



101<sup>st</sup>  
Annual Report &  
Accounts 2022-2023

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

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# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## REGISTERED OFFICE

No. 3, Savithri Shanmugam Road,  
Race Course,  
Coimbatore - 641 018

CIN : L01132TZ1922PLC000234  
E Mail : headoffice@unitea.co.in  
Website : www.unitednilgiritea.com  
Phone : 0422-2220566; Fax : 0422-2222865

## BOARD OF DIRECTORS

Ms. MALLIKA SRINIVASAN, Chairman  
Mr. SANKAR DATTA  
Mr. P.B. SAMPATH  
Mr. R. VIJAYARAGHAVAN  
Ms. P. SHOBHANA RAVI  
Mr. R. RAJKUMAR

## CHIEF FINANCIAL OFFICER

Mr. S. RAGHURAMAN

## COMPANY SECRETARY

Mr. R. V. SRIDHARAN

## INTERNAL AUDITORS

Deloitte Touche Tohmatsu India LLP  
Prestige Trade Tower, Level 19,  
46, Palace Road, High Grounds,  
Bengaluru - 560 001

## STATUTORY AUDITORS

K. S. Aiyar & Co.,  
Chartered Accountants,  
No. 57, Sambandam Road (East),  
R.S. Puram,  
Coimbatore - 641 002

## BANKERS

Central Bank of India  
State Bank of India  
HDFC Bank Ltd.

## PLANTATIONS

Chamraj, Allada Valley and,  
Devabetta Estates,  
Chamraj Estate & Post,  
The Nilgiris - 643 204

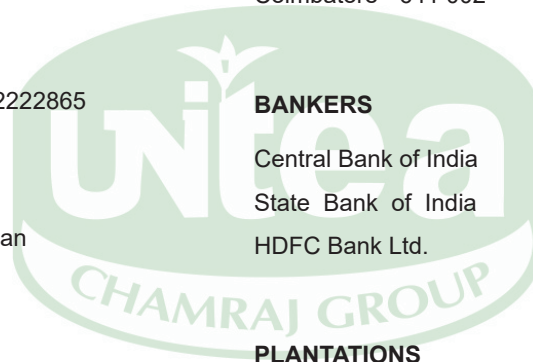
Korakundah Estate  
Korakundha Estate and Post  
The Nilgiris - 643 219

## COMMERCIAL PROPERTY

UNITEA Centre,  
Race Course,  
Coimbatore - 641 018

## REGISTRARS AND SHARE TRANSFER AGENTS

Integrated Registry Management  
Services Private Limited,  
"Kences Towers," 2Nd Floor,  
No.1, Ramakrishna Street,  
North Usman Road,  
Chennai - 600 017



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**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

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

CIN : L01132TZ1922PLC000234

E- mail : headoffice@unitea.co.in Website : www.unitednilgiritea.com

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

## 101st ANNUAL GENERAL MEETING

### NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 101st Annual General Meeting of the members of the Company will be held on Friday, the 21st July, 2023 at 03.00 P.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Report of the Board of Directors and Auditors thereon; and
2. (i) To confirm the payment of interim dividend of Re.1/- per equity share and  
(ii) To declare Final Dividend for the financial year 2022-23.
3. To appoint a director in place of Ms. P. Shobhana Ravi [DIN 08815683] who retires by rotation and is eligible for re-appointment.

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

Chennai  
18<sup>th</sup> May 2023

R.V. SRIDHARAN  
Company Secretary

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 and Circular dated 5th May, 2022 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”) and SEBI Circular dated 12th May, 2020, 15th January, 2021 and 13th May, 2022, permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical attendance of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the Circular No.14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate at the meeting and cast their votes through e-voting.
3. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding). Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No.17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.unitednilgирitea.com](http://www.unitednilgирitea.com). The Notice can also be accessed from the website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. The Explanatory Statement pursuant to Section 102 of the Act with respect to the special business as set out in the Notice is annexed hereto. The relevant details, pursuant to Regulations 26 (4) and 36 (3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this AGM is also annexed.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 15th July 2023 to 21st July 2023 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for the financial year 2022-23.
8. The final dividend, when declared at the AGM to be held on 21st July, 2023 will be paid subject to deduction of tax at source.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

- i. To all members in respect of shares held in physical form after giving valid transfers in respect of transfer, transmission or transposition requests lodged with the Company as on the close of business hours on 14th July, 2023.
- ii. To all beneficial owners in respect of shares held in electronic form as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on the closing hours on 14th July, 2023.
9. As per Regulation 40 of SEBI Listing Regulations as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents – Integrated Registry Management Services Private Limited for assistance in this regard.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank, branch, account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s Integrated Registry Management Services Private Limited in case the shares are held in physical form.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. To support the 'Green Initiative,' members are requested to register their email address with the concerned Depository Participant in respect of shares held in electronic form.
14. Under Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company had transferred unclaimed dividend in respect of final Dividend 2015 to the account of Investor Education and Protection Fund.
15. Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund Authority. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

Members whose unclaimed dividend for the financial year 2014-15 already transferred to the IEPF account and who have not encashed the dividends for the subsequent financial years, are requested to note that the underlying shares of the Company, in respect of final dividend for the financial year 2015-16, are liable to be transferred to IEPF Authority in terms of Section 125 of the Companies Act, 2013 and the Investor

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

The details of shareholders and the shares due for transfer are displayed on the website of the Company, viz. [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining the demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.
17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the members in respect of shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form SH-13. Members are requested to submit the said form to their depository participants in case the shares are held in electronic form and to the Company in case the shares are held in physical form.
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants. Members may note that the Notice of AGM and the Annual Report 2022-23 will also be available on the Company's website at [www.unitednilgiritea.com](http://www.unitednilgiritea.com), on the website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
19. Members seeking any information with regard to the accounts are requested to write to the Company at an early date through email to [headoffice@unitea.co.in](mailto:headoffice@unitea.co.in) The same will be replied by the Company suitably.
20. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company / Registrar and Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder having PAN entitled to receive dividend amount exceeding Rs.5,000/- and who is not liable to pay income tax can submit a yearly declaration in Form 15G/ 15H, to avail the benefit of non-deduction of tax at source by email to [headoffice@unitedtea.co.in](mailto:headoffice@unitedtea.co.in) Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in). The aforesaid declarations and documents need to be submitted by the Shareholders by 21st July, 2023.

21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

## 22. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. The instructions for members for remote e-voting and joining AGM are as under:

1. The e-voting period commences at 09.00 A.M. on 18th July, 2023 and ends at 5.00 P.M. on 20th July, 2023. During this period, members of the company holding shares either in physical form or in dematerialized form as on the cut-off date 14th July, 2023 will be entitled to cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
2. The Members who have cast their votes by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
3. The voting rights of members (for voting through remote e-Voting or by poll at the meeting) shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date 14th July, 2023.
4. Any person, holding shares in physical form and non-individual shareholders, who acquires shares of the Company and become members of the Company after dispatch of Notice and holding shares as on cut-off date 14th July, 2023 may obtain the Login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [headoffice@unitea.co.in](mailto:headoffice@unitea.co.in) or [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can



# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 488 67000 and 022 24997000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and become a Member of the Company after sending of the Notice and holding shares as on the cut-off date 14th July 2023 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

5. Mr.S.Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants has been appointed as the Scrutinizer to scrutinize both e-voting during the AGM and remote e-voting process in a fair and transparent manner.

