



**Ninety First Annual Report
& Accounts
2012 - 2013**

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Promises kept...

To be agile, one must change. And to change, one must become agile. The only constant is change.

Tea has been our lifeblood and, in all likelihood, will continue to be. Tea has been our past and it is our present. Tea will also be our future.

We are a tea company and nothing else - we make tea, we innovate with tea and we go to market with new, better and varied teas. And we get better at tea every day.

We are fiercely proud of our heritage for tea is the only reason for our being.

But...we are buffeted by the winds of change, there is competition from overseas, we face cut-price markets and there are new challenges...all of which we take in our stride and face resolutely.

However, can we afford to do the things we have been doing if we depend on tea alone? Do we put all our eggs in one basket? How do we spread our risks? How can we aggregate other sources of revenue?

Our teas, our business, our people, our staff, the schools, students, hospital, welfare activities and all that we do for society depend on a steady source of income and, of course, profit.

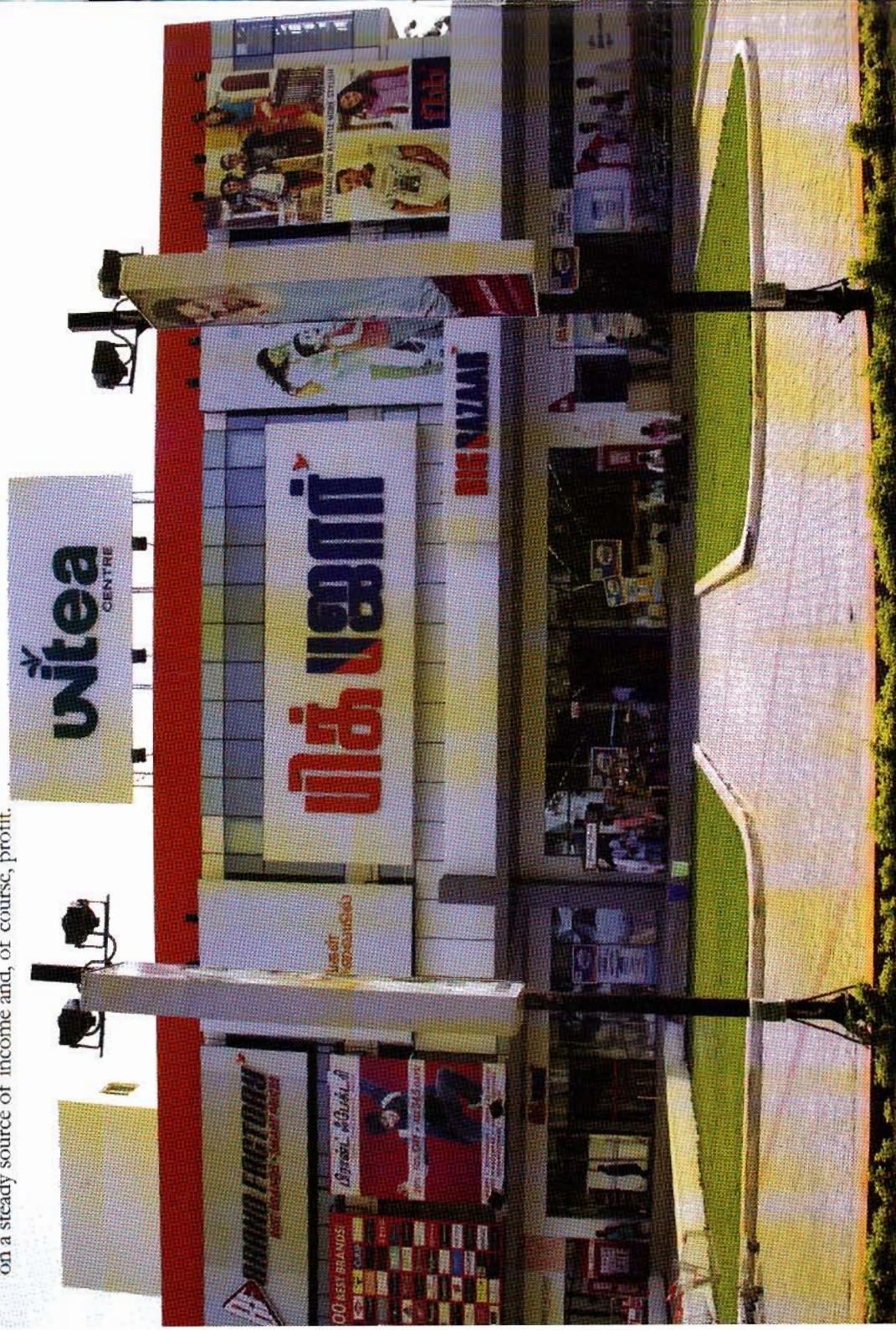
How do we sustain what we are? How do we ensure continuity? How do we remain The United Nilgiri Tea Estates Company and embody all we presently stand for?

Our late Chairman, A. Sivasailam, as part of his vision for our company, promised alternative and expanded sources of income for the company so we could concentrate on becoming a great tea company.

A promise made during his tenure and kept during the last financial year is the UNITEA Centre, a grand new shopping complex we have built in Coimbatore, and rented out to a high profile tenant which will ensure a steady income for the company.

So we can keep doing what we do best. So we can expand our horizons and keep the UNITEA flag flying high...

So we can be the better tea company that we are. And the even bigger tea company that we will be.



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THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

DIRECTORS

Ms. MALLIKA SRINIVASAN – Chairman

Mr. N. SRINIVASAN

Mr. SANKAR DATTA

Mr. R. SUBRAMANIYAN

Mr. D. HEGDE, Whole-time Director

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

GENERAL MANAGER (FINANCE) & COMPANY SECRETARY

Mr. S. RAGHURAMAN

AUDITORS

Messrs. 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

REGISTERED OFFICE

No. 3, SAVITHRI SHANMUGAM ROAD,

RACE COURSE,

COIMBATORE - 641 018

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety First Annual General Meeting of the Company will be held at "Sri. S. Anantharamakrishnan Hall", in the premises of T. Stanes & Company Limited, No 8/23-24, Race Course Road, Coimbatore – 641 018 on Thursday, the 8th August, 2013 at 3.30 PM to transact the following business :-

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report, Statement of Profit and Loss for the year ended 31st March 2013 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a final Dividend.
3. To appoint a Director in place of Ms. Mallika Srinivasan, Director who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N. Srinivasan, Director who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their Remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

Re-appointment of Mr.D.Hegde as a Whole-time Director :-

RESOLVED THAT,

in accordance with the provisions of Sec. 198,269, 309 & 310 and other applicable provisions of the Companies Act, 1956, and read with Schedule XIII to the said Act, Mr. D. Hegde, Whole-time Director be and is hereby re-appointed for a period of three years with effect from 1st January 2013 on the following terms and conditions:

Basic Pay : Rs. 1,57,500/- per month (in the scale of Rs.1,57,500 to Rs.1,81,500 with an annual increment of Rs.12,000 - subject to approval of the Board).

Dearness Allowance : Rs. 7,000/- per month

Perquisites :

- (i) Holiday Allowance : One month's salary ;
 - (ii) Annual Incentive : As may be sanctioned by the Board every financial year;
 - (iii) Telephone at the residence and a mobile phone ;
 - (iv) Participation in the medi-claim insurance for hospitalization as per Company's Rules ;
 - (v) Company's Contribution to Provident Fund @ 12 % of Salary and Superannuation @ 15 % of Basic Pay ;
 - (vi) Gratuity : As per Company's Rules ;
 - (vii) Accommodation : The Company will provide furnished quarters ;
 - (viii) Free use of Company car with driver ;
 - (ix) Free Gas, Firewood, Water, and Electricity and Servants at the residence of the Director ;
 - (x) Personal Accident Insurance for self as per Company's Rules;
- Leave : As per Company's Rules.

Termination of Appointment :

Three months' notice on either side.

Memorandum of concern or interest :

No Director other than Mr. D. Hegde is concerned or interested in this resolution.

