value-added and speciality products in addition to productivity and efficiency improvement initiatives and these efforts have resulted in significant positive impact on the Company's performance. The focus is expected to

DIRECTORS’ REPORT – (Contd.)

continue to give good benefits in the years ahead as well. The prospects for 2014 – 15 appear favourable subject to normal monsoon.

AWARDS AND DISTINCTIONS:

Your Directors are happy to record that Korakundah Estate has won two awards at The Golden Leaf India Awards – Southern Tea Competition 2014. Chamraj Winter Delight and Korakundah Organic Green Tea Bags have won awards at Great Taste Awards 2013 at United Kingdom conducted by Guild of Fine Foods, United Kingdom.

DIRECTORS:

Mr. Sankar Datta and Mr. R. Subramaniyan, Directors are retiring by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

DIRECTORS’ RESPONSIBILITY STATEMENT:

As required by sub-section 2AA of Section 217 of the Companies Act 1956, your Directors confirm that :

- (i) in the preparation of the Annual Accounts for the year ended 31st March 2014, the applicable Accounting Standards have been followed;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit for the year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a going concern basis.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION:

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

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

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee under the chairmanship of an Independent Director. Corporate Social Responsibility Policy formulated by the Committee as per Schedule VII of the Companies Act, 2013 was approved by the Board.

Your Company even before the Corporate Social Responsibility was made mandatory by law, has been carrying on such activities, some of which are given below :-

The Chamraj Sivasailam Garden Hospital has treated 7520 outside patients and

DIRECTORS' REPORT – (Contd.)

3384 own estate staff and workers. The service rendered by the hospital is well appreciated by the community.

Five Primary Schools and a Higher Secondary School run by the estate offer both English and Tamil medium of education. Of the total of over 1200 students, 65% are from the local community. The results in the public examinations have continued to be quite impressive. Increasing number of students are pursuing higher/ vocational education.

Two orphanages run by the Company are rendering useful service to the needy children of the district.

The Company's Labour welfare practices are far ahead of the statutory requirements which are well recognized by the prestigious plantation labour welfare international organization viz. Fair-trade Labelling Organization.

ENVIRONMENTAL PROTECTION :

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

INDUSTRIAL RELATIONS :

The labour relations were cordial during the year.

PUBLIC DEPOSITS :

The aggregate Deposits from public as on 31st March 2014 was Rs.43,13,000/-. There is no unclaimed / overdue deposit. The Board has decided not to accept or renew public deposits.

PARTICULARS OF EMPLOYEES :

There is no employee attracting the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended.

AUDITORS :

The retiring Auditors Messrs. Fraser and Ross, Chartered Accountants are eligible for re-appointment.

COST AUDIT:

Cost Audit for plantation were mandatory upto 2013-14.

M/s. Mahadevan & Co., Coimbatore who have been appointed as Cost Auditor have completed audit of cost accounts for 2012-2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details are furnished in the annexed statement which may please be read as part of this report.

(For and on behalf of the Board)

Chennai
30th May, 2014

MALLIKA SRINIVASAN
CHAIRMAN

Annexure to the Directors' Report for the year 2013-2014
Statement under Companies (Disclosure of particulars in the
Report of the Board of Directors) Rules 1988

CONSERVATION OF ENERGY

- | | | |
|--|---|---|
| <ol style="list-style-type: none"> 1. Energy conservation measures taken 2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy 3. Impact on measures at (1) and (2) for reduction of energy consumption and consequent impact on the cost of production of goods. | } | Efforts are taken to conserve energy to the best possible extent. |
|--|---|---|

ANNEXURE
FORM A
(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY

	2013 – 2014	2012 – 2013
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
<i>(a) Purchased</i>		
Units	15,20,642	12,79,651
Total Amount	Rs. 1,02,46,198	Rs. 94,45,427
Rate/Unit	Rs. 6.74	Rs. 7.38
<i>(b) Own Generation</i>		
Through Diesel Generators :		
Units	57,505	76,451
Units/Ltr. of Diesel Oil	2.62	2.18
Cost/Unit	Rs. 18.71	Rs. 25.53
B. Consumption of Electricity per unit of Production	0.58	0.58

ANNEXURE

FORM B (See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGICAL ABSORPTION

RESEARCH AND DEVELOPMENT

- | | |
|--|--|
| 1. Specific areas in which R & D carried out by the Company. | R&D was primarily conducted in the areas connected to the Tea Field. In order to improve water holding capacity of the soil, we produce vermi compost and apply them to the field. |
| 2. Benefits derived as a result of the above R & D | This will mitigate the effect of drought. |
| 3. Future plan of action | The R&D activities will be carried out on the long term basis and the findings will be utilized in the best possible manner. |
| 4. Expenditure on R & D | Nil |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|--|--|
| 1. Efforts in brief, made towards technology Absorption, adaptation and innovation. | UPASI's recommendation with respect to the field practices and manufacturing process are adopted to the extent possible to achieve better results. |
| 2. Benefits derived as a result of the above e.g. product improvement, cost reduction, Product development, import substitution etc. | Improvement in the quality of raw material and end product which ultimately helps in better realization. |

FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|--|---|
| 1. Activities relating to Exports | The Company continues its efforts to improve exports by offering quality Tea of International Standards including Value added Teas. |
| 2. Initiatives taken to increase exports and development of new export markets for products and services and export plans. | |
| 3. Total Foreign Exchange | |
| (a) Spent | Rs. 48,34,754/- |
| (b) Earned (FOB Value Rs. 25,69,70,025/-) | Rs. 26,92,58,441/- |

(For and on behalf of the Board)

Chennai
30th May 2014

MALLIKA SRINIVASAN
CHAIRMAN

PROGRESS REPORT AND CROP HARVESTED

Year	Profit Rs.	Taxation Rs.	Net Profit after Taxation Rs.	Tea Crop (Made Tea) Kg.	Dividend %
2008 – 2009	4,42,69,652	1,30,41,566	3,12,28,086	23,66,400	22.50
2009 – 2010	6,09,16,572	1,34,55,850	4,74,60,722	25,20,912	27.50
2010 – 2011	4,31,75,131	1,07,08,585	3,24,66,546	23,68,975	22.50
2011 – 2012	5,20,76,854	98,43,233	4,22,33,621	24,82,230	23.00
2012 – 2013	7,04,07,225	1,29,58,062	5,74,49,163	23,60,005	23.00
2013 – 2014	10,06,15,905	2,30,16,182	7,75,99,723	26,98,451	27.00 *

* subject to approval of final dividend of 17% at the AGM

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

Division	Mature Tea	Un-Mature Tea	Fuel Area and Wind Belts	Shola, Jungles, Frost Prone Areas, Rocks & Roads	Total
ALLADA VALLEY	218.60	–	1.00	10.17	229.77
CHAMRAJ	129.66	4.00	1.00	19.96	154.62
DEVABETTA	172.50	–	2.00	18.12	192.62
KORAKUNDAH	273.00	5.00	128.00	520.86	926.86
TOTAL	793.76	9.00	132.00	569.11	1503.87

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

The Board of Directors and the Management of **THE UNITED NILGIRI TEA ESTATES CO. LTD** are committed to: Constantly improve the quality and quantity of production of orthodox teas of exportable grades and be a leader in export of organic teas..