## **INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:**

### **How to vote electronically using NSDL e-Voting system?**





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

#### **Step 1: Access to NSDL e-Voting system**

#### **A. Login method for e-Voting and joining virtual meeting for individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period and e-Voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period and e-Voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div> |

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>11. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login Type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022-4886 7000 and 022-2499 7000                       |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.1800 22 55 33 |

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

## How to Log-in to NSDL e-Voting website?

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

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

4. Your User ID details are given below:

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

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

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

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [kasi.s@gopalaiyer.in](mailto:kasi.s@gopalaiyer.in). Please mention the e-mail ID of Scrutinizer> with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022-4886 7000 and 022-2499 7000 or send a request to Ms. Snehal Bhame, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [headoffice@unitea.co.in](mailto:headoffice@unitea.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [headoffice@unitea.co.in](mailto:headoffice@unitea.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **Instructions for members for e-Voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be same person mentioned for remote e- Voting.

### **Instructions for members for attending the AGM through VC/OAVM are as under:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through NSDL e-voting system. Members may access the same by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
3. Members are encouraged to join the meeting through Laptops for better experience.
4. Further members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable WIFI or LAN connection to mitigate any kind of aforesaid glitches.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

6. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first comes first served basis.
7. Members who would like to express their views/ask questions may send their questions in advance mentioning their name, demat account number/folio number, email ID, mobile number at headoffice@unitea.co.in on or before 05.00 P.M.IST on 17th July, 2023. The same will be replied by the Company suitably.
8. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at headoffice@unitea.co.in before 5.00 P.M IST on 17th July, 2023.
9. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## Other instructions

1. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by her in writing, who shall counter sign the same.
2. The Chairman or the person authorized by her in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the results of the voting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.unitednilgiratea.com](http://www.unitednilgiratea.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result either by the Chairman or Chief Financial Officer of the Company. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.
3. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of AGM i.e. 21st July, 2023.

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

Chennai  
18<sup>th</sup> May 2023

R.V. SRIDHARAN  
Company Secretary



**Profile of Directors seeking re-appointment at the Annual General Meeting to be held on 21st July, 2023 pursuant to Regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2 – Secretarial Standards on General Meetings.**

| <b>Name of the Director</b>                 | <b>P. Shobhana Ravi</b>   |
|---|---|
| DIN   | 08815683  |
| Date of Birth                               | 08/12/1960  |
| Date of appointment                         | 10/08/2020  |
| Qualification                               | MBA from Loyola Institute of Business Administration,<br>Post Graduate in Computer Design, System Analysis and Data Processing.<br>Leadership Development Program from Wharton School of Management.<br>Certified on Coaching skills by Result coaching System, USA.<br>Certified Business Excellence Assessor for CII EXIM Business Excellence Model |
| Experience                                  | Management and IT Professional for 38 years in information technology, learning & development and change management   |
| Expertise in special function               | Expertise in Innovation, information technology and cyber security.   |
| Relationship between directors inter se     | None  |
| Directorship in other Companies             | Sivasailam Chamraj Education Foundation   |
| Committee positions held in other companies | Nil   |
| No. of shares held                          | Nil   |

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

R.V. SRIDHARAN  
Company Secretary

Chennai  
18<sup>th</sup> May 2023

## DIRECTORS' REPORT

Your Directors' have pleasure in presenting the 101st Annual Report on the performance of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2023.

### FINANCIAL RESULTS:

Rs. in Lakhs

|  | 31.03.2023      | 31.03.2022 |
|--|-----------------|------------|
| Profit before finance cost, depreciation and tax | <b>1,867.39</b> | 1,647.96   |
| Finance Cost                                     | <b>10.23</b>    | 10.23      |
| Depreciation                                     | <b>365.08</b>   | 349.42     |
| Profit before tax                                | <b>1,492.08</b> | 1,288.31   |
| Tax Expense                                      | <b>(280.55)</b> | (259.40)   |
| Profit for the year                              | <b>1,211.53</b> | 1,028.91   |
| Other Comprehensive Income                       | <b>157.92</b>   | 77.79      |
| Total Comprehensive Income                       | <b>1,369.45</b> | 1,106.70   |

### Indian Accounting Standards (Ind AS)

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

### Dividend

Your directors have recommended a final dividend of Rs. 1.70 per share (17%) which together with an interim dividend of Re. 1/- per share (10%) already paid, makes a total dividend of Rs.2.70 per share (27%) for the year ended 31st March, 2023 [previous year Rs.3.70 per share including a centenary year dividend of Re.1/- per share (37%)]. The proposed final dividend of Rs. 1.70 per share (17%) for the year amounting to Rs. 84.94 lakhs will be accounted in the financial year 2023-24 in accordance with Ind AS10 – 'Events after the reporting period'.

### Transfer to Reserves

The Directors have proposed to transfer a sum of Rs.1,000 Lakhs to the General Reserve which will be accounted in the financial year 2023-24 in accordance with Ind AS 10 – 'Events after the reporting period'.

### Operations

The total quantity of tea manufactured during the year under review was 33,94,965 kgs as against 34,11,886 kgs during the previous year. The rainfall during the year was 1549 mm as against 1268 mm during the previous year. Your Company has recorded a sale of 37,07,341 kgs (previous year 34,87,144 kgs) during the year. The total exports during the year were 18,91,839 kgs (previous year 16,50,415 kgs). The average price realized during the year was higher when

# DIRECTORS' REPORT – (Contd.)

compared to the previous year. Profit before tax for the year was Rs. 1,492.08 lakhs as against Rs.1,288.31 lakhs during the previous year.

## Outlook

As there has been a delay in summer showers in the current year, the crop prospects are slightly lower than 2022-23. However, with the Company's focus on enhancing production of high-quality teas, strict cost control and mechanization measures, the outlook appears good.

## Share Capital

The paid-up capital of the Company as at 31st March 2023 remains unchanged.

## Directors' Responsibility Statement

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

- a) in the preparation of Annual Accounts for the year ended 31st March, 2023, the applicable Indian Accounting Standards have been followed without any material departures;
- b) such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

## Directors and Key Managerial Personnel

Mr. T.G.B. Pinto resigned from the Board of the Company with effect from 1st January, 2023. The Board places on record its appreciation of the services rendered by Mr T.G.B. Pinto during his tenure as a Director.

Mr. R. Rajkumar, Vice President was appointed as Whole-time Director by the Board of Directors at its meeting held on 30th March, 2023 liable to retire by rotation subject to the approval of shareholders. The shareholders have approved the appointment of Mr. R. Rajkumar as Whole-time Director through postal ballot on 16th May, 2023.

# DIRECTORS' REPORT – (Contd.)

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

Mr.R.Rajkumar, Whole-time Director, Mr.S.Raghuraman, Chief Financial Officer, Mr.R.V.Sridharan, Company Secretary, Mr. Shilajit Roy Choudhury, Vice President are the key managerial personnel of the Company.