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

Re-appointment of Mr.T.G.B. Pinto as a Whole-time Director : -

RESOLVED THAT,

in accordance with the provisions of Sec. 198,269, 309 & 310 and other applicable provisions of the Companies Act, 1956, and read with Schedule XIII to the said Act, Mr T.G.B. Pinto, Whole-time Director be and is hereby re-appointed for a period of three years with effect from 1st January 2013 on the following terms and conditions:

Basic Pay : Rs. 1,52,500/- per month (in the scale of Rs.1,52,500 to Rs.1,76,500 with an annual increment of Rs.12,000 - subject to approval of the Board).

Dearness Allowance : Rs. 7,000/- per month

Perquisites :

- (i) Holiday Allowance : One month's salary ;
- (ii) Education Allowance : Rs.3,000/- per month for Day-scholar and Rs.5,000/- per month for Boarder in case of school education and an additional Rs.3000/- in case of college education;
- (iii) Annual Incentive : As may be sanctioned by the Board every financial year;
- (iv) Telephone at the residence and a mobile phone ;
- (v) Participation in the medi-claim insurance for hospitalization as per Company's Rules ;
- (vi) Company's Contribution to Provident Fund @ 12 % of Salary and Superannuation @ 15 % of Basic Pay ;
- (vii) Gratuity : As per Company's Rules ;
- (viii) Accommodation : The Company will provide furnished quarters ;
- (ix) Free use of Company car with driver ;
- (x) Free Gas, Firewood, Water, and Electricity and Servants at the residence of the Director ;
- (xi) Personal Accident Insurance for self as per Company's Rules;

Leave : As per Company's Rules.

Termination of Appointment :

Three months' notice on either side

Memorandum of concern or interest :

No Director other than Mr. T.G.B. Pinto is concerned or 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
7th May 2013

NOTES:

The Members' Register and Share Transfer Books of the Company will remain closed from 1st August 2013 to 8th August 2013 (both days inclusive).

The Dividend, when declared will be paid on or after 8th August 2013 in respect of shares held in Physical form to those members whose names appear in the Register of Members as on 8th August 2013 and in respect of shares held in electronic form, Dividend will be paid on the basis of beneficial ownership of the shares as on the closing of the business hours on 31st July 2013 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 Final Dividend 2005 to the account of Investor Education and Protection Fund in terms of provisions of Section 205 A of the Companies Act, 1956.

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.

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.

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

S.RAGHURAMAN
General Manager (Finance) & Company Secretary

Chennai
7th May 2013

EXPLANATORY STATEMENT UNDER SEC. 173 (2) OF THE COMPANIES ACT, 1956

Item 6 of the Agenda :

The Board of Directors has re-appointed Mr. D. Hegde, Director for a period of 3 years with effect from 1st January 2013 at their meeting held on 7th February 2013. The re-appointment is subject to approval by the shareholders by means of passing an ordinary resolution at the Annual General Meeting. The remuneration proposed is within the limits prescribed in Schedule XIII to the Companies Act, 1956 as amended. Mr. D. Hegde is not liable to retire by rotation in terms of Article No.27 of the Articles of Association of the Company.

Full particulars of the remuneration and perquisites proposed to be paid / allowed to him are set out in the list of the resolution and are within the limits permissible under Schedule XIII to the Companies Act, 1956.

Mr.D.Hegde, Director is interested in this item of business. No other Director is interested.

Your Directors commend the Resolution for your approval.

Item 7 of the Agenda :

The Board of Directors has re-appointed Mr. T.G.B. Pinto, Director for a period of 3 years with effect from 1st January 2013 at their meeting held on 7th February 2013. The re-appointment is subject to approval by the shareholders by means of passing an ordinary resolution at the Annual General Meeting . The remuneration proposed is within the limits prescribed in Schedule XIII to the Companies Act, 1956 as amended . Mr.T.G.B. Pinto is not liable to retire by rotation in terms of Article No. 27 of the Articles of Association of the Company.

Full particulars of the remuneration and perquisites proposed to be paid / allowed to him are set out in the list of the resolution and are within the limits permissible under Schedule XIII to the Companies Act, 1956.

Mr.T.G.B.Pinto, Director is interested in this item of business. No other Director is interested.

Your Directors commend the Resolution for your approval.

Brief Particulars of Directors seeking re-appointment

NAME	Ms. MALLIKA SRINIVASAN	Mr. N. SRINIVASAN
Date of Appointment	25.01.2011	30.06.1999
Qualification	MA., MBA	B.Com., CA
Expertise in special function	INDUSTRIALIST	CORPORATE FINANCIAL MANAGEMENT
Directorship in other Companies	Tractors and Farm Equipment Ltd. TAFE Reach Ltd. TAFE Access Ltd. TAFE Motors and Tractors Ltd. Tata Global Beverages Ltd. Tata Steel Ltd. AGCO Corporation., USA Trust Properties Development Co. Pvt Ltd. Stanadyne Amalgamations Pvt. Ltd.	United Breweries (Holdings) Ltd. India Cements Ltd. Tractors and Farm Equipment Ltd. McDowell's Holdings Ltd. India Cements Capital Ltd. GATI Ltd. Essar Shipping Ltd. Best & Crompton Engg. Ltd. UB Engineering Ltd. TAFE Motors and Tractors Ltd. Redington India Ltd. Redington India Investments Ltd. Indair Carriers Private Ltd. UT Worldwide (India) Private Ltd. SCM Microsystems (India) Private Ltd.
Management Committee Member	Indian School of Business, Hyderabad – Director Indian Institute of Management, Trichy – Member, Board of Governors. Cancer Institute, Chennai - Member – Governing Body. IIT Madras – Rural Technology and Business Incubator - Member – Governing Board.	Associated Chamber of Commerce & Industry, New Delhi. Madras Chamber of Commerce & Industry, Chennai. Indo Australian Chamber of Commerce, Chennai. The Employers' Federation of Southern India, Chennai.

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

Chennai,
7th May 2013

S.RAGHURAMAN
General Manager (Finance) & Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 91st Annual Report on the performance of the Company together with the Statement of Profit and Loss for the year ended 31st March 2013 and the Balance Sheet as at that date together with the Auditors' Report thereon.

FINANCIAL RESULTS :

	Rs. in lakhs	
	2012-2013	2011-2012
Profit before Interest, Depreciation and Tax	841.83	624.02
Finance Cost	21.91	5.80
Depreciation and amortisation	115.85	97.45
Profit Before Tax	704.07	520.77
Provision for Taxation (including Deferred Tax)	129.58	98.43
Profit for the year	574.49	422.34
Add: Surplus forward from previous year	426.12	179.61
Available for appropriation	1000.61	601.95
Appropriations:		
Interim Dividend	49.97	49.97
Proposed Final Dividend	64.96	64.96
Tax on distribution of Dividend	18.65	18.65
Transfer to General Reserve	57.45	42.25
Surplus carried forward	809.58	426.12
	1000.61	601.95

DIVIDEND :

Your Directors have recommended a Final Dividend of Rs.1.30 per Share (13%) which together with an Interim Dividend of Re.1.00 per Share (10%) already paid, aggregate to Rs.2.30 per share (23%) for the year ended 31st March 2013 [Previous year Rs.2.30 per Share (23%)].

OPERATIONS:

Your Company's Estates have faced unprecedented severe drought during the year. As against a normal average rainfall of 1250 mm, the rainfall during the year was only 793 mm. The total quantity of Tea manufactured during the year was 23,60,005 Kg. as against 24,82,230 Kg. during the previous year.

Despite poor monsoon, your Company has achieved net profit of Rs.704.07 lacs as against 520.77 lacs during the previous year mainly on account of economic efficiency in operations, better product mix and improved price realization.

The average price realization at the domestic and export markets were higher than the previous financial year by around 28%.

Total export of Tea during the year was 11,51,186 Kg. as against 12,85,039 Kg. during last year. However, there was good demand for organic tea from overseas customers which enabled your Company to export 3,65,792 Kg. of organic tea during the year as against 3,31,189 Kg. last year.

