



# The United Nilgiri Tea Estates Company Limited

Regd. Office : P.B. No. 3708, No. 3, Savithri Shanmugam Road, Race Course, Coimbatore - 641 018  
Phone : 0422-2220566, 2220125 Fax : 0422-2222865 Email : headoffice@unitednilgiritea.com, unitea22@gmail.com  
PAN : AABCT1206H TIN : 33141880020 CIN : L01132TZ1922PLC000234 Web : unitednilgiritea.com

**MINUTES OF THE 94th ANNUAL GENERAL MEETING OF THE MEMBERS OF THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED HELD AT "SRI S.ANANTHARAMAKRISHNAN HALL", 8/23-24, RACE COURSE, COIMBATORE - 641018, ON SATURDAY, THE 9<sup>TH</sup> JULY 2016, AT 3.15 P.M.**

**Ms. Mallika Srinivasan Chairman took the chair.**

Mr.N.Srinivasan, Mr.Sankar Datta, Mr.R.Subramaniyan, Mr.Krishna Srinivasan and Mr.K.V.Sriram, Non-Whole-time Directors Mr.D.Hegde and Mr.T.G.B.Pinto, Whole-time Directors and 616 members in person representing 22,72,776 equity shares and 20 members representing 5,716 equity shares by proxy were present.

The following Companies were represented –

M/s. Tractors and Farm Equipment Ltd. Represented by Ms.Mallika Srinivasan.

M/s. T.Stanes & Co.Ltd represented by Mrs.Lakshmi Narayanan.

M/s. Southern Tree Farms Limited represented by Ms. Mallika Srinivasan.

M/s.Trustees, T.Stanes Staff Pension Fund represented by Mrs.Lakshmi Narayanan.

M/s.Stanes Amalgamated Estates Limited represented by Mr.P.S.Wallia.

The requisite quorum being present, the Chairman called the meeting to order and welcomed the shareholders.



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The notice convening the meeting was read by Mr.S.Raghuraman, Chief Financial Officer. The Auditors' Report on the Accounts was also read by read by him.

Ms.Mallika Srinivasan, Chairman then read her prepared address:

"Good afternoon Dear Shareholders, Ladies and Gentlemen,

I welcome you all to this 94th Annual General Meeting of your Company.

The world tea production during 2015 was higher at 5,200 million kg as against 5,177 million kg in 2014. India the second largest tea producing country in the world, produced 1,191 million kg in 2015 which is lesser by 16 million kg than 2014. North India's contribution was at 964 million kg and that of South India was at 227 million kg.

India's tea exports during 2015 were higher at 217.7 million kg as against 207.4 million kg in 2014. The export from North India was 122.5 million kg and that from South India was 95.2 million kg.

Erratic weather with sudden high rainfall and prolonged dry spells have become a common feature in the Country. The change in climatic conditions lead to increased pest attack on tea resulting in increased expenditure on cultivation. As a result the cost of production continues to be higher which can be mitigated only if the price realization is adequate.



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The total tea manufactured by your Company during the financial year 2015-16 was higher at 2.93 million kg as against 2.74 million kg during the previous financial year . The total quantity of tea exported during the year, however, was lower at 1.50 million kg as against 1.62 million kg last year due to softening of demand. However the prices were supported by a good product mix and alongside a better rental on the commercial building the performance for 2015-16 has been good and profits reported is the highest on record.

An extended dry spell in South India during the peak production months of April and May 2016 has led to lower output. The continuing dry weather has also affected your Company's production during the first quarter of the current financial year. South India may end up this current year with lower output than the previous year.

Your Company has given more emphasis to soil and water conservation activities like rainwater harvesting, building of check dams and staggered drenches and increasing organic matter content to overcome the drought. Your Company has also adopted integrated pest management system in the plantations by using bio-controls for pest infestation.

Factory upgradation is a continuous process to improve productivity and quality with lowest cost possible. During the year we have installed in Korakundah a Hot Air Generator for drying tea and a Continuous Fermenting machine in Alladavalley to improve fermentation and thereby achieve further enhancement in quality for improved price realization.



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Your Company has been focusing on increased production of Organic Black and Green tea besides White tea which would improve the price realization and margins. Your Company is introducing varieties of value added teas, herbal infusions, flavoured and wellness teas which are in demand.

I am glad to inform you that Chamraj and Korakundah Factories are FSSC 22000 certified. Your Company is the first in South India to get this certification. Both estates have won five awards at this year's Golden Leaf India Awards–Southern Tea Competition 2016.

I am proud to inform you that Fairtrade International has awarded a Prize for the best Premium Committee for the Year 2016 at a special awards ceremony held in Berlin, Germany recognizing your Company's initiatives in the area of community and environmental development.

### **Corporate Social Responsibility (CSR):**

Your Company is running a well established Higher Secondary School which is also open to children in the community, a garden hospital with good facilities, and an orphanage besides environmental projects.