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

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

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

The Company has not given any loan or guarantee to any Body Corporate in terms of Section 186 of the Companies Act, 2013, during the financial year 2022-23.

## **Particulars of contracts or arrangements made with related parties**

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

## **Material changes and Commitments between 31<sup>st</sup> March 2023 and date of this report**

There are no material changes and commitments affecting the financial position of the company which have occurred between 31st March 2023 and the date of this report.

## **Transfer to Investor Education and Protection Fund (IEPF)**

The Company has transferred during the year unclaimed dividends amounting to Rs. 4,64,089/- to the Investor Education and Protection Fund. There were no shares due to be transferred to the demat account of IEPF Authority during the year.

## **Annual Return**

Pursuant to Section 92 (3) read with Section 134 (3) of the Companies Act, 2013, the draft Annual Return for the year ended 31st March, 2023 is available on the website of the Company at the weblink: <https://www.unitednilgiri.com/investors>. The final Annual Return shall be uploaded after the same is filed with the Ministry of Corporate Affairs.

## **Number of meetings of the Board**

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

## **Declaration by Independent Directors**

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

# DIRECTORS' REPORT – (Contd.)

## **Policy on appointment and remuneration of Directors**

The Company's policy on Directors' appointment and remuneration remains unchanged which can be accessed on the Company's website [unitednilgiritea.com](http://unitednilgiritea.com).

## **Committees of the Board**

The Company has four Committees as mentioned below:

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

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

## **Auditors**

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

K.S.Aiyar & Co., Chartered Accountants were reappointed as the Statutory Auditors of the Company by the shareholders at the 100th Annual General Meeting held on 9th August 2022 for a period of 5 years to hold office from the conclusion of the 100th Annual General Meeting till the conclusion of 105th Annual General Meeting.

## **Secretarial Audit Report**

Secretarial Audit has been carried out by L.K. & Associates, Practising Company Secretaries and their report is annexed herewith. There are no qualifications, reservations or adverse remarks.

## **Risk Management**

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

## **Corporate Social Responsibility**

CSR Policy objectives and the annual report on CSR activities are given in **Annexure 3**. The Company's policy on Corporate Social Responsibility, composition of the CSR Committee and projects approved by the Board is available on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com).

Besides supporting the orphanage and the public medical scheme administered by the Company in the area of rural development and tribal welfare, your Company has been associated with United Nilgiri Conservative Society (UNCS). UNCS since its establishment

# DIRECTORS' REPORT – (Contd.)

in 2013 has built confidence and trust for people in Kotagiri and Ooty through its efforts to achieve better standard of life through community development work.

The Company promoted two Section 8 Companies viz., Sivasailam Chamraj Education Foundation and Sivasailam Chamraj Hospital Foundation for carrying CSR activities.

## **Board Evaluation**

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

## **Report on Corporate Governance**

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

## **Particulars of Employees**

Particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 4**.

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

## **Management Discussion and Analysis Report**

Management Discussion and Analysis Report is given separately in **Annexure 5**, which forms part of this Report.

## **Financial Statements of Associate Companies**

A statement containing salient features of the financial statements of Associate Companies pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is appended as **Annexure 6** to this report.

## **Environmental Protection**

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

## **Industrial Relations**

Industrial relations have been cordial during the year.

# DIRECTORS' REPORT – (Contd.)

## Public Deposits

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

## Vigil Mechanism

The Company has a vigil mechanism, details of which can be accessed at the Company's website [www.unitednilgirtea.com](http://www.unitednilgirtea.com). No complaints have been received during the year under review.

## Sexual Harassment of Women at Workplace

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints Committee has been constituted to redress the grievances of women at workplace. No complaint was reported during the year under review.

## Cost Records

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

## Others

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

## Acknowledgement

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

Chennai  
18<sup>th</sup> May, 2023

For and on behalf of the Board

MALLIKA SRINIVASAN

Chairman

DIN : 00037022

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. Conservation of Energy**

| Sl. No. | Action  | Remarks   |
|---------|---|---|
| 1       | Steps taken or impact on conservation of energy                     | Installation of new chimney at Allada Valley factory for improved firewood efficiency has been completed.   |
| 2.      | Steps taken by the Company for utilizing alternate source of energy | The installation of hydro project has been completed at Korakundah and awaiting connection to the grid.<br><br>Large scale fuel tree planting planned for the year 2023-24. |
| 3.      | Capital investment on energy conservation equipment                 | Investments are made on regular basis to conserve energy.   |

**B. Technology Absorption**

| Sl. No. | Action   | Remarks   |
|---------|--|---|
| 1       | Imported Technology  | Battery-operated machines have been deployed on regular harvesting besides Double men operated Ochiai Japanese harvesters.  |
| 2       | Expenditure on R & D   | FLC Machines have been provided in all three factories.   |
| 3       | Benefits derived like product improvement, cost reduction, product development, or import substitution | The Company has proposed to maximize production of primary grade teas.<br><br>Use of organic bio NPK spray and fermented leaf extract spray in use for enhanced organic production. |
| 4       | Efforts made towards automation  | Facial recognition for green leaf weighment has been implemented in all divisions.  |

**C. Foreign Exchange Earnings and Outgo**

|                |                    |
|----------------|--------------------|
| Actual Inflow  | Rs. 38,05,85,181/- |
| Actual Outflow | Rs. 13,26,074/-    |



## FORM NO. AOC 2

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

**Particulars of contracts/arrangements made with related parties**

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

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

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

| Name of the related party | Amalgamations Private Limited  | Sivasailam Chamraj Education Foundation                                   | Sivasailam Chamraj Hospital Foundation                                    |
|---------------------------|--|---|---|
| Nature of contract        | 1. Availing of services  | Contribution towards CSR activities                                       | 1. Contribution towards CSR activities                                    |
|                           | 2. Reimbursement of expenses   |   | 2. Reimbursement of expenses  |
| Nature of relationship    | A director of the Company is member /Director in the related party company | A director of the Company is member/director in the related party company | A director of the Company is member/director in the related party company |
| Duration of contract      | Yearly (From 01.04.2022 to 31.03.2023)                                     | Yearly (From 01.04.2022 to 31.03.2023)                                    | Yearly (From 01.04.2022 to 31.03.2023)                                    |
| Salient terms             | At arm's length price in the ordinary course of business                   | At arm's length price in the ordinary course of business                  | At arm's length price in the ordinary course of business                  |
| Amount                    | 1. Availing of services:<br>Rs. 3,67,032/-                                 | Contribution towards CSR activities: Rs. 1,50,000/-                       | 1. Contribution towards CSR activities: Rs. 1,50,000/-                    |
|                           | 2. Reimbursement of expenses:<br>Rs.2,12,400/-                             |   | 2. Reimbursement of expenses:<br>Rs.23,87,384/-                           |

Chennai  
18<sup>th</sup> May, 2023

For and on behalf of the Board  
MALLIKA SRINIVASAN  
Chairman  
DIN : 00037022

## ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

### 1. Brief outline on CSR Policy of the Company:

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

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art' setting up public libraries, promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix)
  - a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
  - b) Contributions to public funded universities, Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE), Department of Biotechnology (DBT), Department of Science and Technology (DST), Department of Pharmaceuticals, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH), Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO), Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural Development Projects and Tribal Welfare;
- (xi) Slum area development;
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities;

## 2. Composition of CSR Committee:

| Sl. No. | Name of Director       | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------|------------------------------------|--|--|
| 1       | Ms. Mallika Srinivasan | Non-Executive Non-Independent      | 2  | 2  |
| 2       | Mr. Sankar Datta       | Non-Executive Independent          | 2  | 2  |
| 3       | Mr. P.B. Sampath*      | Non-Executive Independent          | 2  | Nil  |
| 4       | Mr. T.G.B. Pinto**     | Non-Executive Non-Independent      | 2  | 2  |

\* Mr. P.B. Sampath was inducted into the Committee with effect from 30th March, 2023.