With a view to improving performance, your Company has focused more on manufacturing Organic Tea including Green Tea and Value added teas. With increase in export of Organic Tea, Value added teas, together with cost control measures and the income

DIRECTORS' REPORT — (Contd.)

from property let-out, the performance of your Company for the current financial year would appear favourable subject, however, to receipt of normal monsoon.

AWARDS AND DISTINCTIONS:

Your Directors are happy to record that Korakundah and Chamraj Estate have won five awards at The Golden Leaf India Awards – Southern Tea Competition 2013 held at Coonoor, India. Chamraj Winter Delight and Korakundah Organic Frost teas have won awards at Great Taste Awards 2012 at United Kingdom conducted by Guild of Fine Foods, United Kingdom.

COMMERCIAL PROPERTY:

The commercial building at Coimbatore has been licensed to a leading retail group and they have started their operations effective 18th February 2013. The revenue from the building has started accruing to the Company since that date. The financials of the coming year would reflect the rental income for the full year.

DIRECTORS:

Ms. Mallika Srinivasan, and Mr. N.Srinivasan, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- in the preparation of the Annual Accounts for the year ended 31st March 2013, the applicable Accounting Standards have been followed ;
- 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 the profit for the year;
- 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;
- 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.

COE/CFO CERTIFICATE:

As provided in Clause 49 of the Listing Agreement, the certificate from the two Whole-time Directors Mr. D. Hegde and Mr. T.G.B. Pinto and General Manager (Finance) and Company Secretary, Mr. S. Raghuraman was placed before the Board of Directors at their meeting held on 7th May 2013 and taken on record.

DIRECTORS' REPORT – (Contd.)

CORPORATE SOCIAL RESPONSIBILITY:

The Chamraj Sivasailam Garden Hospital has treated 6,517 outside patients and 1,186 in-patients besides own estate staff and workers. Dentistry and the Ophthalmology have also been introduced at the hospital. The services 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 are quite impressive. Increasing number of students are pursuing higher / vocational education. A new building has been constructed at the school to house a dining room for boys and girls and an indoor games room on the first floor.

Two orphanages run by the estates continue to render useful service to the needy children.

The Company's Labour welfare practices are far more than the statutory requirements which are well recognized by prestigious plantation labour welfare international organization viz. Fairtrade 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.

FIXED DEPOSITS:

The aggregate Deposits from public as on 31st March 2013 was Rs.43,88,000/-. There is no unclaimed / overdue deposit.

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:

Every year, an audit of cost accounts, relating to plantation products produced by the Company is required to be conducted by an auditor with the requisite qualification as prescribed under Section 233 (B) of the Companies Act, 1956.

M/s. S. Mahadevan & Co., Coimbatore have been appointed as Cost Auditors to conduct the cost audit for the year 2012 - 13.

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
7th May, 2013

MALLIKA SRINIVASAN
CHAIRMAN

Annexure to the Directors' Report for the year 2012-2013
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**

	2012 – 2013	2011 – 2012
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units	12,79,651	14,20,714
Total Amount	Rs. 94,45,427	Rs. 78,55,788
Rate/Unit	Rs. 7.38	Rs. 5.53
(b) Own Generation		
Through Diesel Generators :		
Units	76,451	35,062
Units/Ltr. of Diesel Oil	2.18	1.78
Cost/Unit	Rs. 25.53	Rs. 24.15
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 (R & D)

- | | |
|--|--|
| 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 long term basis and the finding 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 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. | |
| 2. Initiatives taken to increase exports and development of new export markets for products and services and export plans. | The Company continues its efforts to improve exports by offering quality Tea of International Standards including Value added Teas. |
| 3. Total Foreign Exchange | |
| (a) Spent | Rs. 75,31,815 /- |
| (b) Earned (FOB Value Rs. 17,44,92,253 /-) | Rs 18,64,93,735.- |

(For and on behalf of the Board)

Chennai
7th May 2013

MALLIKA SRINIVASAN
CHAIRMAN

PROGRESS REPORT AND CROP HARVESTED

Year	Profit Rs.	Taxation Rs.	Net Profit after Taxation Rs.	Tea Crop (Made Tea) Kg.	Dividend %
2007 – 2008	4,16,50,217	90,34,237	3,26,15,980	26,24,656	17.50
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	(10% Interim Dividend paid and 13% proposed)

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

Division	Mature Tea	Replanting/ Rejuvenetic Area	Un-Mature Tea	Fuel Area and Wind Belts	Shola, Jungles, Frost Prone Areas, Rocks & Roads	Total
ALLADA VALLEY	216.60	2.00	—	1.00	10.17	229.77
CHAMRAJ	125.07	—	4.00	1.00	19.96	150.03
DEVABETTA	170.50	2.00	—	2.00	18.12	192.62
KORAKUNDAH	270.00	3.00	5.00	128.00	520.86	926.86
TOTAL	782.17	7.00	9.00	132.00	569.11	1499.28

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 2012 – 13 and at the last Annual General Meeting and details of other Directorships are given below -:

Seven Board Meetings were held during the year 2012-2013. The dates on which the meetings were held are :

04.05.2012, 23.06.2012, 09.07.2012, 03.08.2012, 15.10.2012, 07.02.2013, and 27.03.2013

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	6	Yes	6	4
Mr. N. Srinivasan	7	Yes	13	4
Mr. Sankar Datta	7	Yes	Nil	Nil
Mr. R. Subramaniyan	6	Yes	Nil	Nil
Mr. D.Hegde	5	Yes	Nil	1
Mr. T.G.B. Pinto	5	Yes	Nil	Nil

3. REMUNERATION TO DIRECTORS :

Payment to 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 Profit calculated in the manner prescribed in the Companies Act, 1956. The details of remuneration paid/ payable to all the Directors for the year 2012 – 13 are :

(a) Whole-time Directors' Remunerations for the year 2012-13.

No.	Description	Mr. D. Hegde (Rs.)	Mr. T.G.B. Pinto (Rs.)	Total (Rs.)
1.	Salary	17,67,000	17,07,000	34,74,000
2.	Contribution to Provident Fund, Superannuation Fund and Mediclaim	4,79,640	4,63,065	9,42,705
3.	Holiday Allowance	1,41,500	1,59,500	3,01,000
4.	Incentive	1,65,000	1,65,000	3,30,000
	TOTAL	25,53,140	24,94,565	50,47,705

(b) Non-Whole-time Directors :

Directors	Sitting Fees (Rs.)	Commission * (Rs.)	Total (Rs.)
Ms. Mallika Srinivasan	37,500	1,52,089	1,89,589
Mr. N. Srinivasan	67,500	1,52,089	2,19,589
Mr. R. Subramaniyan	55,000	1,52,089	2,07,089
Mr. Sankar Datta	67,500	1,52,089	2,19,589
TOTAL	2,27,500	6,08,356	8,35,856

Pertaining to 2011-12 financial year paid during the year. Provision for Commission to Non Whole-time Directors of Rs.6,00,000/- for the year ended 31st March 2013 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	80,170	2,32,420
Mr. N. Srinivasan	2,002	6,607
Mr. R. Subramaniyan	18	59

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 five times during the year on 04.05.2012, 09.07.2012, 03.08.2012, 15.10.2012, and 24.01.2013. All members attended the meetings.

The present members of the Committee are -:

Mr. Sankar Datta – Chairman

Mr N. Srinivasan – Member

Mr R. Subramaniyan – Member

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

5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE :

The Shareholders / Investor Grievance Committee oversees redressal of shareholders and investor grievances, transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, and related matters.

Mr. R. Subramaniyan, Independent Director 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. The Committee met three times during the year on 4-5-2012, 3-8-2012 and 7-2-2013. During the year 11 complaints were received and resolved. No complaint was pending as at 31st March 2013. As on that date, there were no pending share transfers.

6. REMUNERATION COMMITTEE :

The Committee consists of the following members :

Ms. Mallika Srinivasan – Chairman

Mr. N. Srinivasan – Member

Mr. Sankar Datta – Member

The Committee met three times during the year on 04.05.2012, 03.08.2012, and 07.02.2013.