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

1. **BOARD OF DIRECTORS :**

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

The Board of Directors of the Company are :

Ms. Mallika Srinivasan	Chairman (Non Executive)
Mr. N Srinivasan	Director (Non Executive – Independent)
Mr. Sankar Datta	Director (Non Executive – Independent).
Mr. R Subramaniyan	Director (Non Executive – Independent)
Mr. D Hegde	Director (Executive)
Mr. T G B Pinto	Director (Executive)

2. **ATTENDANCE :**

Attendance of each Director at the Board Meetings during the Financial Year 2013 – 14 and at the last Annual General Meeting and details of other Directorships are given below -:

Five Board Meetings were held during the year 2013-2014. The dates on which the meetings were held are : 07.05.2013, 08.08.2013, 04.09.2013, 12.11.2013, and 14.02.2014

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

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

DIRECTOR	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Companies excluding private limited / foreign companies	Committee Memberships in other Companies
Ms. Mallika Srinivasan	4	Yes	6	3
Mr. N. Srinivasan	5	Yes	13	4
Mr. Sankar Datta	5	Yes	1	Nil
Mr. R. Subramaniyan	4	Yes	Nil	Nil
Mr. D.Hegde	5	Yes	Nil	1
Mr. T.G.B. Pinto	5	Yes	Nil	Nil

3. REMUNERATION TO DIRECTORS :

(a) Whole-time Directors' Remuneration for the year 2013-14.

No.	Description	Mr. D. Hegde (Rs.)	Mr. T.G.B. Pinto (Rs.)	Total (Rs.)
1.	Salary	20,10,000	20,10,000	40,20,000
2.	Contribution to Provident Fund, Superannuation Fund and Mediclaim	5,37,825	5,28,450	10,66,275
3.	Holiday Allowance	1,76,500	1,59,500	3,36,000
4.	Incentive	2,06,000	2,06,000	4,12,000
	TOTAL	29,30,325	29,03,950	58,34,275

(b) Non-Whole-time Directors :

Non-Whole time Directors are paid Sitting Fees for each Meeting or a Committee thereof and also Commission upto 1% of the Net Profits calculated in the manner prescribed in the Companies Act, 1956. The details of remuneration paid / payable to all the Directors for the year 2013 – 14 are

Directors	Sitting Fees (Rs.)	Commission * (Rs.)	Total (Rs.)
Ms.Mallika Srinivasan	25,000	1,50,000	1,75,000
Mr.N. Srinivasan	55,000	1,50,000	2,05,000
Mr.R.Subramaniyan	45,000	1,50,000	1,95,000
Mr.Sankar Datta	55,000	1,50,000	2,05,000
TOTAL	1,80,000	6,00,000	7,80,000

* Pertaining to 2012-13 accounts paid during the year. Provision for Commission to Non Whole-time Directors of Rs.7,00,000/- for the year ended 31st March 2014 has been made in the Accounts for the year.

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

Directors	Total No. of Shares held	Dividend Paid (Rs.)
Ms. Mallika Srinivasan	1,41,790	1,52,520
Mr. N. Srinivasan	2,002	2,603
Mr. R. Subramaniyan	18	24

4. AUDIT COMMITTEE :

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Sec 292 A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

The Audit Committee met 6 times during the year on 07.05.2013, 10.06.2013, 08.08.2013, 12.11.2013, 19.12.2013 and 14.02.2014.

The present members of the Committee are -:

Mr. Sankar Datta

Mr N. Srinivasan

Mr R. Subramaniyan

Mr S Raghuraman, General Manager (Finance) & Company Secretary is the Secretary of the Audit Committee.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

(formerly known as Shareholders / Investor Grievance Committee) :

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

Mr. R. Subramaniyan is the one-man member of the Committee and Mr. S.Raghuraman, General Manager (Finance) & Company Secretary is the Compliance Officer of the Company in matters relating to shareholders, Stock Exchanges, SEBI and other related regulatory matters. During the year 11 complaints were received and resolved. No complaint was pending as at 31st March 2014. As on that date, there were no pending share transfers.

6. NOMINATION AND REMUNERATION COMMITTEE

(formerly known as Remuneration Committee)

The Committee consists of the following members :

Ms. Mallika Srinivasan

Mr. N. Srinivasan

Mr. Sankar Datta

Mr. S. Raghuraman, General Manager (Finance) & Company Secretary is the Secretary of the Nomination & Remuneration Committee.

The Committee met 2 times in the financial year on 07.05.2013 and 08.08.2013.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee consists of the following members :

Mr. Sankar Datta

Mr.D. Hegde

Mr.T.G.B. Pinto

Ms. Mallika Srinivasan, Chairman is the permanent invitee to the Committee

Mr S Raghuraman, General Manager (Finance) & Company Secretary is the Secretary of the Corporate Social Responsibility Committee.

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

8. **DISCLOSURE**

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

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

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

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

9. **STOCK OPTION**

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

10. **ANNUAL GENERAL MEETING :**

Location and time of last 3 Annual General Meetings were :

Year	Location	Date	Time	No. of Special Resolution Passed
2012 – 13	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	08.08.2013	3.30 PM	Nil
2011 – 12	"SAE Gardens" 3 A & B, Kamarajar Road, Race Course, Coimbatore – 18	03.08.2012	2.45 PM	Nil
2010 – 11	"SAE Gardens" 3 A & B, Kamarajar Road, Race Course, Coimbatore – 18	03.08.2011	10.30 AM	Nil

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

No Special Resolution was required to be put through Postal Ballot in the last three Annual General meetings.