\*\* Mr. T.G.B. Pinto resigned from the Committee with effect from 1st January, 2023

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Reports approved by the board are disclosed on the website of the company : [unitednilgiritea.com/?page\\_id=876](http://unitednilgiritea.com/?page_id=876)

4. Provide the executive summary along with web-link (s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : Not applicable

5. (a) Average net profit of the company as per section 135 (5) : Rs.10,82,38,766  
 (a) Two percent of average net profit of the company as per section 135 (5) : Rs.21,64,775  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : —  
 (c) Amount required to be set off for the financial year, if any : —  
 (d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 21,64,775

|          |   |           |
|----------|---|-----------|
| <b>6</b> | (a) Amount spent on CSR Projects:                               | Rs.       |
|          | (i) Ongoing Project   | —         |
|          | (ii) Other than Ongoing Project                                 | 22,11,481 |
|          | (b) Amount spent on Administrative Overheads                    | —         |
|          | (c) Amount spent on Impact Assessment, if applicable            | —         |
|          | (d) Total amount spent for the Financial Year [(a) + (b) + (c)] | 22,11,481 |

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount spent for the financial year (Rs.) | Amount unspent (in Rs.)  |                  |  |        |                  |
|---|--|------------------|--|--------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per Section 135 (6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5) |        |                  |
|   | Amount   | Date of transfer | Name of the fund   | Amount | Date of transfer |
| 22,11,481                                       | —  | —                | —  | —      | —                |

(f) Excess amount for set off, if any

| S. No. | Particulars   | Amount Rs. |
|--------|---|------------|
| (i)    | Two percent of average net profit of the Company as per Section 135 (5) | 21,64,775  |
| (ii)   | Total amount spent for the financial year                               | 22,11,481  |
| (iii)  | Excess amount spent for the financial years [(ii) – (i)]                | 46,706     |

| S. No. | Particulars   | Amount Rs. |
|--------|---|------------|
| (iv)   | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | —          |
| (v)    | Amount available for set off in succeeding financial years [(iii) – (iv)]                                   | 46,706     |

7. Details of Unspent CSR amount for the preceding three financial years

| S. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under Section 135 (6) Rs. | Balance amount in unspent CSR amount under Section 135 (6) Rs. | Amount spent in the Financial Year Rs. | Amount transferred to a fund as specified under Schedule VII as per Section 135 (5), if any |                  | Amount remaining to be spent in succeeding financial years Rs. | Deficiency, if any |
|--------|-----------------------------|---|--|--|---|------------------|--|--------------------|
|        |                             |   |  |  | Amount Rs   | Date of transfer |  |                    |
| 1      | 2019-20                     | —   | —  | —                                      | —   | —                | —  | —                  |
| 2      | 2020-21                     | —   | —  | —                                      | —   | —                | —  | —                  |
| 3      | 2021-22                     | —   | —  | —                                      | —   | —                | —  | —                  |
|        | <b>TOTAL</b>                | —   | —  | —                                      | —   | —                | —  | —                  |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes / No : No

If yes, enter the number of capital assets created / acquired : Not applicable

Furnish the details relating to such assets(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

| Sl. No. | Short particulars of the property or asset (s) [including complete address and location of the property] | Pincode of the property or asset (s) | Date of creation | Amount of CSR amount spent | Details of entity / Authority / beneficiary or the registered owner |      |                    |
|---------|--|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| 1       | 2  | 3                                    | 4                | 5                          | 6   |      |                    |
|         |  |                                      |                  |                            | CSR Registration Number, if applicable                              | Name | Registered address |
|         | —  | —                                    | —                | —                          | —   | —    | —                  |

9. Specify the reason (s), if the -Company has failed to spent two percent of the : average net profit as per Section 135 (5) Not applicable

Chennai  
18<sup>th</sup> May, 2023

SANKAR DATTA  
Member  
DIN: 00025380

MALLIKA SRINIVASAN  
Chairman of the CSR Committee  
DIN: 00037022

**PAYMENT OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(Pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**Particulars of Employees:**

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

| Name and Designation                 | Remuneration paid during the year 2022-23 (Rs. in lacs) | Ratio of remuneration to median remuneration of the employees |
|--------------------------------------|---|---|
| Mr. R. Rajkumar, Whole-time Director | 0.17*   | —   |

\* From 30.03.2023 to 31.03.2023

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

The Chief Financial Officer was given an increase of 3% for the year. The Company Secretary was given an increase of 3% for the year.

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

Percentage increase in the median remuneration of employees in the financial year is 5%.

- (iv) **Number of permanent employees on the rolls of the Company:**

Number of permanent employees on the rolls of the Company as on 31st March 2023 is 1194.

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

The average percentage increase in the salaries of workmen, staff and managers was 5%. There was no increase in the salary of Whole-time Director for the year.

- (vi) **Affirmation that remuneration is as per the Remuneration Policy of the Company:**

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

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

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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

Production of tea in South India has been slightly lower than last year. South Indian orthodox tea prices have been quite strong during the year under review. Well-made orthodox tea is expected to command a premium price during the current year.

### Opportunities and threats

Your Company has scaled up production of high value teas- both organic and conventional-with better focus on high value grades and introduction of new buyers in export and domestic markets.

Increase in labour and other costs continues to impact the results.

### Performance

The total quantity of tea manufactured during the year under review was 33,94,965 kgs as against 34,11,886 kgs during the previous year. Your Company has recorded a sale of 37,07,341 kgs as against 34,87,144 kgs during the previous year. The total exports during the year were 18,91,839 kgs as against 16,50,415 kgs during the previous year.

Income from commercial building during the financial year 2022-23 generated a revenue of Rs.567.54 lakhs as against the previous year's revenue of Rs.558.24 lakhs.

### Outlook

As there has been a delay in summer showers in the current year, the crop prospects are slightly lower than 2022-23. However, with the Company's focus on enhancing production of high-quality teas, strict cost control and mechanization measures, the outlook appears good.

### Risk and Concerns

Your Company is dependent on weather conditions for production of green leaf, which is a major risk factor for the business. The market demand and potential competition in both domestic and international markets have significant impact on the results. Prevailing government regulations with reference to labour and operations also continue to have an impact on operations.

### Internal Control Systems and their adequacy

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

### Financial Performance

Revenue from operations achieved during the year was Rs. 83.65 crores as against Rs.75.65 crores in the previous year. Profit before tax for the year was Rs.14.92 crores as against Rs.12.88 crores during the previous year. The performance of the Company improved due to better sales price realization during the year under review.