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

7. DISCLOSURE

All materially significant related party transactions with the Company's Promoters, Directors, the Associated Companies or relatives etc., are disclosed in the Accounts under note No. 48 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.

8. STOCK OPTION

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

9. ANNUAL GENERAL MEETING :

Location and time of last 3 Annual General Meetings were :

Year	Location	Date	Time	No. of Special Resolution Passed
2011 – 12	“SAE Gardens” 3 A & B, Kamaraj Road, Race Course, Coimbatore – 18	03.08.2012	2.45 PM	Nil
2010 – 11	“SAE Gardens” 3 A & B, Kamaraj Road, Race Course, Coimbatore – 18	03.08.2011	10.30 AM	Nil
2009 – 10	“SAE Gardens” 3 A & B, Kamaraj Road, Race Course, Coimbatore – 18	26.08.2010	4.30 PM	Two

10. POSTAL BALLOT :

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

No Special Resolution on matters requiring approval by Postal Ballot is proposed to be placed at the ensuing Annual General Meeting.

11. 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 (www.chamrajtea.in) periodically.

The Shareholders can send their grievances/complaints by mailing to the Company’s E Mail ID: unitea22@gmail.com

12. GENERAL SHAREHOLDER INFORMATION:

AGM : Day, Date, and Time	:	Thursday, 8 th August 2013 – 3.30 PM
Venue	:	Sri. S. Anantharamakrishnan Hall, T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore – 641 018
Financial Year	:	April to March
Financial Calendar	:	First Quarter Results – July Half Year – October / November Third Quarter – January Annual Results – May / June
Date of Book Closure	:	1 st August 2013 to 8 th August 2013 (both days inclusive)
Dividend Payment Date	:	8 th August 2013
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

13. MARKET PRICE DURING THE FINANCIAL YEAR 2012-13:

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

MONTH	NATIONAL STOCK EXCHANGE	
	HIGH (Rs.)	LOW (Rs.)
April 2012	158.75	144.65
May 2012	157.75	146.05
June 2012	156.95	143.95
July 2012	187.65	151.10
August 2012	179.90	154.00
September 2012	167.95	159.90
October 2012	168.00	154.60
November 2012	168.90	155.15
December 2012	226.80	164.00
January 2013	230.00	210.30
February 2013	222.00	191.55
March 2013	219.60	190.00

Shareholding Pattern as on 31st March 2013.

Category	No. of Shares held	% to Capital
1. Promoters	24,02,420	48.08
2. Banks, FI, Insurance Cos	8,51,994	17.05
3. Private Bodies Corporate	20,460	0.41
4. Indian Public	13,72,156	27.46
5. NRIs / OBCs	84,720	1.70
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 2013.

Shareholding Range	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
Upto 5000	1,849	95.50	8,21,993	16.45
5001 – 10000	55	2.84	3,97,826	7.96
10001 – 20000	19	1.00	2,72,115	5.44
20001 – 30000	1	0.05	24,344	0.49
30001 – 40000	2	0.10	68,712	1.38
40001 – 50000	0	0	0	0.00
50001 & above	10	0.51	34,11,576	68.28
TOTAL	1,936	100.00	49,96,566	100.00

Share Transfer Agents : M/s. Integrated Enterprises (India) Limited "Kences Towers", 2nd Floor, No 1, Ramakrishna Street, North Usman Road, T.Nagar, CHENNAI - 600 017

Dematerialization of Shares 80.22% of the Paid Up Share Capital of the Company has been dematerialized as on 31st March 2013.

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

Address for Communication REGISTERED OFFICE :
No : 3, Savithri Shanmugam Road, Race Course, COIMBATORE-641 018

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 LIMITED (the "Company"), for the financial year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.
4. We state that such compliance is neither an assurance as to 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)

C.R. Rajagopal
Partner
Membership No. 23418

Chennai
7th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development :

The change in weather pattern is mainly due to global warming resulting in severe drought. Consequently this affects the productivity considerably. Your Company's Estates continue to suffer from drought at the moment . The situation could improve if monsoon sets in on time.

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 Organic tea exports. Manufacturing and marketing value added tea is another area for improving the margins. Your Company is focusing into 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 revised wages which recently became effective would increase the cost of production and unless matched by corresponding sales realisation would impact the profit in immediate future years.

Outlook :

The selling price of tea continue to be good but subject to market trend. With prediction of a normal monsoon the productivity may be more than last year which will reduce cost of production. The income from let-out property has started accruing to the Company from February 2013. With whole year's income, the profitability of the financial year 2013-2014 will be better than 2012-2013.

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 during the year. The Estate Management continues to implement various welfare measures beyond what is stipulated by the Government.

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 CO. LTD** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). 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, 2013;
- (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

(Contd.)

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 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
7th May, 2013

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)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4(iii) (b) to (d), 4(f) & 4(g), 4(x), 4(xii), 4(xiii), 4(xv), 4(xix) and 4(xx) of CARO are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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.
- (iii) In respect of its inventory:
 - (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 explanation 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.
- (iv) 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.
- (v) 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.
- (vi) 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 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 except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 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

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

- to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the Company has an adequate internal audit system. 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.
- (ix) 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.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, 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 Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 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 March 31, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates	Amount involved (Rs. lakhs)
The Central Excise Act	Movement of Goods without filing declaration	High Court of Madras	2000-01	1.88

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) The Company does not deal in shares, securities, debentures and other investments.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material 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
7th May, 2013

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31st March 2013 Rs.'000	As at 31st March 2012 Rs.'000
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	49,966	49,966
Reserves and Surplus	4	410,928	366,837
Sub-Total		460,894	416,803
Non-Current Liabilities			
Long-term borrowings	5	3,902	4,338
Deffered Tax Liability	29	4,775	3,817
Other Long term Liabilities	6	15,910	6,450
Long term provisions	7	1,090	907
Sub-Total		25,677	15,512
Current Liabilities			
Short-term borrowings	8	—	26,742
Trade Payables	9	23,660	19,900
Other Current Liabilities	10	8,058	12,959
Short-term provisions	11	10,231	13,468
Sub-Total		41,949	73,069
Total		528,520	505,384
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	348,750	124,663
Capital work-in-progress		—	185,356
		348,750	310,019
Non-Current Investments	13	31,823	30,866
Long-term Loans and Advances	14	10,224	8,137
Sub-Total		390,797	349,022
Current assets			
Inventories	15	26,834	22,151
Trade receivables	16	22,331	28,697
Cash and Bank balances	17	70,484	88,429
Short-term loans and advances	18	5,192	4,885
Other current assets	19	12,882	12,200
Sub-Total		137,723	156,362
Total		528,520	505,384
Accompanying notes form part of the financial statements			

In terms of our Report attached

S.RAGHURAMAN
General Manager (Finance) &
Company Secretary

MALLIKA SRINIVASAN
N. SRINIVASAN
D. HEGDE
Directors

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

Chennai
7th May, 2013

C. R. RAJAGOPAL
Partner
Membership No. 23418

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	For the year ended 31.03.2013 Rs.'000	For the year ended 31.03.2012 Rs.'000
Revenue:			
Revenue from operations (gross)	20	368,497	320,457
Less: Excise Duty		1,004	1,150
Revenue from operations (net)		367,493	319,307
Other Income	21	7,457	11,902
Total Revenue		374,950	331,209
Expenses:			
(a) Greenleaf purchases		80,863	49,129
(b) Tea purchases		5,595	15,857
(c) Changes in value of stock of Tea	22	(4,798)	3,657
(d) Employee benefits expense	23	84,002	81,875
(e) Finance Cost	24	2,191	580
(f) Depreciation and amortization	26	11,585	9,744
(g) Other Expenses	27	125,105	118,290
Total Expenses		304,543	279,132
Profit before Tax		70,407	52,077
Tax Expense			
Current Tax		(12,000)	(11,150)
Earlier years provision no longer required		0	942
Deferred Tax		(958)	365
Profit for the year		57,449	42,234
Earnings per share (Basic & Diluted) (Face value of Rs.10 each)	36	11.50	8.45
Accompanying notes form part of the financial statements			