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

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

12. **MEANS OF COMMUNICATION :**

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

The Shareholders can send their grievances / complaints by mailing to the Company's E Mail Id headoffice@unitednilgiritea.com

13. GENERAL SHAREHOLDER INFORMATION:

AGM : Day, Date, and Time	:	Friday, 19 th September 2014, 2.45 P.M.
Venue	:	“Sri S. Anantharamakrishnan Hall” T.Stanes & Company Limited premises, 8/23-24, Race Course Road, Coimbatore - 641 018
Financial Year	:	April To March
Financial Calendar	:	First Quarter Results – July / August Half Year – October / November Third Quarter – January / February Annual Results – May / June
Date of Book Closure	:	5 th September 2014 To 19 th September 2014 (both days inclusive)
Dividend Payment Date	:	19 th September 2014
Listing	:	The Madras Stock Exchange Limited, “Exchange Buildings”, No 11, Second Line Beach, CHENNAI - 600 001.
ISIN	:	I N E 458 F 01011
Stock Code	:	U N L

14. MARKET PRICE DURING THE FINANCIAL YEAR 2013 - 14

The monthly high and low of the Company's shares are given below :

MONTH	NATIONAL STOCK EXCHANGE	
	HIGH (Rs.)	LOW (Rs.)
April 2013	194.00	194.00
May 2013	233.50	205.75
June 2013	214.00	193.35
July 2013	201.00	191.00
August 2013	201.00	201.00
September 2013	200.00	195.00
October 2013	216.95	210.00
November 2013	218.00	209.00
December 2013	228.80	217.00
January 2014	232.00	207.00
February 2014	247.00	208.55
March 2014	285.00	242.00

Shareholding Pattern as on 31st March 2014.

Category	No. of Shares held	% to Capital
1. Promoters	24,64,040	49.32
2. Banks, FI, Insurance Cos	8,51,994	17.05
3. Private Bodies Corporate	93,925	1.88
4. Indian Public	12,63,732	25.29
5. NRIs / OBCs	58,059	1.16
6. Trustees, T Stanes & Co. Ltd. Staff Pension Fund	2,64,816	5.30
TOTAL	49,96,566	100.00

Distribution of Shareholding as on 31st March 2014.

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

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

Dematerialization of Shares : **80.78** % of the Paid Up Share Capital of the Company has been dematerialized as on 31st March 2014.

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

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

CERTIFICATE OF CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by The United Nilgiri Tea Estates Company Ltd. for the year ended 31st March, 2014, as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Chennai
30th May, 2014

C.R. Rajagopal
Partner
Membership No. 23418

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development :

The climate changes especially in South India has been more often unpredictable leading to inadequate rainfall, drought and frost significantly impacting productivity and profitability.

Opportunities and Threats :

Organic tea has good demand in the export market. As margins are much better than conventional tea , your Company has converted more area into Organic and improved the exports. Your Company is focusing into manufacturing and selling value added teas which would derive benefit in due course of time.

The harvest of green leaf is highly dependent on timely rainfall at the estates. The vagaries of the monsoon being unpredictable could vary the profitability of the Company.

The increase in wages and other input costs would increase the cost of production and unless matched by corresponding sales realization would impact the profit in the immediate future years.

Outlook :

The selling price of tea continue to be good but subject to market trend. Besides the Commercial building which has been let out ensures regular stream of rentals.

Internal Control Systems :

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 and nature of the Company's business.

Labour Relations :

The labour relation at the Estate has been very cordial. The Estate Management continues to implement various welfare measures beyond what is stipulated by the Government as illustrated in Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Financial Statements:

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, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

(Contd.)

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

Chennai
30th May, 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

(Contd.)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

Having regard to the nature of the Company's business/activities/result, clauses x, xii, xiii, xiv, xviii, xix, xx of CARO are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

(Contd.)

Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates	Amount involved (Rs. '000)
The Central Excise Act	Movement of Goods without filing declaration	High Court of Madras	2000-01	188

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions.

(xi) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

(xii) According to the information and explanations given to us, no term loans are raised during the year by the Company, therefore question of utilisation for the stated purpose does not arise.

(xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

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

Chennai
30th May, 2014

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31st March 2014 Rs.'000	As at 31st March 2013 Rs.'000
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	49,966	49,966
Reserves and Surplus	4	4,72,747	4,10,930
Sub-Total		5,22,713	4,60,896
Non-Current Liabilities			
Long -term borrowings	5	423	3,902
Deffered Tax Liability	27	3,791	4,775
Other Long term Liabilities	6	15,910	15,910
Long term provisions	7	1,160	1,090
Sub-Total		21,284	25,677
Current Liabilities			
Trade Payable	8	22,102	17,029
Other Current Liabilities	9	30,757	14,689
Short -term provisions	10	9,962	10,231
Sub-Total		62,821	41,949
Total		6,06,818	5,28,522
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	3,60,839	3,48,750
Intangible assets		-	-
Capital work-in-progress		3,749	-
		3,64,588	3,48,750
Non- Current Investments	12	18,523	31,823
Long-term Loans and Advances	13	10,272	10,224
Sub-Total		3,93,383	3,90,797
Current assets			
Inventories	14	23,556	26,834
Trade receivables	15	52,029	22,331
Cash and Bank balances	16	1,23,211	70,484
Short-term loans and advances	17	5,564	5,193
Other current assets	18	9,075	12,883
Sub-Total		2,13,435	1,37,725
Total		6,06,818	5,28,522
Accompanying notes form part of the financial statements			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
Chairman

N. SRINIVASAN
D. HEGDE
Directors

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
General Manager (Finance) &
Company Secretary

Chennai
30th May, 2014

Chennai
30th May, 2014

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	For the year ended 31.03.2014 Rs.'000	For the year ended 31.03.2013 Rs.'000
Revenue:			
Revenue from operations (gross)	19	4,92,334	3,68,497
Less: Excise Duty		1,121	1,004
Revenue from operations (net)		4,91,213	3,67,493
Other Income	20	11,436	7,457
Total Revenue		5,02,649	3,74,950
Expenses:			
(a) Greenleaf purchases		90,216	80,863
(b) Tea purchases		14,332	5,596
(c) Changes in value of stock of Tea	21	5,128	(4,798)
(d) Employee benefit expenses	22	1,11,812	84,733
(e) Finance Cost	23	703	2,191
(f) Depreciation	24	21,409	11,585
(g) Other Expenses	25	1,58,433	1,24,373
Total Expenses		4,02,033	3,04,543
Profit before Tax		1,00,616	70,407
Tax Expense			
Current Tax		24,000	12,000
Deferred Tax		(984)	958
Profit for the year		77,600	57,449
Earnings per share (Basic & Diluted) [Face value of Rs 10/- each]	34	15.53	11.50
Accompanying notes form part of the financial statements			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
Chairman

N. SRINIVASAN
D. HEGDE
Directors

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
General Manager (Finance) &
Company Secretary