### Labour Relations

The labour relations in the estates during the year were cordial. The estate managements continue to implement various measures relating to safety and welfare of employees beyond what is stipulated by prevailing laws and regulations. The total number of permanent employees on the rolls of the Company as on 31st March 2023 was 1194.

### Key financial ratios

Key financial ratios are given under Note 31 of the attached financial statements.

## FORM NO. AOC 1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act read with Rule 5 of Companies (Accounts) Rules, 2014]

## Statement containing salient features of the financial statement of Subsidiaries /Associate Companies /Joint Ventures

## Part A Subsidiaries – Nil

## Part B Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

|   | Name of Associates  | Sivasailam Chamraj Education Foundation | Sivasailam Chamraj Hospital Foundation |
|---|---|---|--|
| 1 | Latest audited Balance Sheet Date   | 31 <sup>st</sup> March, 2023            | 31 <sup>st</sup> March, 2023           |
| 2 | Date on which the Associate was associated  | 31 <sup>st</sup> January, 2022          | 17 <sup>th</sup> February, 2022        |
| 3 | Shares of associate held by the Company on the year end<br>- No. of shares<br>- Amount of investment in Associate Rs. Lacs<br>- Extent of Holding % | 12,500<br>1.25<br>25%                   | 12,500<br>1.25<br>25%                  |
| 4 | Description of how there is significant influence   | Voting rights                           | Voting rights                          |
| 5 | Reason why the associate is not consolidated  | Because it is a Section 8 Company       | Because it is a Section 8 Company      |
| 6 | Networth attributable to Shareholding as per latest audited Balance Sheet   | —                                       | —                                      |
| 7 | Excess of income over expenditure for the year - Rs. Lacs<br>i. Considered in Consolidation<br>ii. Not Considered in Consolidation                  | 24.61<br>—<br>—                         | 4.72<br>—<br>—                         |

As per our Report of even date attached  
For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 18.05.2023

MALLIKA SRINIVASAN  
(DIN : 00037022)  
Chairman

S.RAGHURAMAN  
Chief Financial Officer

For and on behalf of the Board of Directors

SANKAR DATTA      R. RAJKUMAR  
(DIN : 00025380)      (DIN : 10044122)  
Director                      Director

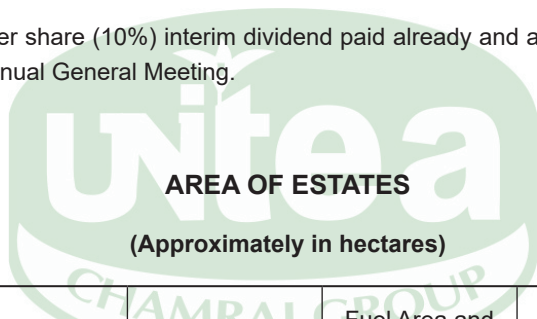
R.V.SRIDHARAN  
Company Secretary

Place : Chennai  
Date : 18.05.2023

## PROGRESS REPORT AND CROP HARVESTED

| Year    | Profit       | Taxation    | Net Profit after taxation | Tea Crop (made tea) | Dividend |
|---------|--------------|-------------|---------------------------|---------------------|----------|
|         | Rs.          | Rs.         | Rs.                       | Kg                  | %        |
| 2017-18 | 15,30,07,701 | 3,15,03,780 | 12,15,03,921              | 29,96,514           | 27%      |
| 2018-19 | 17,00,10,280 | 2,62,87,131 | 14,37,23,149              | 30,91,002           | 27%      |
| 2019-20 | 13,87,82,006 | 3,16,63,070 | 10,71,18,936              | 29,14,862           | 27%      |
| 2020-21 | 15,13,47,396 | 2,88,85,970 | 12,24,61,426              | 30,28,848           | 27%      |
| 2021-22 | 12,88,31,173 | 2,59,40,127 | 10,28,91,046              | 34,11,886           | 37%      |
| 2022-23 | 14,92,08,063 | 2,80,55,200 | 12,11,52,863              | 33,94,965           | 27%*     |

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



### AREA OF ESTATES

(Approximately in hectares)

| Division      | Mature Tea    | Immature Tea | Fuel Area and Wind Belts Rocks & Roads | Shola, Jungles, Frost Prone Areas, Frost Prone Area Maintenance | Total          |
|---------------|---------------|--------------|--|---|----------------|
| ALLADA VALLEY | 217.13        | 6.00         | 1.00                                   | 6.48  | 230.61         |
| CHAMRAJ       | 123.07        | 4.96         | 1.00                                   | 25.74   | 154.77         |
| DEVABETTA     | 168.50        | 4.00         | 2.00                                   | 0.66  | 175.16         |
| KORAKUNDAH    | 268.00        | 10.00        | 128.00                                 | 582.41  | 988.41         |
| ROCKLAND      | 22.48         | —            | —                                      | —   | 22.48          |
| <b>TOTAL</b>  | <b>799.18</b> | <b>24.96</b> | <b>132.00</b>                          | <b>615.29</b>   | <b>1571.43</b> |



**Form MR 3**

**Secretarial Audit Report**

(For the Financial year ended on March 31, 2023)

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

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The United Nilgiri Tea Estates Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by The United Nilgiri Tea Estates Company Limited ("The Company") for the period ended on March 31, 2023 according to the provisions of:
  - I. The Companies Act, 2013 (the "Act") and the Rules made thereunder including any re-enactment thereof;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; presently, (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ( Not applicable to the Company during the audit period )
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; ( Not applicable to the Company during the audit period )
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ( Not applicable to the Company during the audit period )

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( Not applicable to the Company during the audit period ) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ( Not applicable to the Company during the audit period )
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.
- VI. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings, General Meetings and Dividend.

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

2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws which are specifically applicable to the industry in which the Company belongs, as identified and confirmed by the management.
  - (a) Plantation Act, 1951
  - (b) The Tea Board Guidelines and Orders;
  - (c) Pollution Control Act, Rules and Notification issued thereof;
  - (d) The Tea Act, 1953
  - (e) The Factories Act, 1948 and Rules made thereunder;
  - (f) Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder with regard to:
  - a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members.
  - c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) issuing notice of Board meetings and Committee meetings to Directors;
  - f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the conduct of the 100th Annual General Meeting held on August 9, 2022;
  - h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committee of Directors and the government authorities, wherever required;
  - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - k) payment of remuneration to Directors and Whole-time Directors,
  - l) re-appointment and remuneration of statutory Auditors;
  - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

- n) declaration and payment of dividends;
- o) transfer of certain amounts and shares to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) investment of the Company's funds including investments and loans to others;
- q) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- r) Directors' report to the shareholders;
- s) contracts, common seal, registered office and publication of name of the Company; and
- t) Generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

4. We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Notice of all the Board meetings was given to all the Directors, along with agenda and detailed notes on agenda at least seven days in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting to enable meaningful participation at the meeting.
- Majority decisions were carried through and a proper system exists for capturing and recording the dissenting members' views as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, SEBI Act, SCRA, Depositories Act, 1996, FEMA, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