Sivasailam Chamraj Higher Secondary School, which includes children from neighbouring villages, has recorded 98% result in the 10<sup>th</sup> Standard and 97 % result in the 12<sup>th</sup> Standard during the academic year 2015-16.



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The Chamraj Garden Hospital has treated nearly 10,038 out-patients and 1,753 in-patients totaling to 11,791 patients during the last financial year.

- The Hospital organized free medical camps for Orthopaedics and Cardiology during the year which were conducted by Specialists from Coimbatore . Large number people from neighborhood attended the camp and were benefited.

The Company is associated with the United Nilgiris Conservation Society (UNCS) which is working towards poverty alleviation and human development of villages and conservation of natural resources in the Nilgiri district.

The Commercial building has become a landmark in the city and being associated with the company has enhanced brand image.

The Annual Report and the accounts have been with you for some time. You will notice there from that your Company has earned a Net Profit of Rs.13.56 cr. before tax for the financial year 2015-16 as against Rs.11.25 cr in 2014-15.

Your Directors have recommended a final dividend of 17% for the year ended 31<sup>st</sup> March 2016 in addition to 10% Interim Dividend already paid making the total dividend at 27% for the year.



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I would like to thank my colleagues on the Board for their guidance and also the officers, staff and workers of the Company for their continued efforts during the year. Most of you shareholders have been with the Company for several years and this bond is encouraging.

Thank you.

The Chairman also supplemented her speech by giving a bird's eye view of the geo-economic situation both India and overseas, the strategies which are being adopted to augment profitability and explained the product mix and various value added teas marketed by the Company. She also complimented the whole-time Directors Mr.D.Hegde and Mr.T.G.B.Pinto and the management team for the good health of the plantations.

## **Transactions of Business :**

The Chairman took up the agenda of the meeting.

## **ORDINARY BUSINESS:- Ordinary Resolutions**

1. To adopt the Directors' Report, Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016 and the Balance Sheet as on that date and the Auditors' Report thereon.

Proposed by Mr. K.R.Ramaswamy

Seconded by Mr. Mr.Iyyappan



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The Chairman invited comments by the members on the Accounts. All the members who spoke complimented the management for the good results of the Company year on year and appreciated the strategies adopted by the Company to ensure the growth path and profitability. A couple of members requested the Board to consider enhancing of the dividend and issue bonus shares in the current year. The Chairman pointed out that due to acute shortage in the rainfall in the few months of the current financial year, the profitability of the Company during the current year is adversely affected. As a prudent corporate dividend policy the Company has been adopting a consistent quantum of dividend taking into account the vagaries of monsoon and ever increasing input costs. She also pointed out the significant increase in the market capitalization of the shares during the year. As regards Bonus Shares, she observed that mere increase in the capital base of the Company by issue of Bonus Shares would not by itself increase the dividend outflow which is governed by dividend policy.

2. (i) To confirm the Interim Dividend of Re.1 per equity share already paid for the financial year ended 31<sup>st</sup> March, 2016 and (ii) To declare a Final Dividend for the year ended 31<sup>st</sup> March 2016.

Proposed by Mr.Harish Kumar

Seconded by Mr.Mani Sundaram

3. To appoint a Director in place of Mr. D.Hegde, (DIN: 00025468) who retires by rotation and is eligible for re-appointment.

Proposed by Mr.Mahaboob

Seconded by Mr.R.Karthik



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4. To appoint a Director in place of Mr. T.G.B.Pinto, (DIN: 00025593) who retires by rotation and is eligible for re-appointment.

Proposed by Mr.K.S.Balasubramaniyan

Seconded by Mr. Iyyappan

5. To ratify the re-appointment of M/s.Fraser & Ross Chartered Accountants (Firm Registration No. 000829S) as Statutory Auditors for the year 2016-17 and fix their remuneration.

Proposed by Mr.V.Viswanathan

Seconded by Mr.Ganesan

## **SPECIAL BUSINESS: Ordinary Resolutions**

6. To re-appoint Mr.D.Hegde as a whole-time director for a period of three years from 1-1-2016 to 31-12-2018.

Proposed by Mr.P.B.Sampath

Seconded by Mr.Ganesan

7. To re-appoint Mr.T.G.B.Pinto as a whole-time director for a period of three years from 1-1-2016 to 31-12-2018.

Proposed by Mr.V.Viswanathan

Seconded by Mr.K.Parthasarathy





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The Chairman outlined the procedure for casting votes in person which is available to those did not exercise the e-voting.

The Chairman also announced that M/s KSR & Co., Company Secretaries LLP, Coimbatore, the scrutinizers of the E Voting and Ballot by Post is authorized to count the physical votes at the AGM venue and the scrutinizers would forward the combined report of the voting (E Voting, Ballot by Post and Physical vote) to the Chairman of the meeting and would be posted in the Company's website besides intimating the National Stock Exchange of India Limited, where the Company's shares are listed.

The Chairman concluded the meeting at 4.45 pm.

  
**MALLIKA SRINIVASN  
CHAIRMAN**

**Coimbatore  
09-07-2016**