In terms of our Report attached

S.RAGHURAMAN
*General Manager (Finance) &
Company Secretary*

MALLIKA SRINIVASAN
N. SRINIVASAN
D. HEGDE
Directors

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

Chennai
7th May, 2013

C. R. RAJAGOPAL
Partner
Membership No. 23418

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	For the year ended 31.03.2013 Rs.'000	For the year ended 31.03.2012 Rs.'000
Cash flow from operating activities		
Profit before tax	70,407	52,077
Non cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	11,585	9,744
Diminution in value of investments	–	4,000
Profit on sale of investments	(175)	
Loss/(profit) on sale of fixed assets	(21)	(43)
Interest expense	2,191	580
Interest Income	(5,553)	(7,040)
Dividend Income	(1,708)	(1,026)
Operating profit before working capital changes	76,726	58,292
Movements in working capital:		
Increase/(decrease) in trade payables	3,760	3,880
Increase/(decrease) in other current liabilities	(1,461)	(376)
Increase/(decrease) in other long-term liabilities	9,460	6,450
Increase/(decrease) in other long-term Provision	183	–
Decrease/(increase) in trade receivables	6,366	(588)
Decrease/(increase) in inventories	(4,683)	1,167
Decrease/(increase) in long-term loans and advances	(2,088)	5,180
Decrease/increase) in short-term loans and advances	(308)	(1,029)
Decrease/(increase) in other current assets	1182	1,697
Cash generated from/(used in) operations	89,137	74,673
Direct taxes paid (net of refunds)	(15,236)	(7,381)
Net cash flow/(used in) operating activities	73,901	67,292
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(50,808)	(101,376)
Proceeds from sale of fixed assets	514	349
Purchase of non-current investments	(2,768)	(22)
Sale Proceeds of non-current investments	1,986	–
Deposits	14,091	21,364
Unpaid Dividend Bank Account	4,357	(4,750)
Interest received	3,688	6,888
Dividend received	1,708	1,026
Net cash flow from/(used in) financing activities	(27,232)	(76,521)
Cash flows from financing activities :		
Proceeds from long-terms borrowings	489	5,363
Repayment from long-term borrowings	–	(42,912)
Proceeds from short-term borrowings	–	26,742
Repayment of short-term borrowings	(26,742)	
Interest paid	(2,191)	(580)
Dividends paid on equity shares	(16,489)	(11,242)
Tax on equity dividend paid	(1,864)	(1,848)
Unclaimed dividend	632	4,750
Net cash flow from/(used in) financing activities	(46,165)	(19,727)

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013 – (Contd.)

	For the year ended 31.03.2013 Rs.'000	For the year ended 31.03.2012 Rs.'000
Net increase/(decrease) in cash and cash equivalents	504	(28,956)
Cash and cash equivalents as on 01.04.2012	6,997	35,953
Cash and cash equivalents as on 31.03.2013	7,501	6,997
	504	(28,956)
<u>Components of cash and cash equivalents :</u>		
Cash on hand	47	9
Bank Balances		
In Current Accounts	7,454	6,988
Total cash and cash equivalents (note 17.i)	7,501	6,997
Accompanying notes form part of the financial statements		

In terms of our Report attached

S.RAGHURAMAN
*General Manager (Finance) &
Company Secretary*

MALLIKA SRINIVASAN
N. SRINIVASAN
D. HEGDE
Directors

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

Chennai
7th May, 2013

C. R. RAJAGOPAL
Partner
Membership No. 23418

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

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 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.

2.7 Fixed Assets

- (a) Expenditure on Development and New Tea Planting is capitalised.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- (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 tangible 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 and Equipment Lease arrangements 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 labeling”.

Premium received is recognised as income when related expenditure which premium intends to compensate are incurred; Premium received but related expenditure not incurred will be considered as a part of “unearned income” – Fair Trade Premium under “Other Current Liabilities”; Premium accrued and receivable will be accounted as Fair Trade Premium receivable under “Other Current Assets” in the financial statement.

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 2013

(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

3. SHARE CAPITAL	As at 31st March 2013		As at 31st March 2012	
	Number of Shares	Rs.'000	Number of Shares	Rs.'000
Authorised				
50,00,000 (31st March 2012 : 50,00,000) equity shares of Rs.10/- each		<u>50000</u>		<u>50000</u>
Issued ,Subscribed and fully paid -up				
49,96,566 (31st March 2012 : 49,96,566) equity shares of Rs.10/- each		<u>49966</u>		<u>49966</u>
		<u>49966</u>		<u>49966</u>
(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year				
Equity Shares				
At the beginning of the year	4996566	49966	4996566	49966
Changes during the year	—	—	—	—
Outstanding at the end of the year	<u>4996566</u>	<u>49966</u>	<u>4996566</u>	<u>49966</u>
(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:	Nos	%	Nos	%
Tractors and Farm Equipment Ltd	853031	17.07	853031	17.07
T Stanes & Co Ltd	836308	16.74	836308	16.74
Life Insurance Corporation of India	771496	15.44	771496	15.44
Amalgamations Private Limited	305540	6.12	305540	6.12
Trustees, T Stanes & Co. Ltd. Staff Pension Fund	264816	5.30	264816	5.30
(d) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date – NIL.				

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31st March 2013 Rs.'000	As at 31st March 2012 Rs.'000
4. Reserves and Surplus		
General Reserve		
Opening Balance	324,225	320,000
Add : Transferred from balance in Statement of Profit and Loss	5,745	4,225
Closing Balance	329,970	324,225
Surplus i.e. balance in Statement of Profit and Loss		
Opening Balance	42,612	17,961
Add : Profit for the year	57,449	42,234
Less: Interim Dividend	4,997	4,997
Tax on Interim Dividend	811	811
Proposed Final Dividend	6,496	6,496
Tax on Proposed Dividend	1,054	1,054
Transfer to General Reserve	5,745	4,225
Closing Balance	80,958	42,612
	410,928	366,837
5. Long-Term borrowings (Unsecured)		
Deposits (Refer Note 46 (ii))	3,413	4,338
Finance lease obligation	489	0
	3,902	4,338
6. Other long-term liabilities		
Rent Deposit	15,910	6,450
7. Long Term Provisions		
Compenstated absence	1,090	907

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

	As at 31st March 2013 Rs.'000	As at 31st March 2012 Rs.'000
8. Short-term borrowings (Unsecured)		
From Banks		
– Overdraft	–	1,742
– Packing Credit	–	25,000
	<u>–</u>	<u>26,742</u>
9. Trade Payables	<u>23,660</u>	<u>19,900</u>
10. Other Current Liabilities		
Current maturity of finance lease obligation	772	26
Statutory dues	1,617	2,010
Unclaimed Interest	2	2
Unclaimed Dividend	2,768	2,136
Interim Dividend payable	–	4,997
Due to Gratuity Trust	1,924	3,738
Current maturity of deposits	975	50
	<u>8,058</u>	<u>12,959</u>
11. Short term Provisions		
Provision for Income Tax [Net of Advance Tax and TDS (Rs.'000) – 50,159] [Previous year (Rs.'000) – 34,922]	2,681	5,918
Proposed Final Dividend	6,496	6,496
Tax on Proposed Dividend	1,054	1,054
	<u>10,231</u>	<u>13,468</u>