5. There was no circumstance during the period under report, requiring compliance with the provisions of FEMA, 1999 and the Rules made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We further report that during the audit period, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. and based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For **L K & Associates**  
Company Secretaries

Place : Chennai  
Date : 16.05.2023

**LALITHA KANNAN**  
C.P. 1894  
UDIN : A008304E000311992  
PR : 2906/2023

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

**'ANNEXURE A' to Secretarial Audit Report**

To,

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

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

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

For **L K & Associates**  
Company Secretaries

Place : Chennai  
Date : 16.05.2023

**LALITHA KANNAN**  
C.P. 1894  
UDIN : A008304E000311992  
PR : 2906/2023

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors of the Company as on 31<sup>st</sup> March, 2023 comprised of-

| S. No. | Directors             | Designation                                  |
|--------|-----------------------|--|
| 1      | Ms.Mallika Srinivasan | Chairman (Non-Executive and Non-Independent) |
| 2      | Mr.Sankar Datta       | Director (Non-Executive – Independent)       |
| 3      | Mr.P.B.Sampath        | Director (Non-Executive – Independent)       |
| 4      | Mr.R.Vijayaraghavan   | Director (Non-Executive – Independent)       |
| 5      | Ms.P.Shobhana Ravi    | Director (Non-Executive and Non-Independent) |
| 6      | Mr.R.Rajkumar         | Director (Executive – Non-Independent)       |

#### Details of directorship in other companies

| Name of the Director  | Directorship in other Companies excluding Private Limited/Foreign Companies | Membership of other Board Committees* |          |
|-----------------------|---|---------------------------------------|----------|
|                       |   | Member                                | Chairman |
| Ms.Mallika Srinivasan | 5   | —                                     | —        |
| Mr.Sankar Datta       | 2   | —                                     | 2        |
| Mr.P.B.Sampath        | 8   | 3                                     | 1        |
| Mr.R.Vijayaraghavan   | 6   | 5                                     | 3        |
| Ms.P.Shobhana Ravi    | —   | —                                     | —        |
| Mr.Rajkumar           | 1   | —                                     | —        |

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

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

**Names of the listed entities where the person is a director**

| Name of the Director  | Name of the listed entities in which he/she is a Director | Category of Directorship |
|-----------------------|---|--------------------------|
| Ms.Mallika Srinivasan | Nil   | Nil                      |
| Mr.Sankar Datta       | Nil   | Nil                      |
| Mr.P.B.Sampath        | Nil   | Nil                      |
| Mr.R.Vijayaraghavan   | Sanco Trans Limited                                       | Independent Director     |
|                       | India Nippon Electricals Limited                          | Independent Director     |
|                       | Bimetal Bearings Limited                                  | Independent Director     |
| Ms.P.Shobhana Ravi    | Nil   | Nil                      |
| Mr.R.Rajkumar         | Nil   | Nil                      |

**Meetings of the Board of Directors**

| No. | Date of Board Meeting | Total Strength of the Board of Directors | Number of Directors present |
|-----|-----------------------|--|-----------------------------|
| 1   | 14th May, 2022        | 6  | 6                           |
| 2   | 9th August, 2022      | 6  | 6                           |
| 3   | 14th November, 2022   | 6  | 6                           |
| 4   | 29th January, 2023    | 6  | 6                           |
| 5   | 30th March, 2023      | 6  | 6                           |

**Attendance of Directors at Board Meetings and Annual General Meeting**

The attendance details of directors at the meetings of Board of Directors held during the financial year 2022-23 and at the last Annual General Meeting held on 9th August 2022 were as under:

| Director               | No. of Board Meetings Attended | Last AGM Attended |
|------------------------|--------------------------------|-------------------|
| Ms.Mallika Srinivasan  | 5                              | Yes               |
| Mr.Sankar Datta        | 5                              | Yes               |
| Mr.Krishna Srinivasan* | 2                              | Yes               |
| Mr.K.V.Sriram*         | 2                              | Yes               |
| Mr.P.B.Sampath         | 3                              | No                |
| Mr.R.Vijayaraghavan    | 3                              | No                |
| Ms.P.Shobhana Ravi     | 5                              | Yes               |
| Mr.T.G.B.Pinto**       | 4                              | Yes               |
| Mr.R.Rajkumar#         | 1                              | No                |

\* Mr.Krishna Srinivasan and Mr.K.V.Sriram retired at the conclusion of the 100th Annual General Meeting.

\*\* Mr.T.G.B.Pinto resigned from the Board with effect from 1st January, 2023.

# Mr.R. Rajkumar was appointed as a Whole-time Director with effect from 30th March, 2023.

**Disclosure of relationships between directors inter-se**

None of the Directors is related to each other.

**Number of shares and convertible instruments held by non-executive directors**

The details of shares held by Non-Executive Directors are as follows:

| <b>Name</b>           | <b>Number of shares</b> |
|-----------------------|-------------------------|
| Ms.Mallika Srinivasan | 1,43,100                |
| Mr.Sankar Datta       | Nil                     |
| Mr.P.B.Sampath        | Nil                     |
| Mr. R. Vijayaraghavan | Nil                     |
| Ms.P.Shobhana Ravi    | Nil                     |

The non-executive directors of the company do not hold any convertible instruments in the Company.

#### **Familiarization Programme for Directors**

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

The Directors were briefed about the manufacturing process, field operations, cultural practices, productivity, labour-related matters, overall power consumption, cost savings and environmental protection activities undertaken by the factories on their visit to estates on 17th February, 2023. Details of familiarization programme conducted for the Independent Directors are available on the Company's website at [unitednilgiritea.com/?Page\\_id=948](http://unitednilgiritea.com/?Page_id=948).

The terms and conditions of appointment of Independent Directors have been posted on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com).

#### **Confirmation on the fulfillment of the conditions of independence**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

#### **Detailed reasons for the resignation of Independent directors**

None of the Independent Directors has resigned before the expiry of the tenure during the year under review.

#### **Separate meeting of the Independent Directors**

The independent Directors' meeting was held on 28th January 2023 without the attendance of Non-Independent Directors and members of Management. The independent directors reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Whole-time Director taking into account the views of the Non-Executive Directors.

#### **Board Evaluation**

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

The performance of the Board was evaluated after seeking inputs from all the Directors viz. Board structure, Board operations and interaction, roles and responsibilities of the Board, Board and management relations, professional development etc.

The performance of individual directors was evaluated based on inputs received from the individual directors such as knowledge and competency, fulfillment of functions, ability to function as a team, attendance and integrity.

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

The Board as a whole reviewed the performance of the Chairman, and assessed the quality, quantity and timeliness of flow of information between Company and the Board.