Chennai
30th May, 2014

Chennai
30th May, 2014

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	For the year ended 31.03.2014 Rs.'000	For the year ended 31.03.2013 Rs.'000
Cash flow from operating activities		
Profit before tax	1,00,616	70,407
<i>Adjustments for:</i>		
Depreciation and amortization	21,410	11,585
Provision for Diminution in value of investments	13,300	-
Profit on sale of investments	-	(175)
Loss/(profit) on sale of fixed assets	(196)	(21)
Interest expense	703	2,191
Interest Income	(7,133)	(5,553)
Dividend Income	(1,320)	(1,708)
Net unrealised exchange (gain)/loss	880	81
Operating profit before working capital changes	1,28,260	76,807
Movements in working capital:		
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Increase/(decrease) in trade payables	5,073	3,760
Increase/(decrease) in other current liabilities	6,583	(1,461)
Increase/(decrease) in other long-term liabilities	-	9,460
Increase/(decrease) in other long-term Provision	70	183
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Decrease/(increase) in trade receivables	(30,577)	6,284
Decrease/(increase) in inventories	3,277	(4,683)
Decrease/(increase) in long-term loans and advances	(48)	(2,088)
Decrease/increase) in short-term loans and advances	(371)	(308)
Decrease/(increase) in other current assets	2,913	1,183
Cash generated from/(used in) operations	1,15,180	89,137
Direct taxes paid (net of refunds)	(26,656)	(15,236)
Net cash flow/(used in) operating activities	88,524	73,901
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets, CWIP	(37,536)	(50,808)
Proceeds from sale of fixed assets	484	514
Purchase of non-current investments	0	(2,768)
Sale Proceeds of non-current investments	0	1,986
Bank balances not considered as cash and cash equivalents	0	
Deposits	(28,712)	14,091
Unpaid Dividend Bank Account	63	4,357
Interest received	8,027	3,688
Dividend received	1,320	1,708
Net cash flow from/(used in) in investing activities	(56,354)	(27,232)
Cash flows from financing activities :		
Proceeds from long-terms borrowings	0	489
Repayment of long-term borrowings	216	-
Proceeds from short-term borrowings	0	-
Repayment of short-term borrowings	0	(26,742)
Interest paid	(703)	(2,191)
Dividends paid on equity shares	(6,496)	(16,489)
Tax on equity dividend paid	(1,054)	(1,864)
Unclaimed dividend	(55)	632
Net cash flow from/(used in) in financing activities	(8,092)	(46,165)

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 – (Contd.)

Particulars	For the year ended 31.03.2014 Rs.'000	For the year ended 31.03.2013 Rs.'000
Net increase/(decrease) in cash and cash equivalents	24,078	504
Cash and cash equivalents at the beginning of the year	7,501	6,997
Cash and cash equivalents at the closing of the year	31,579	7,501
<u>Components of cash and cash equivalents :</u>		
Cash on hand	47	47
Bank Balances		
– In Current Accounts	14,211	7,074
– In EEFC A/c	119	380
– In Deposit A/c	17,202	–
Total cash and cash equivalents (note 16.i)	31,579	7,501
Accompanying notes form part of the financial statements		

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
Chairman

N. SRINIVASAN
D. HEGDE
Directors

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
General Manager (Finance) &
Company Secretary

Chennai
30th May, 2014

Chennai
30th May, 2014

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1. Corporate Information.

The United Nilgiri Tea Estates Company Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956, its shares are listed on Madras Stock Exchange Ltd in India. The Company is primarily engaged in the manufacturing of Tea. The Company caters to both domestic and international markets.

2. Significant Accounting Policies.

2.1 Basis of accounting and preparation of financial statements.

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.2 Use of estimates.

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

2.3 Inventories

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

2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

2.5 Revenue recognition

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

2.6 Borrowing Cost

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

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

2.7 Fixed Assets

- (a) Expenditure on Development and New Tea Planting is capitalised.
- (b) Fixed Assets other than let-out assets are recorded at cost to the Company. Capital Subsidy received from Tea Board is deducted from the Asset additions. Depreciation on tangible assets is provided on Straight Line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Cost of Software is written off over a period of three years.
- (c) With regard to let-out property, depreciation is provided on Straight Line basis at the following rates which are different from rates specified in Schedule XIV to the Companies Act, 1956.
Building – 3.33%, Fixed Glazing – 6.67%, Plant & Machinery-6.67%, Electrical Installation-10%.
- (d) Assets acquired under Finance Lease Agreement are capitalised

2.8 Foreign currency transactions

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

2.9 Subsidies

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

“Fair Trade International (FLO) charter” offer a certain premium in addition to the sale price for sale of tea under its labelling”.

Premium received is recognised as income and the expenditure is recognised on accrual basis; Premium received but expenditure not incurred will be considered as part of Other Current Liabilities.

2.10 Investments

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

2.11 Employee benefits

(a) Short Term

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

(b) Post Retirement

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

(i) Provident Fund

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

(ii) Superannuation Fund

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

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(iii) Gratuity

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

(c) Long Term

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

2.12 Leases

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

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

2.13 Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Provision for Deferred Tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a virtual/reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

2.14 Impairment

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

2.15 Research and Development

Research and Development expenses are capitalised where appropriate, otherwise absorbed as expenses.

2.16 Provisions and Contingencies

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

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number of Shares	Rs.'000	Number of Shares	Rs.'000
3. SHARE CAPITAL				
Authorised				
50,00,000 (31st March 2013 :50,00,000) equity shares of Rs.10/- each with voting rights		50,000		50,000
Issued, Subscribed and fully paid -up				
49,96,566 (31st March 2013 : 49,96,566) equity shares of Rs.10/- each with voting rights		49,966		49,966
		49,966		49,966
(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year				
Equity Shares with voting rights				
At the beginning of the year		49,966		49,966
Changes during the year		-		-
Outstanding at the end of the year		49,966		49,966
(b) Preferences/Restrictions/Rights attached to equity shares				
Each shareholder is entitled to dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act, 1956.				
(c) Details of shares held by each shareholder holding more than 5% shares:				
Equity Shares with voting rights	Nos	%	Nos	%
Tractors and Farm Equipment Limited	8,53,031	17.07	8,53,031	17.07
T. Stanes & Co. Limited	8,36,308	16.74	8,36,308	16.74
Life Insurance Corporation of India	7,71,496	15.44	7,71,496	15.44
Amalgamations Private Limited	3,05,540	6.12	3,05,540	6.12
Trustees, T. Stanes & Co. Limited Staff Pension Fund	2,64,816	5.30	2,64,816	5.30

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

Particulars	As at 31st March 2014 Rs.'000	As at 31st March 2013 Rs.'000
4. Reserves and Surplus		
General Reserve		
Opening Balance	3,29,970	3,24,225
Add : Transferred from Surplus in Statement of Profit and Loss	1,20,000	5,745
Closing Balance	<u>4,49,970</u>	<u>3,29,970</u>
Surplus in Statement of Profit and Loss		
Opening Balance	80,960	42,613
Add : Profit for the year	77,600	57,449
Less: Provision for Interim Dividend	4,996	4,996
Tax on Interim Dividend	849	811
Proposed Final Dividend	8,494	6,496
Tax on Proposed Final Dividend	1,444	1,054
Transfer to General Reserve	1,20,000	5,745
Closing Balance	<u>22,777</u>	<u>80,960</u>
Total	<u>4,72,747</u>	<u>4,10,930</u>
5. Long-Term borrowings		
Deposits (unsecured)	0	3,413
Finance lease obligation	423	489
Total	<u>423</u>	<u>3,902</u>
Note: For current maturities of long term borrowings refer note 9 other current liabilities		
6. Other long -term liabilities		
Rent Deposit	<u>15,910</u>	15,910
7. Long Term Provisions		
Compenstated absence	<u>1,160</u>	1,090