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

12. FIXED ASSETS

Rs.'000

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance on April 1st, 2012	Additions	Deletions	Balance on March 31, 2013	Upto March 31, 2012	For the year	On deletions	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
TANGIBLE ASSETS:										
Freehold Land and Development	24,184 (20,619)	- (3,565)	- (-)	24,184 (24,184)	- (-)	- (-)	- (-)	- (-)	24,184 (24,184)	24,184 (20,619)
Buildings **	57,820 (62,245)	172,324 (298)	- (4,723)	230,144 (57,820)	22,168 (21,968)	2,865 (1,905)	- (1,705)	25,033 (22,168)	205,111 (35,652)	35,652 (40,278)
Machinery **	102,109 (89,407)	42,506 (12,783)	339 (81)	144,276 (102,109)	51,828 (46,336)	5,893 (5,573)	334 (81)	57,387 (51,828)	86,889 (50,281)	50,281 (43,071)
Electrical Installations **	5,306 (5,708)	19,042 -	- (402)	24,348 (5,306)	3,285 (3,401)	395 (183)	- (299)	3,680 (3,285)	20,668 (2,021)	2,021 (2,307)
Furniture and Fixtures	6,261 (5,899)	53 (362)	- (-)	6,314 (6,261)	4,056 (3,785)	254 (271)	- -	4,310 (4,056)	2,004 (2,205)	2,205 (2,114)
Office and Other Equipments	869 (656)	- (213)	- (-)	869 (869)	512 (473)	48 (39)	- -	560 (512)	309 (357)	357 (184)
Vehicles *	23,574 (23,023)	2,239 (2,375)	510 (1,824)	25,303 (23,574)	13,611 (13,371)	2,130 (1,758)	23 (1,518)	15,718 (13,611)	9,585 (9,963)	9,963 (9,652)
INTANGIBLE ASSETS:										
Software	282 (282)	- -	- -	282 (282)	282 (267)	- (15)	- -	282 (282)	- (-)	- (15)
Work in Progress	220,405	236,164	849	455,720	95,742	11,585	357	106,970	348,750	124,663
PREVIOUS YEAR	207,839	19,596	7,030	220,405	89,601	9,744	3,603	95,742	-	185,356
									-	-

* Includes Cost of Assets acquired under Finance Lease Terms: Rs.('000) 884 [previous year Rs.('000) 1,982]; Figures in brackets represent -previous year

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

Buildings	-	165,843	-	165,843	-	690	-	-	690	165,153
Machinery	-	39,909	-	39,909	-	314	-	-	314	39,595
Electrical Installations	-	19,042	-	19,042	-	224	-	-	224	18,818
		224,794		224,794		1,228			1,228	223,566

* Previous year - Nil

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE :13

Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs.	As at 31st March 2012		Additions during the year		Deductions during the year		As at 31st March 2013	
		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									
Stanex Amalgamated Estates Limited	10	81,783	608	-	-	-	-	81,783	608
(b) Unquoted Shares									
Stanex MJF Teas Limited	10	750,000	7,500	-	-	-	-	750,000	7,500
The United Plantations PLC (advance towards shares)									
Sub Total (I (a+b)) ->		-	-	-	2,768	-	-	-	2,768
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
ICI/ICI 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	-	-	-	-	796	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	8600	385	4,300	353	8,600	385	4,300	353
Sundaram Investment Limited	5	-	-	4,300	33	4,300	33	-	-
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	-	-	-	-	-	4,300	-
Sub Total (II a) ->			2,954		386		418		2,922

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE :13

Non-Current Investments :-

PARTICULARS	Nominal Value of shares/units Rs. '000	As at 31st March 2012		Additions during the year		Deductions during the year		As at 31st March 2013	
		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									
Franklin Templeton (MIP)	10	150,542	1,779	-	-	150,542	1,779	-	-
Sundaram CAPEX Opportunities Fund	10	425,053	6,612	-	-	-	-	425,053	6,612
DSP MR Money Fund	10	-	-	4,989	5,000	4,989	5,000	-	-
Reliance Midterm Fund	10	-	-	321,166	5,500	321,166	5,500	-	-
Sub Total (II b) ->			8,391		10,500		12,279		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)			41,366		13,654		12,697		42,323
Less: Provision for Diminution			10,500						10,500
Grand Total			30,866		13,654		12,697		31,823

* Note

Consequent on demerger of Sundaram - Clayton Ltd. (SCL) and Sundaram Investment Ltd. (SIL), the shares of SCL as on the record date (10.09.2012) were cancelled and one new equity share of Rs.5/- each fully paid in the share capital of SCL and 1 fresh equity share of Rs.5/- each fully paid in SIL were allotted the respective Companies.

	As at 31.03.2012		As at 31.03.2013	
	Cost Rs. '000	Market Value Rs. '000	Cost Rs. '000	Market Value Rs. '000
QUOTED INVESTMENTS	11,953	32,298	10,142	26,170
UNQUOTED INVESTMENTS	29,413		32,181	
	41,366		42,323	

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

Particulars	As at 31.03.2013 Rs.'000	As at 31.03.2012 Rs.'000
14. Long term Loans and Advances (Unsecured - considered good)		
Capital Advance	6,485	4,916
Security Deposit	3,600	3,221
Unmatured Finance charges	139	
	10,224	8,137
15. Inventories (refer note 2.3)		
Stores and Spare Parts	9,436	9,561
Nursery Stock	1,408	1,398
Stock in Trade (Tea)	15,990	11,192
	26,834	22,151
16. Trade receivables (Unsecured, considered good:) Outstanding for a period exceeding six months from the date they are due for payment	–	–
Other Trade receivables	22,331	28,697
	22,331	28,697
17. Cash and Bank Balances:		
(i) Cash and Cash equivalents		
(a) Cash on hand	47	9
(b) Balances with Banks		
– In Current Accounts	7,074	6,823
– In EEFC Account	380	165
	7,501	6,997
(ii) Other Bank balances :		
– In Deposit Accounts *	60,207	74,299
– In earmarked accounts:		
Unpaid Dividend Accounts	2,776	7,133
	70,484	88,429
* includes deposit marked with lien for Rs.100 lakhs (Previous year Rs.100 Lakhs) towards Over-draft facility for working capital		
18. Short term Loans and Advances (Unsecured - considered good)		
Rent Deposit	–	15
Deposit with NABARD	3	3
Advances - Trade and Supplies	1,336	1,054
Unmatured Finance charges	237	–
Prepaid Expenses	3,586	3,762
Loans to employees	30	51
	5,192	4,885
19. Other Current Assets		
Interest accrued on deposits	8,658	6,794
Subsidy Receivable	4,224	5,406
	12,882	12,200

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

Particulars	For the year ended 31.03.2013 Rs.'000	For the year ended 31.03.2012 Rs.'000
20. Revenue from operations		
(a) Sale of finished goods - Tea	338,788	304,564
(b) License Fee from Let out Property	3,238	–
(c) Other operating revenues (Refer note below)*	26,471	15,893
Revenue from operations (gross)	<u>368,497</u>	<u>320,457</u>
* Note: (Other operating revenue)		
Scrap sales	446	1,221
DEPB / VKGUY License Income	4,315	7,334
Duty Drawback	1,730	695
Orthodox subsidy	15,591	2,967
Replanting/Quality upgradation subsidy from Tea Board	505	550
Income from other planting activities	3,884	3,126
	<u>26,471</u>	<u>15,893</u>
21. Other Income		
Interest Income on		
Bank deposits	5,505	6,152
Others	48	888
Dividend Income on		
Non current Investments	1,708	1,026
Profit on sale of Investments	175	–
Net gain on foreign currency transactions	–	3,793
Profit on sale of fixed assets (Net)	21	43
	<u>7,457</u>	<u>11,902</u>
22. (Increase)/decrease in value of stock of Tea		
Opening Stock	11,192	14,849
Closing Stock	(15,990)	(11,192)
Net (Increase)/decrease	<u>(4,798)</u>	<u>3,657</u>
23. Employee benefits expense		
Salaries, Wages and Bonus	70,653	68,551
Contribution to Provident Fund and Family Pension Fund	6,582	6,158
Contribution to Superannuation Fund	1,893	936
Contribution to Gratuity Fund	2,986	4,431
Workmen and Staff Welfare Expenses	1,888	1,799
	<u>84,002</u>	<u>81,875</u>
(Includes Remuneration paid to Whole-time-Directors) [Refer Note 3(a)]	<u>5,048</u>	<u>4,555</u>
24. Finance Cost		
Interest Expense	<u>2,191</u>	<u>580</u>
25. Borrowing cost included under capital-work-in progress	–	5,736