### Certification from Company Secretary in Practice

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

### Expertise and attributes of Board Members

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

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

| Director  | Area of Expertise     |                    |            |                              |       |                 |   |
|---|-----------------------|--------------------|------------|------------------------------|-------|-----------------|---|
|   | Strategy and Planning | Financial Literacy | Leadership | Board Service and governance | Legal | Global Business | Innovation, Information technology & Cyber security |
| Ms. Mallika Srinivasan – Non-Executive Non-Independent Director | √                     | √                  | √          | √                            | —     | √               | √   |
| Mr. Sankar Datta – Independent Director                         | √                     | √                  | √          | √                            | √     | —               | —   |
| Mr. P.B.Sampath Independent Director                            | √                     | √                  | √          | √                            | √     | —               | —   |
| Mr. R. Vijayaraghavan – Independent Director                    | √                     | √                  | √          | √                            | √     | √               | —   |
| Ms. P. Shobhana Ravi Non-Executive Non-Independent Director     | √                     | √                  | √          | √                            | —     | —               | √   |
| Mr. R.Rajkumar – Whole-time Director                            | √                     | √                  | √          | √                            | —     | √               | —   |

### COMMITTEES OF THE BOARD

At present, the Board has 4 Committees:

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

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

### 3. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.



## Composition

The members of the Audit Committee as on 31<sup>st</sup> March 2023 comprised of:

| Name of the Director | Designation | Category                  |
|----------------------|-------------|---------------------------|
| Mr.Sankar Datta      | Chairman    | Independent Non-Executive |
| Mr.P.B.Sampath*      | Member      | Independent Non-Executive |
| Mr.R.Vijayaraghavan* | Member      | Independent Non-Executive |

\* Mr.P.B.Sampath and Mr.R.Vijayaraghavan were inducted into the Audit Committee with effect from 23rd August, 2022.

Mr.Sankar Datta, Mr.P.B.Sampath and Mr.R.Vijayaraghavan possess expert knowledge in finance and accounts. The former two are Chartered Accountants and the later a practicing lawyer. Mr.R.V.Sridharan, Company Secretary is the Secretary of the Committee.

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 9th August 2022.

## Meetings

During the year 2022-23, the Audit Committee met seven (7) times on 2nd April, 2022, 14th May, 2022, 7th August 2022, 14th November, 2022, 28th January, 2023, 18th February, 2023 and 30th March, 2023.

Attendance of each member is given below:

| Name of the Director   | No. of Meetings held | No. of Meetings attended |
|------------------------|----------------------|--------------------------|
| Mr.Sankar Datta        | 7                    | 7                        |
| Mr.K.V.Sriram*         | 7                    | 3                        |
| Mr.Krishna Srinivasan* | 7                    | 3                        |
| Mr.P.B. Sampath        | 7                    | 4                        |
| Mr. R.Vijayaraghavan   | 7                    | 4                        |

\* Mr.K.V.Sriram and Mr.Krishna Srinivasan retired at the conclusion of 100th Annual General Meeting held on 9th August, 2022.

## 4. NOMINATION AND REMUNERATION COMMITTEE

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

The Remuneration policy of the Company can be accessed on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

## Composition

The members of the Nomination and Remuneration Committee as on 31<sup>st</sup> March 2023 comprised of:

| Name of the Director  | Designation | Category                               |
|-----------------------|-------------|--|
| Mr.P.B.Sampath*       | Chairman    | Non-Executive Independent Director     |
| Ms.Mallika Srinivasan | Member      | Non-Executive Non-Independent Director |
| Mr.R.Vijayaraghavan*  | Member      | Non-Executive Independent Director     |

\* Mr.P.B.Sampath and Mr.R.Vijayaraghavan were inducted into the committee with effect from 23rd August, 2022.

Mr.Krishna Srinivasan who was Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting held on 9th August, 2022. He retired at the conclusion of 100th Annual General Meeting held on 9th August, 2022

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

## Meetings

During the year 2022-23, Nomination and Remuneration Committee met two (2) times on 14th May, 2022 and 30th March, 2023.

Attendance of each member is given below:

| Name of the Director   | No. of Meetings held | No. of Meetings attended |
|------------------------|----------------------|--------------------------|
| Ms.Mallika Srinivasan  | 2                    | 2                        |
| Mr.Krishna Srinivasan* | 2                    | 1                        |
| Mr.K.V.Sriram*         | 2                    | 1                        |
| Mr.P.B.Sampath**       | 2                    | 1                        |
| Mr.R.Vijayaraghavan**  | 2                    | 1                        |

\* Mr.Krishna Srinivasan and Mr.K.V.Sriram attended the meeting held on 14.05.2022.

\*\* Mr.P.B.Sampath and Mr.R.Vijayaraghavan attended the meeting held on 30.03.2023

## 5. REMUNERATION TO DIRECTORS

### a) Remuneration to Whole-time Director

The details of remuneration paid to Mr.R.Rajkumar, Whole-time Director (Remuneration for two days only i.e. from 30.03.2023 to 31.03.2023) during the financial year 2022-23 are given below:

| Description  | Total (Rs.)   |
|--|---------------|
| Salary   | 9,211         |
| Contribution to Provident Fund and Superannuation Fund | 2,420         |
| Special Allowance                                      | 5,538         |
| Education Allowance                                    | 385           |
| <b>TOTAL</b>   | <b>17,554</b> |

The Board of Directors at its meeting held on 30th March, 2023 approved the appointment of Mr.R. Rajkumar as a Whole-time Director of the Company for a period of three years with effect from 30th March, 2023 subject to the approval of the shareholders. The appointment was approved by the shareholders through postal ballot on 16th May, 2023.

### b) Remuneration to Non Whole-time Directors

| Name                  | Sitting Fees (Rs.) | Commission* (Rs.) | Consultancy Fees (Rs.) | Total (Rs.)      |
|-----------------------|--------------------|-------------------|------------------------|------------------|
| Ms.Mallika Srinivasan | 30,000             | 1,75,000          | —                      | 2,05,000         |
| Mr.Sankar Datta       | 60,000             | 1,75,000          | —                      | 2,35,000         |
| Mr.Krishna Srinivasan | 27,500             | 1,75,000          | —                      | 2,02,500         |
| Mr.K.V.Sriram         | 27,500             | 1,75,000          | —                      | 2,02,500         |
| Mr.P.B.Sampath        | 37,500             | —                 | —                      | 37,500           |
| Mr.R.Vijayaraghavan   | 37,500             | —                 | —                      | 37,500           |
| Ms.P.Shobhana Ravi    | 25,000             | 1,75,000          | —                      | 2,00,000         |
| Mr.T.G.B.Pinto**      | —                  | —                 | 38,25,000              | 38,25,000        |
| <b>TOTAL</b>          | <b>2,45,000</b>    | <b>8,75,000</b>   | <b>38,25,000</b>       | <b>49,45,000</b> |

\* Pertaining to 2021-22 accounts paid during the financial year 2022-23. Provision for Commission to Non-Whole-time Directors amounting to Rs.8,75,000/- has been made in the accounts for the year ended 31st March, 2023.

\*\* Mr. T.G.B.Pinto was Non-Whole-time Director with effect from 1st January, 2022. Consultancy fees paid to Mr.T.G.B.Pinto for the period 1st April, 2022 to 31st December, 2022 as approved by the Shareholders through postal ballot on 27th March, 2022.