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

Particulars	As at 31st March 2014 Rs.'000	As at 31st March 2013 Rs.'000
8. Trade Payables		
– Other than acceptances (refer note no 33)	22,102	17,029
9. Other Current Liabilities		
Current maturity of finance lease obligation (refer note no.5)	1,129	772
Statutory dues	2,183	1,617
Unclaimed Interest	0	2
Unclaimed Dividend	2,712	2,768
Interim Dividend payable	4,997	0
Tax on Interim Dividend Payable	849	0
Payable on purchase of Fixed Assets	1,184	5,899
Provision for Gratuity (Net)	0	1,924
Current maturity of deposits (refer note no.5)	4,313	975
Current Liabilities-Others	13,390	732
Total	30,757	14,689
10. Short term Provisions		
Provision for Income Tax	24	2,681
[Net of Advance tax and TDS (Rs.'000) – 26,657], [Previous Year (Rs.'000) – 50,159]		
Proposed Final Dividend	8,494	6,496
Tax on Proposed Dividend	1,444	1,054
Total	9,962	10,231

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

Rs.'000

11. FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Balance as at April 1st, 2013	Additions	Deletions	Balance as at March 31, 2014	Balance as at April 1st, 2013	For the year	On deletions	Balance as at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS:									
Freehold Land and Development	24,184 (24,184)	17,790		41,974 (24,184)	-	-	-	-	24,184
Buildings **	2,30,144 (57,820)	982 (1,72,324)		2,31,126 (2,30,144)	25,033 (22,168)	7,521 (2,865)		32,554 (25,033)	2,05,111
Machinery **	1,44,276 (1,02,109)	11,061 (42,506)	342 (339)	1,54,995 (1,44,276)	57,387 (51,828)	8,844 (5,893)	342 (334)	65,889 (57,387)	86,889
Electrical Installations **	24,348 (5,306)	411 (19,042)		24,759 (24,348)	3,680 (3,285)	2,076 (395)		5,756 (3,680)	20,668
Furniture & Fixtures	6,314 (6,261)	(53)		6,314 (6,314)	4,310 (4,056)	200 (254)		4,510 (4,310)	2,004
Office and Other Equipments	869 (869)	10		879 (869)	560 (512)	39 (48)		599 (560)	309
Vehicles *	25,303 (23,574)	3,533 (2,239)	1,900 (510)	26,936 (25,303)	15,718 (13,611)	2,729 (2,130)	1,611 (23)	16,836 (15,718)	9,585
Capital Work in Progress	4,55,438	33,787	2,242	4,86,983	1,06,688	21,409	1,953	1,26,144	3,48,750
PREVIOUS YEAR	2,20,123	2,36,164	849	4,55,438	95,460	11,585	357	1,06,688	3,48,750

Figures in brackets represent previous year

* Includes cost of assets acquired under Finance Lease terms : Rs. (000) 3,346,- [Previous year :Rs. (000) 884,-].

** Include following assets let out on Leave and License basis:

Buildings	1,65,843 0	0 (1,65,843)	0 0	1,65,843 (1,65,843)	690 0	5,898 (690)	0 0	6,588 (690)	1,65,153
Machinery	39,909 0	200 (39,909)	0 0	40,109 (39,909)	314 0	2,674 (314)	0 0	2,988 (314)	39,595
Electrical Installations	19,042 0	0 (19,042)	0 0	19,042 (19,042)	224 0	1,904 (224)	0 0	2,128 (224)	18,818
PREVIOUS YEAR	2,24,794	200	0	2,24,994	1,228	10,476	0	11,704	2,13,290
		2,24,794		2,24,794	0	1,228		1,228	2,23,566

Figures in brackets represent previous year

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

NOTE :12

Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs.	As at 31st March 2013		Additions during the year		Deductions during the year		As at 31st March 2014	
		No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000
INVESTMENTS									
LONG TERM INVESTMENTS :									
I. Trade at Cost - Fully Paid									
(a) Quoted Shares	10	81,783	608	—	—	—	—	81,783	608
Stanee Amalgamated Estates Limited									
(b) Unquoted Shares	10	7,50,000	7,500	—	—	—	—	7,50,000	7,500
Sianee MJF Teas Limited									
The United Plantations PLC *		9,000	2,768	—	—	—	—	9,000	2,768
Sub Total (I (a+b)) ->		—	10,876	—	—	—	—	—	10,876
II. Non-Trade at Cost - Fully Paid									
(a) Quoted Shares									
Bank of Maharashtra	10	2,800	64	—	—	—	—	2,800	64
Central Bank Of India	10	449	46	—	—	—	—	449	46
Essar Ports Limited	10	933	8	—	—	—	—	933	8
Essar Shipping Limited	10	467	4	—	—	—	—	467	4
Force Motors Limited	10	100	12	—	—	—	—	100	12
Gujarat Gas Company Limited	2	2,500	31	—	—	—	—	2,500	31
Hindustan Unilever Limited	1	1,750	77	—	—	—	—	1,750	77
ICICI Bank Limited	10	300	89	—	—	—	—	300	89
IP Rings Limited	10	2,000	324	—	—	—	—	2,000	324
Lakshmi Mills Company Limited	100	160	14	—	—	—	—	160	14
Larsen and Toubro Limited **	1	796	21	398	—	—	—	1,194	21
Nestle India Limited	10	300	75	—	—	—	—	300	75
Petronet LNG Limited	10	2,200	33	—	—	—	—	2,200	33
Power Trading Corporation of India Limited	10	100	2	—	—	—	—	100	2
Sundaram Clayton Limited *	5	4,300	353	—	—	—	—	4,300	353
TVS Motor Company Limited	10	86,214	349	—	—	—	—	86,214	349
TATA Coffee Limited	10	1,000	218	—	—	—	—	1,000	218
Tata Steel Limited	10	6,739	902	—	—	—	—	6,739	902
The Tata Power Company Limited	10	1,000	146	—	—	—	—	1,000	146
Ultratech Cemco Limited	5	159	17	—	—	—	—	159	17
Harita Seating Systems Limited	10	2,600	45	—	—	—	—	2,600	45
Uniworth India Limited	10	750	92	—	—	—	—	750	92
Wabco (India) Limited	5	4,300	0	—	—	—	—	4,300	—
Sub Total (II a) ->		—	2,922	—	—	—	—	—	2,922