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2013 Rs.'000	For the year ended 31.03.2012 Rs.'000
26. Depreciation and amortization		
Depreciation of tangible assets	11,585	9,730
Amortization of intangible assets	—	14
	<u>11,585</u>	<u>9,744</u>
27. Other expenses		
Consumption of stores and spares	20,432	19,106
Power and Fuel	23,928	22,981
Transport charges	4,696	4,137
Repairs & Maintenance		
Building	6,639	8,914
Machinery	3,685	2,955
Rates & Taxes	2,710	982
Insurance	2,899	1,735
Selling Expenses	8,087	8,216
Commission to Non-Wholetime Directors	600	608
Directors' Sitting Fees	228	188
Audit Fees (Refer Note below)	777	657
Travelling Expenses	4,351	2,760
Freight and other expenses on Tea Export	20,447	20,460
Net Loss on foreign currency transactions	366	0
Donation	600	500
Lease Rental	319	2,542
Provision for Diminution in value of Investments	—	4,000
Miscellaneous Expenses	24,341	17,549
	<u>125,105</u>	<u>118,290</u>
Note: Audit Fees		
As Auditor:		
Audit fee	650	550
In other capacity		
Other related services *	56	55
Reimbursement of Travelling Expenses	43	52
Cost Auditor for cost compliance	28	—
	<u>777</u>	<u>657</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	31-03-2013 Rs.'000	31-03-2012 Rs.'000
28. Estimated amount of Contracts remaining to be executed on Capital Account not provided for (net of advances)	–	47,152
29. Deferred Tax Liability (on account of Depreciation)		
Opening Balance	3,817	4,182
Add: Current year charge/(credit)	958	(365)
Closing Balance	4,775	3,817
30. (i) The Company did not cover short term Foreign Currency exposure relating to Export of Tea based on cost benefit analysis	11,777	21,603
<div style="display: flex; justify-content: space-between;"> 2012-2013 2011-2012 </div> <div style="display: flex; justify-content: space-between;"> USD 145,702 322,761 </div> <div style="display: flex; justify-content: space-between;"> EURO 36,000 74,532 </div> <div style="display: flex; justify-content: space-between;"> GBP 16,400 – </div>		
(ii) Outstanding forward exchange contract of packing credit entered into by the Company as on 31.03.2013	Nil	USD-497413.45 (Rs.'000)-25,000
31. 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.		
32. 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 has been stayed by the Supreme Court of India		
33. Disclosures required under Accounting Standard 15R notified in the Companies (Accounting Standards) Rules 2006, are given below:		
A. Change in Present Value of the obligation during the year ended March 31, 2013		
1. Present value of the obligation as at April 1, 2012	31,764	28,062
2. Current Service Cost	2,405	1,750
3. Interest Cost	2,391	2,095
4. Benefits paid	(1,025)	(3,205)
5. Actuarial (Gain)/Loss on obligation	1,004	3,062
6. Present value of obligation as at March 31, 2013	36,539	31,764

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

Particulars	31-03-2013 Rs.'000	31-03-2012 Rs.'000
B. Change in Plan Assets during the year ended March 31, 2013		
1. Fair value of plan assets as at April 1,2012	28,026	28,163
2. Expected return on plan assets	2,814	2,476
3. Contribution made	4,800	592
4. Benefits paid	(1,025)	(3,205)
5. Actuarial Gain/(Loss) on plan assets	—	—
6. Fair Vaue of plan assets as at March 31, 2013	34,615	28,026
C. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of the obligation as on March 31, 2013	36,539	31,764
2. Fair Value of plan assets as on March 31, 2013	34,615	28,026
3. Funded status surplus/(deficit)	(1,924)	(3,738)
4. Unrecognised past service cost	—	—
5. Net Asset/(Liability) recognised in the Balance Sheet	(1,924)	(3,738)
D. Expenses recognised during the year ended March 31, 2013		
1. Current Service Cost	2,405	1,750
2. Interest Cost	2,391	2,095
3. Expected return on plan assets	(2,814)	(2,476)
4. Actuarial Loss/(Gain) during the year	1,004	3,062
5. Total Expenses	2,986	4,431
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%
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.		
F. Actuarial Assumptions		
I. 1. Discount rate	8%	8%
2. Salary escalation	6%	6%
3. Expected rate of return on plan assets	9.25%	9.25%
4. Attrition rate	1% to 3%	1% to 3%
II. Long Term Benefit Plan - Compensated Absence		
1. Discount rate	8%	8%
2. Salary escalation	6%	6%
3. Attrition rate	1% to 3%	1% to 3%

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31-03-2013 Rs.'000	31-03-2012 Rs.'000
34. 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	907	907
Provision made during the year	183	—
Provision utilized during the year	—	—
Provision reversed during the year	—	—
Provision at the end of the year	1,090	907
35. 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.		
36. Earnings 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 (Rs.'000)	57,449	42,234
Number of shares (Face value of Rs.10)	4,996,566	4,996,566
Earning per share (Basic and Diluted) Rs.	11.50	8.45
37. Computation of Net Profit under section 349 of the Companies Act, 1956 for the purpose of Commission to Non-Whole time directors.		
Profit before tax as per Statement of Profit and Loss	70,407	52,077
Add : Directors' Remuneration	5,048	4,555
Directors' Sitting Fees	228	188
Loss on Sale of Assets	3	116
Commission to Non- Whole time Directors	600	608
Provision for diminution in value of Investments	—	4,000
	76,286	61,544
Less : Profit on Sale of Assets	24	159
Profit on sale of Investments	175	—
Tea Board Subsidy (Replanting)	326	550
Profit for the purpose of Commission	75,761	60,835
Commission at 1% of the Profit restricted to Rs.600,000/-	600	608

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31-03-2013 Rs.'000	31-03-2012 Rs.'000
38. Value of Raw Materials, Stores and Spare Parts & Components Consumed (excluding green leaf harvested) –	100,220	67,361
<div style="display: flex; justify-content: space-around;"> <div> 2012-2013 % Value </div> <div> 2011-2012 % Value </div> </div>		
Indigenous 97.13 97,351 95.68 64,453		
Imported 2.87 2,869 4.32 2,908		
39. Repairs to Building and Machinery include		
Salaries and Wages	3,885	3,625
Consumption of Stores	5,538	6,575
	9,423	10,200
40. Earning of Foreign Currency		
F.O.B. Value of Tea Exports	174,492	165,861
41. C.I.F Value of Imports		
Packing Materials	1,527	3,468
Capital Goods	1,303	5,088
42. Expenditure in Foreign Currency		
(i) Travel	1,538	975
(ii) Agency Commission	3,163	1,748
	4,701	2,723
43. Research and Development expenses included under various heads of Statement of Profit and Loss.	–	1,207
44. 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.		
45. Finance Leases relating to vehicles :-		
(a) Reconciliation between total minimum lease payment and their present value.		
Total Minimum lease payments	1,261	26
Less: Future liability on interest account	377	–
Present value of minimum lease payment	884	26

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

Particulars	31-03-2013 Rs.'000		31-03-2012 Rs.'000	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
45. Finance Leases relating to Vehicles – (Contd.)				
(b) Year-wise future minimum lease rental payments on contract entered:				
Not later than one year	772	535	663	26
Later than one year and not later than five years	489	349	1005	–
46. (i) Deposits from Public includes deposit held by a Director	900	900		
(ii) Maturity period of Deposits and Interest rate (breakup for Note 5)				
2012-2013 Amount 2011-2012 Amount (in months) (Rs.'000) (in months) (Rs.'000)				
13 100 18 75				
15 3033 24 900				
17 100 27 3033				
18 130 25 100				
27 50 29 100				
				30 130
Rate of Interest for the above Deposits is 10% per annum				
47. Segment Report :				
A. Primary Segment Information - Business Segment				
(a) Segment Revenue				
Plantation		364255		319307
Property		3238		–
Total Income from Operations(net)		367493		319307
(b) Segment Results (Profit before Tax and Interest)				
Plantation		88,629		65,118
Property *		(5,846)		–
Total		82,783		65,118
Less :				
(i) Unallocated Interest and finance charges		2,191		580
(ii) Other unallocable expenditure net of unallocable income		10,185		12,461
Profit before tax		70,407		52,077
Segment Capital Employed (Segment Assets - Segment Liabilities)				
Plantation		155,826		134,293
Property		205,156		172,743
Total		360,982		307,036
* income accrued effective from 18th February 2013				