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

NOTE :12

Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs.	As at 31st March 2013		Additions during the year		Deductions during the year		As at 31st March 2014	
		No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000	No. of shares/units	Amount Rs.'000
(b) Mutual Funds									
Sundaram CAPEX Opportunities Fund	10	4,25,053	6,612	—	—	—	—	4,25,053	6,612
Sub Total (II b) ->			6,612	—	—	—	—	—	6,612
(c) Unquoted Shares									
Hifame Private Limited	10	27,600	810	—	—	—	—	27,600	810
Kuduma Fasteners Private Limited	100	75,000	20,889	—	—	—	—	75,000	20,889
Orkay Industries Limited	10	450	35	—	—	—	—	450	35
Palani Andavar Cotton & Synthetic Spinners Ltd.	10	500	72	—	—	—	—	500	72
Simpson and Company Limited	10	26,333	107	—	—	—	—	26,333	107
Sub Total (II c) ->			21,913	—	—	—	—	—	21,913
Total -> (I + II (a +b+c)			42,323	—	—	—	—	—	42,323
Less: Provision for Diminution	—	—	10,500	—	—	—	13,300	—	23,800
Grand Total	—	—	31,823	—	—	—	13,300	—	18,523

* Note

1* Nominal value per equity share is E Birr 100/- (Approximately 1 E Birr = Rs.3.075)

2** Larsen & Toubro issued 1 equity share of Rs.10/- each fully paid for every 2 equity shares held on 13th July, 2013 as bonus shares

	As at 31.03.2013		As at 31.03.2014	
	Cost Rs.'000	Market Value Rs.'000	Cost Rs.'000	Market Value Rs.'000
QUOTED INVESTMENTS	10,143	26,170	10,143	36,329
UNQUOTED INVESTMENTS	32,180	—	32,180	—
	<u>42,323</u>		<u>42,323</u>	

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2014 Rs.'000	As at 31.03.2013 Rs.'000
13. Long term Loans and Advances (Unsecured - considered good)		
Capital Advance	5,893	6,485
Security Deposit	4,348	3,600
Finance Lease Obligation	31	139
Total	10,272	10,224
14. Inventories (refer note 2.3)		
Stores and Spare Parts	10,893	9,436
Nursery Stock	1,800	1,408
Stock in Trade (Tea)	10,863	15,990
Total	23,556	26,834
15. Trade receivables		
Unsecured, considered good: Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Trade receivables	52,029	22,331
Total	52,029	22,331
16. Cash and Bank Balances:		
(i) Cash and Cash equivalents		
(a) Cash on hand	47	47
(b) Balances with Banks		
- In Current Accounts	14,211	7,074
- In EEFC A/c	119	380
- In Deposit A/c	17,202	-
	31,579	7,501
(ii) Other Bank balances :		
- In Deposit Accounts *	88,920	60,207
- In earmarked accounts:		
- Unpaid Dividend Accounts	2,712	2,776
	1,23,211	70,484
* includes deposit marked with lien for Rs.100 lakhs (Previous year Rs.100 Lakhs) towards Over-draft facility for working capital		
17. Short term Loans and Advances (Unsecured - considered good)		
Advances -Trade and Supplies	1,095	1,336
Unmatured Finance Charges	106	238
Other Deposits	3	3
Prepaid Expenses	3,589	3,586
Due from Gratuity Trust	771	0
Loans to employees	0	30
Total	5,564	5,193
18. Other Current Assets		
Interest accrued on deposits	7,764	8,659
Subsidy Receivable	1,311	4,224
Total	9,075	12,883

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2014 Rs.'000	For the year ended 31.03.2013 Rs.'000
19. Revenue from operations		
(a) Sales of finished goods - Tea	4,51,031	3,38,788
(b) License Fees from Let Out Property	28,816	3,238
(c) Other operating revenues (Refer note below)*	12,487	26,471
Revenue from operations (gross)	<u>4,92,334</u>	<u>3,68,497</u>
*Note : (Other operating revenue)		
Scrap sales	332	446
VKGUY License Income	5,295	4,315
Duty Drawback	1,780	1,730
Orthodox subsidy	585	15,591
Replanting/Quality upgradation subsidy from Tea Board	326	505
Income from other planting activities	4,169	3,884
Total	<u>12,487</u>	<u>26,471</u>
20. Other Income		
Interest Income on		
Bank deposits	6,903	5,505
Others	230	48
Dividend Income on		
Non current investments	1,320	1,708
Profit on Sale of Non-Current Investments	0	175
Net Gain on Foreign currency transactions and translations	2,787	0
Profit on sale of fixed assets (Net)	196	21
Total	<u>11,436</u>	<u>7,457</u>
21. Changes in value of stock of Tea		
Opening Stock	15,990	11,192
Closing Stock	10,862	15,990
Net (Increase)/decrease	<u>5,128</u>	<u>(4,798)</u>
22. Employee benefit expenses		
Salaries, Wages and Bonus	80,506	70,653
Contribution to Provident Fund and Family Pension Fund	7,927	6,582
Contribution to Superannuation Fund	1,119	1,893
Contribution to Gratuity Fund	4,908	2,726
Workmen and Staff Welfare Expenses	17,352	2,879
Total	<u>1,11,812</u>	<u>84,733</u>
23. Finance Cost		
Interest		
on public deposits	432	439
on bank loan	81	1,748
on finance lease obligation	190	4
Total	<u>703</u>	<u>2,191</u>

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2014 Rs.'000	For the year ended 31.03.2013 Rs.'000
24. Depreciation		
Depreciation of tangible assets	21,409	11,585
Total	<u>21,409</u>	<u>11,585</u>
25. Other expenses		
Consumption of stores and spares	21,917	20,432
Power and fuel	30,788	23,928
Transport charges	6,154	4,696
Repairs & Maintenance		
Building	8,352	6,639
Machinery	3,333	3,685
Rates & Taxes	2,017	2,710
Insurance	2,479	2,899
Selling Expenses		
Brokerage and Commission	926	818
Sampling and Other Expenses	16,448	10,589
Commission to Non-Wholetime Directors	700	600
Directors' Sitting Fees	180	228
Audit Fees (Refer Note below)	756	777
Travelling Expenses	3,907	4,351
Freight and other expenses on Tea Export	25,929	20,447
Net Loss on foreign currency transactions	0	366
Donation	500	600
Lease Rental	348	319
Provision for Diminution in value of Investments	13,300	0
Miscellaneous Expenses	20,399	20,289
Total	<u>1,58,433</u>	<u>1,24,373</u>
Note: Audit Fees		
To Statutory auditors		
Audit fee	650	650
Other related services *	56	56
Reimbursement of Travelling Expenses	0	43
To Cost Auditor for cost audit	50	28
Total	<u>756</u>	<u>777</u>
* payment made to a firm in which some of the Partners of the audit firm are Partners		