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

Particulars	31-03-2013 Rs.'000	31-03-2012 Rs.'000
47. Segment Report – (Contd.)		
B. Secondary Segment information - By Geographical Segments		
(a) Segment Revenue (Net of Excise Duty)		
India	180,999	148,472
Outside India	186,494	170,835
Total	<u>367,493</u>	<u>319,307</u>
(b) Segment Assets		
India	506,917	483,780
Outside India	14,345	21,603
Total	<u>521,262</u>	<u>505,383</u>
(c) Capital Expenditure	236,164	19,596
48. 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) Associated Companies :	Amalgamations Private Limited Simpson & Company Limited IP Rings Limited T.Stanes & Company Limited Stanes Motor Parts Limited Stanes Motors (South India) 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	
	2012-2013 Rs.'000	2011-2012 Rs.'000	2012-2013 Rs.'000	2011-2012 Rs.'000	2012-2013 Rs.'000	2011-2012 Rs.'000
Transactions during the year						
Purchase of goods						
T.Stanes & Company Limited	4,071	4,064	-	-	4,071	4,064
Sale of goods						
T.Stanes & Company Limited	1,432	1,079	-	-	1,432	1,079
Service Charges						
Amalgamations Private Limited	163	146	-	-	163	146
Reimbursement of Expenses						
Amalgamations Private Limited	202	199	-	-	202	199
Dividend Received						
Stanes Amalgamated Estates Limited	-	61	-	-	-	61
IP Rings Limited	2	6	-	-	2	6
Simpson & Company Limited	922	527	-	-	922	527
Payment to Related party where control exists	-	-	5,522	4,749	5,522	4,749
Dividend Paid -	-	-	232	49	232	49
Interest on Fixed Deposit	-	-	90	90	90	90
Non-Wholetime Directors Commission	-	-	152	55	152	55
Salary paid to key managerial personnel	-	-	5,048	4,555	5,048	4,555
Dividend Paid	4,260	1,607	-	-	4,260	1,607
Amalgamations Private Limited	1,008	376	-	-	1,008	376
Simpson & Company Limited	203	77	-	-	203	77
T Stanes & Company Limited	2,760	1,045	-	-	2,760	1,045
Stanes Amalgamated Estates Limited	289	109	-	-	289	109
Investments						
The United Plantations Plc-Ethiopia	2,768	-	-	-	2,768	-
Balance at the year end						
Investments	32,196	29,428	-	-	32,196	29,428
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	-
Trade Receivables						
T.Stanes & Company Limited	90	203	-	-	90	203
Trade Payables						
T.Stanes & Company Limited	84	67	-	-	84	67
49. The Previous year figures have been reclassified to make them comparable with those of current year.						

...and promises made

It is not the triumph but the struggle and Manimagalai, a child of our estates, the daughter of one of our workers and a class XII student of our school has done us proud by demonstrating that Chamraj breaks new ground not just in welfare but also at sport.

Manimagalai went right up to the national finals of the six-kilometre running race organised by the Athletics Federation of India. She is the promise of our sporting future...

Accolades and awards are becoming a habit - UNITEA has once again received several certifications, awards, commendations and prizes over this last year. We work very hard at keeping our commitments and the rewards, naturally, follow.

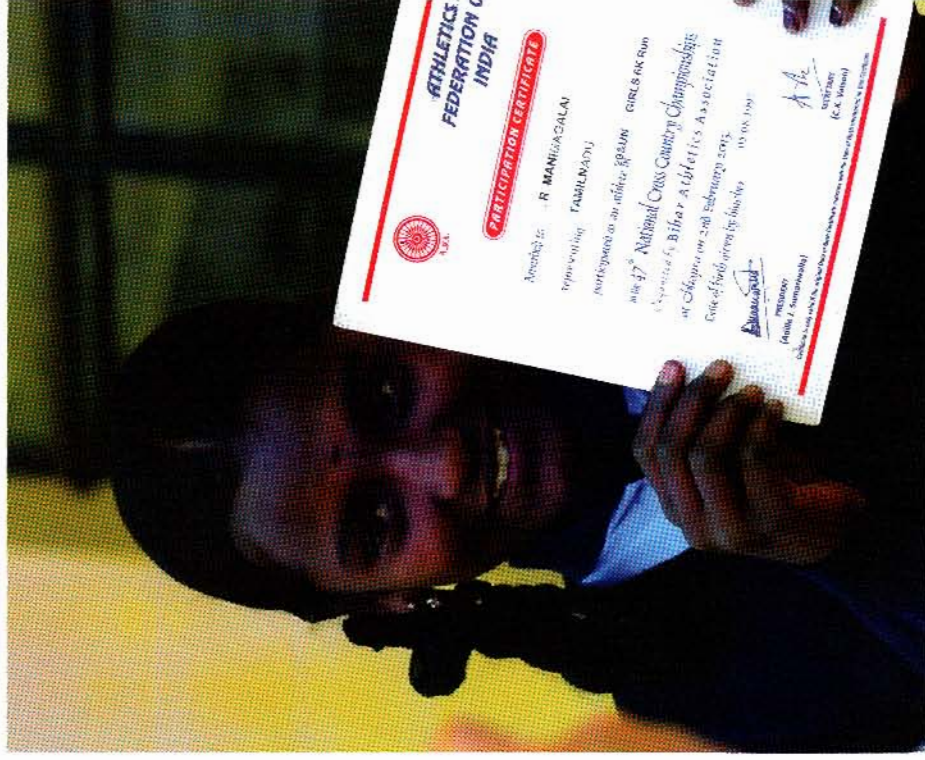
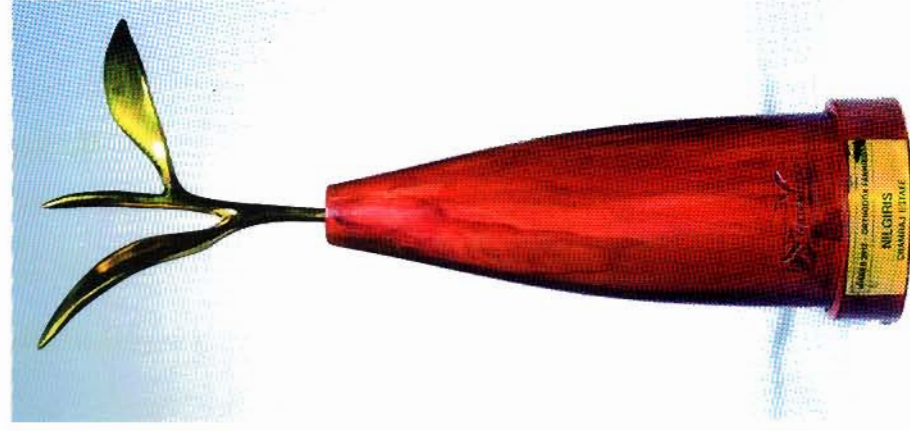
We won the Golden Leaf India Awards 2013 in five different categories

for Chamraj Estate

- Nilgiri - Orthodox Leaf - SFTGFOP
- Green Tea - Leaf - DELIGHT

for Korakundah Estate

- Organic Orthodox - Leaf - SFTGFOP
- Organic Orthodox - Fannings - BOPF
- Green Tea - Fannings - BOPF



To increase visibility of our brands, to laterally expand our range and to increase the choices that we offer, we constantly bring to the market new flavours and tastes. Fruit and Spice Teas were the popular additions last year on top of popular fare like English Breakfast and Green teas.





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