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31-03-2014 Rs.'000	31-03-2013 Rs.'000												
<p>26. The Financial Statements, Auditors' report, Report of Board of Directors, and attachments to such statements and reports for the financial year ended 31st March 2014 have been prepared based on the requirements of the Companies Act, 1956, as clarified by the General Circular 08/2014 dt 04.04.2014 issued by the Ministry of Corporate Affairs, Government of India.</p>														
<p>27. Deferred Tax Liability (on account of Depreciation)</p> <p>Opening Balance</p>	4,775	3,817												
<p>Add: Current year charge/(credit)</p>	(984)	958												
<p>Closing Balance</p>	3,791	4,775												
<p>28. (i) The Company did not cover short term Foreign Currency exposure relating to Export of Tea based on cost benefit analysis</p>	41,877	11,777												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2013-2014</th> <th style="text-align: center;">2012-2013</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td style="text-align: right;">3,81,461</td> <td style="text-align: right;">1,45,702</td> </tr> <tr> <td>EURO</td> <td style="text-align: right;">1,91,074</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td>GBP</td> <td style="text-align: right;">22,964</td> <td style="text-align: right;">16,400</td> </tr> </tbody> </table>		2013-2014	2012-2013	USD	3,81,461	1,45,702	EURO	1,91,074	36,000	GBP	22,964	16,400		
	2013-2014	2012-2013												
USD	3,81,461	1,45,702												
EURO	1,91,074	36,000												
GBP	22,964	16,400												
<p>29. The Company has obtained stay of Proceeding from the Honourable High Court Madras on 16th March 2006 against a proposition notice from the Commercial Tax Department for levy of Sales Tax for Export Sales effected through Auction Centres and the matter is pending. Legal counsel is of the view that the Company has a strong case and accordingly no provision is considered in the Accounts.</p>														
<p>30. The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous the planted area in the Tea garden, but due to rocky terrain and land could not be cultivated as stipulated by Government and eviction proceeding relating to the aforesaid piece of land had been stayed by the Supreme Court of India. In its final order dated 7th August, 2013, the supreme court has directed the Land Board to review the case afresh.</p>														
<p>31. Disclosures required under Accounting Standard 15 R notified in the Companies (Accounting Standards) Rules 2006, are given below:</p>														
<p>A. Change in Present Value of the obligation during the year ended March 31, 2014</p>														
<p>1. Present value of obligation at the beginning of the year</p>	37,362	32,823												
<p>2. Current Service Cost</p>	3,443	2,405												
<p>3. Interest Cost</p>	2,960	2,391												
<p>4. Benefits paid</p>	(4,737)	(1,025)												
<p>5. Actuarial (Gain)/Loss on obligation</p>	1,953	767												
<p>6. Present value of obligation at the closing of the year</p>	40,981	37,361												

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31-03-2014 Rs.'000	31-03-2013 Rs.'000
B. Change in Plan Assets during the year ended March 31, 2014		
1. Fair value of plan assets at the beginning of the year	35,437	29,161
2. Expected return on plan assets	3,448	2,837
3. Contribution made	7,604	4,464
4. Benefits paid	(4,737)	(1,025)
5. Actuarial Gain/ (Loss) on plan assets	0	0
6. Fair Vaue of plan assets at the closing of the year	41,752	35,437
C. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of the obligation	40,981	37,361
2. Fair Value of plan assets	41,752	35,437
3. Funded status surplus/(deficit)	771	(1,924)
4. Unrecognised past service cost	0	
5. Net Asset/ (Liability) recognised in the Balance Sheet	771	(1,924)
D. Expenses recognised during year		
1. Current Service Cost	3,443	2,405
2. Interest Cost	2,960	2,391
3. Expected return on plan assets	(3,448)	(2,837)
4. Actuarial Loss/(Gain) during the year	1,953	767
5. Total Expenses recognised in Statement of Profit and Loss	4,908	2,726
E. Major categories of plan assets as a percentage of Total Plan		
Government of India Bond	-	-
Bank balances and Investment with Life Insurance Corporation	100.00%	100.00%
<p>The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors. In the absence of readily available information about experience adjustment, the same are not furnished.</p>		
F. Actuarial Assumptions		
I. 1. Discount rate	8.00%	8%
2. Salary escalation	6.00%	6%
3. Expected rate of return on plan assets	9.25%	9%
4. Attrition rate	1% to 3%	1% to 3%
II. Defined benefit plan- Compensated Absence		
Actuarial Assumptions		
1. Discount rate	8.00%	8%
2. Salary escalation	6.00%	6%
3. Attrition rate	1% to 3%	1% to 3%

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

Particulars	31-03-2014 Rs.'000	31-03-2013 Rs.'000																		
32. Provisions which are not contingent but provided based on estimation.																				
Nature of expenses - Compensated Absence																				
Probable outflow estimated within the year																				
Provision outstanding at the beginning of the year	1,090	907																		
Provision made during the year	70	183																		
Provision utilized during the year	0	0																		
Provision reversed during the year	0	0																		
Provision at the end of the year	1,160	1,090																		
33. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises and consequently the amount paid/payable to these parties has been considered as NIL.																				
34. Earning per share: For the purpose of computing the earnings per share, the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered, as the denominator																				
Net profit attributable to shareholders	77,600	57,449																		
Number of shares (Face value of Rs.10/- per share)	4,996,566	4,996,566																		
Earning per share (Basic and Diluted) (Rs.)	15.53	11.50																		
35. Value of Raw Materials, Stores and Spare Parts & Components Consumed	1,65,518	1,46,729																		
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2013-2014</th> <th></th> <th style="text-align: center;">2012-2013</th> </tr> <tr> <th style="text-align: center;">%</th> <th style="text-align: center;">Value (Rs. '000)</th> <th style="text-align: center;">%</th> <th style="text-align: center;">Value (Rs. '000)</th> </tr> </thead> <tbody> <tr> <td>Indigenous</td> <td style="text-align: right;">97.72</td> <td style="text-align: right;">1,61,748</td> <td style="text-align: right;">98.04</td> <td style="text-align: right;">1,43,860</td> </tr> <tr> <td>Imported</td> <td style="text-align: right;">2.28</td> <td style="text-align: right;">3,770</td> <td style="text-align: right;">1.96</td> <td style="text-align: right;">2,869</td> </tr> </tbody> </table>		2013-2014		2012-2013	%	Value (Rs. '000)	%	Value (Rs. '000)	Indigenous	97.72	1,61,748	98.04	1,43,860	Imported	2.28	3,770	1.96	2,869	
	2013-2014		2012-2013																	
%	Value (Rs. '000)	%	Value (Rs. '000)																	
Indigenous	97.72	1,61,748	98.04	1,43,860																
Imported	2.28	3,770	1.96	2,869																

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

Particulars	31-03-2014 Rs.'000	31-03-2013 Rs.'000
36. Cost of Green Leaf Consumed		
(a) Cost of Green Leaf Purchased	90,216	80,863
(b) Cost of Green Leaf Harvested	55,002	46,509
(classified under various natural heads)	1,45,218	1,27,372
37. Repairs to Building and Machinery include		
Salaries and Wages	5,432	3,885
Consumption of Stores	6,001	5,538
	11,433	9,423
38. Earning of Foreign Currency		
F.O.B. Value of Tea Exports	2,56,970	1,74,492
39. C.I.F Value of Imports		
Packing Materials	1,529	1,527
Capital Goods	-	1,303
40. Expenditure in Foreign Currency		
(i) Travel	1,177	1,538
(ii) Commission	2,128	3,163
	3,305	4,701
41. Disclosure as per Clause 32 of the Listing Agreement		
There are no loans and advances in the nature of loans given to associates and others and investment in shares of the Company by such parties.		
42. Finance Leases relating to vehicles :-		
(a) Reconciliation between total minimum lease payment and their present value.		
Total Minimum lease payments	1,552	1,261
Less: Future liability on interest account	137	377
Present value of minimum lease payment	1,415	884

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

Particulars	31-03-2014 Rs.'000		31-03-2013 Rs.'000	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
42. Finance Leases relating to Vehicles – (Contd.)				
(b) Year-wise future minimum lease rental payments on contract entered:				
Not later than one year	1,129	1,023	772	535
Later than one year and not later than five years	423	392	489	349
43. (i) Deposits from Public includes deposit held by a Director	900		900	
(ii) Maturity period of Deposits and Interest rate (breakup for Note 5)				
2013-2014 Amount (in months) (Rs.'000)				
2012-2013 Amount (in months) (Rs.'000)				
– – 13 100				
– – 15 3033				
– – 17 100				
– – 18 130				
– – 27 50				
Rate of Interest for the above Deposits is 10% per annum				
44. Segment Report :				
A. Primary Segment Information – Business Segment				
(a) Segment Revenue				
Plantation		4,62,397		3,64,255
Property*		28,816		3,238
Total Income from Operations (net)		4,91,213		3,67,493
(b) Segment Results (Profit before Tax and Interest)				
Plantation		1,10,178		88,629
Property *		15,108		(5,846)
Total		1,25,286		82,783
Less :				
(i) Unallocated Interest and finance charges		703		2,191
(ii) Other unallocable expenditure net of unallocable income		23,966		10,185
Profit before tax		1,00,616		70,407
Segment Capital Employed (Segment Assets - Segment Liabilities)				
Plantation		1,94,735		1,55,826
Property		2,02,328		2,05,156
Unallocated		1,25,650		99,914
Total		5,22,713		4,60,896
*previous year income accrued effective from 18th February 2013				

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

Particulars	31-03-2014 Rs.'000	31-03-2013 Rs.'000
44. Segment Report – (Contd.)		
B. Secondary Segment information - By Geographical Segments		
(a) Segment Revenue (Net of Excise Duty)		
India	2,09,295	1,80,998
Outside India	2,81,918	1,86,495
Total	4,91,213	3,67,493
(b) Segment Assets		
India	5,65,822	5,16,745
Outside India	40,996	11,777
Total	6,06,818	5,28,522
(c) Capital Expenditure (including work-in-progress)	37,536	2,36,164
45. Related Party Disclosures:		
(i) Names of related parties and nature of related party relationship exists are as under: (related parties have been identified by the Management)		
(a) Ms. Mallika Srinivasan Chairman		
(b) Key managerial personnel	Mr.D.Hegde, Whole-time-Director	
	Mr.T.G.B.Pinto, Whole-time-Director	
(ii) Associate Companies : Amalgamations Private Limited		
(with whom transctions have taken place during the year)	Simpson & Company Limited	
	IP Rings Limited	
	T.Stanes & Company Limited	
	Tractors & Farm Equipment Limited	
	Stanes Amalgamated Estates Limited	
	Stanes MJF Teas Limited	
	Kuduma Fasteners Private Limited	
	The United Plantations Plc., Ethiopia	

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

(iii) Particulars of transactions with related parties :

Description	Associates		Related party where control exists/Key Management Personnel		Total	
	2013-2014 Rs.'000	2012-2013 Rs.'000	2013-2014 Rs.'000	2012-2013 Rs.'000	2013-2014 Rs.'000	2012-2013 Rs.'000
Transactions during the year						
Purchase of goods	14,922	13,614	-	-	14,922	13,614
T.Stanes & Company Limited	4,946	4,071	-	-	4,946	4,071
Tractors & Farm Equipment Limited	9,976	9,543	-	-	9,976	9,543
Sale of goods	1,595	1,855	-	-	1,595	1,855
T.Stanes & Company Limited	990	1,432	-	-	990	1,432
Tractors & Farm Equipment Limited	605	423	-	-	605	423
Service Charges						
Amalgamations Private Limited	179	163	-	-	179	163
Reimbursement of Expenses						
Amalgamations Private Limited	202	202	-	-	202	202
Dividend Received	872	924	-	-	872	924
Stanes Amalgamated Estates Limited	82	-	-	-	82	-
IP Rings Limited	-	2	-	-	-	2
Simpson & Company Limited	790	922	-	-	790	922
Payment to Related party where control exists	-	-	6,204	5,522	6,204	5,522
Dividend Paid	-	-	153	232	153	232
Interest on Fixed Deposit	-	-	90	90	90	90
Non-Wholetime Directors Commission	-	-	150	152	150	152
Salary paid to key managerial personnel	-	-	5,811	5,048	5,811	5,048
Dividend Paid	1,678	4,260	-	-	1,678	4,260
Amalgamations Private Limited	397	1,008	-	-	397	1,008
Simpson & Company Limited	80	203	-	-	80	203
T Stanes & Company Limited	1,087	2,760	-	-	1,087	2,760
Stanes Amalgamated Estates Limited	114	289	-	-	114	289
Investments						
The United Plantations Plc-Ethiopia	-	2,768	-	-	-	2,768
Balance at the year end						
Investments	32,196	32,196	-	-	32,196	32,196
Stanes MJF Teas Limited	7,500	7,500	-	-	7,500	7,500
Kuduma Fasteners Private Limited	20,889	20,889	-	-	20,889	20,889
Stanes Amalgamated Estates Limited	608	608	-	-	608	608
IP Rings Limited	324	324	-	-	324	324
Simpson & Company Limited	107	107	-	-	107	107
The United Plantations Plc-Ethiopia	2,768	2,768	-	-	2,768	2,768
Trade Receivables						
T.Stanes & Company Limited	221	90	-	-	221	90
Tractors & Farm Equipment Limited	126	86	-	-	126	86
Trade Payables						
T.Stanes & Company Limited	241	84	-	-	241	84

46. The Previous year figures have been reclassified to make them comparable with those of current year.