**Criteria of making payments to Non Whole-time Directors is available on the company's website at [www.unitednilgiritea.com](http://www.unitednilgiritea.com)**

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The role of Stakeholders Relationship Committee covers areas as specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Composition

The members of the Committee as on 31st March 2023 comprised of:

| Name of the Director | Designation | Category                               |
|----------------------|-------------|--|
| Mr.R.Vijayaraghavan* | Chairman    | Non-Executive Independent Director     |
| Mr.P.B.Sampath*      | Member      | Non-Executive Independent Director     |
| Ms.P.Shobhana Ravi** | Member      | Non-Executive Non-Independent Director |

\* Mr.R.Vijayaraghavan and Mr.P.B.Sampath were inducted into the Committee with effect from 23rd August, 2022.

\*\* Ms.P.Shobhana Ravi was inducted into the Committee with effect from 29th January, 2023

Mr.Krishna Srinivasan, who was the Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on 9th August, 2022. He retired at the conclusion of the 100th Annual General Meeting held on 9th August, 2022.

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

### Meetings

The Committee has met once on 30th March, 2023 during the year. All the members attended the meeting.

The Committee deals with matters relating to redressal of investor's complaints pertaining to transfer and transmission of shares, non-receipt of annual reports, dividend payments and other miscellaneous complaints.

In addition, the Committee looks into other issues including status of dematerialization/re-materialization of shares as well as systems and procedures to be followed to track investor complaints and suggest measures for improvement from time to time.

The share transfers, transmissions, transposition, name deletion and issue of duplicate share certificates approved by the Committee are placed at the Board Meeting from time to time.

### Status of Complaints

No complaint was received during the year ended 31st March, 2023. There were no outstanding complaints as on 31st March, 2023.

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms of reference of Corporate Social Responsibility Committee are:

- to formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to recommend the amount of expenditure to be incurred on the activities undertaken;
- to monitor CSR policy of the Company from time to time; and

- d. any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder.

### Composition

The members of the Committee as on 31<sup>st</sup> March 2023 comprised of:

| Name of the Director  | Designation | Category                               |
|-----------------------|-------------|--|
| Ms.Mallika Srinivasan | Chairman    | Non-Executive Non-Independent Director |
| Mr.Sankar Datta       | Member      | Non-Executive Independent Director     |
| Mr. P.B. Sampath*     | Member      | Non-Executive Independent Director     |

\* Mr.P.B.Sampath was inducted into the Committee with effect from 30th March, 2023.

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

### Meetings

The Committee met two times on 14th May, 2022 and 14th November, 2022 during the financial year 2022-23. Ms.Mallika Srinivasan, Mr.Sankar Datta, and Mr.T.G.B.Pinto attended both the meetings. Mr.T.G.B.Pinto resigned from the Board with effect from 1st January, 2023.

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

## 8. GENERAL BODY MEETINGS

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

| Year    | Date       | Time      | Venue   |
|---------|------------|-----------|---|
| 2019-20 | 07.08.2020 | 4.00 P.M. | No.3, Savithri Shanmugam Road,<br>Race Course, Coimbatore – 641 018<br>As the AGM was conducted through video conferencing, the registered office of the company was deemed to be the venue of the AGM. |
| 2020-21 | 13.08.2021 | 3.00 P.M. | No.3, Savithri Shanmugam Road,<br>Race Course, Coimbatore – 641 018<br>As the AGM was conducted through video conferencing, the registered office of the company was deemed to be the venue of the AGM. |
| 2021-22 | 09.08.2022 | 2.45 P.M. | No.3, Savithri Shanmugam Road,<br>Race Course, Coimbatore – 641 018<br>As the AGM was conducted through video conferencing, the registered office of the company was deemed to be the venue of the AGM. |

### Special Resolution passed in the previous three Annual General Meetings

| Date       | Description of Special Resolution passed   |
|------------|--|
| 07.08.2020 | Nil  |
| 13.08.2021 | Nil  |
| 09.08.2022 | 1. Appointment of Mr.P.B.Sampath [DIN:00037043] as an Independent Director<br>2. Appointment of Mr.R.Vijayaraghavan [DIN: 00026763] as an Independent Director |

## Extra-ordinary General Meeting

During the year, no Extra-ordinary General Meeting was held.

## Postal Ballot

Postal Ballot was conducted vide Notice dated 30th March, 2023 for obtaining the approval of the members for the resolution as detailed below:

| Particulars of resolution  | Type of resolution  | No. of valid votes polled | Votes cast in favour |            | Votes cast against |            | Invalid votes |
|--|---------------------|---------------------------|----------------------|------------|--------------------|------------|---------------|
|  |                     |                           | No. of Votes         | % of Votes | No. of Votes       | % of Votes |               |
| Appointment of Mr. R. Rajkumar [DIN: 10044122] as a Whole-time Director of the Company for a period of three years with effect from 30th March, 2023 | Ordinary Resolution | 30,91,658                 | 29,03,148            | 93.90      | 1,88,510           | 6.10       | 224           |

Mr. S. Kasi Viswanathan, Partner, Gopalaiyer & Subramanian, Chartered Accountants, Coimbatore was appointed as the scrutinizer for conducting the postal ballot process in a fair and transparent manner

## Postal Ballot proposed to be conducted

As on date of this report, the Company does not foresee the need for postal ballot to pass any resolution in the financial year 2023-24.

## Procedure for postal ballot

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolution as specified in the Notice of the Postal Ballot dated 30th March, 2023 was transacted through Postal Ballot/e-Voting. The Company had engaged the services of National Securities Depository Limited (NSDL) for providing e-Voting facility to the members.

In respect of the Postal Ballot Notice dated 30th March, 2023, the members holding shares as on the cut-off date, 7th April, 2023 were provided with the option of exercising their right to vote on the said resolution through postal ballot/e-voting during the period commencing from 9.00 A.M. on Monday, 17th April, 2023 and ending at 5.00 P.M. on Tuesday, 16th May, 2023 (Both days inclusive). Upon completion of the voting period, the scrutinizer submitted his report to the Chairman. The results of the voting were declared on Thursday, 18th May, 2023 and displayed on the website of the stock exchange, Company and NSDL.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THIS ANNUAL REPORT

## 10. MEANS OF COMMUNICATION

Quarterly, half yearly and annual financial results are published in "Business Line" (All India Edition) and "Dinamani" (Coimbatore Edition). The Company's financial results are posted on the Company's website [www.unitednilgritea.com](http://www.unitednilgritea.com).

There has been no presentation to institutional investors or to the analysts.

## 11. GENERAL SHAREHOLDER INFORMATION

### Date, Time and Venue of AGM

|                              | Date & Time                           | Venue   |
|------------------------------|---------------------------------------|---|
| 101st Annual General Meeting | Friday<br>21st July 2023<br>3.00 P.M. | The AGM being convened through video conferencing/ other audio-visual means and hence the registered office of the company will be deemed to be the venue of the AGM. |

**Financial year:** The Company follows 1st April to 31st March as its financial year.

**Financial Calendar 2023-24 (tentative and subject to change)**

| Particulars of meeting   | On or before       |
|--|--------------------|
| Unaudited Financial Results for the quarter ending 30th June 2023      | 14th August 2023   |
| Unaudited Financial Results for the quarter ending 30th September 2023 | 14th November 2023 |
| Unaudited Financial Results for the quarter ending 31st December 2023  | 14th February 2024 |
| Audited Financial Results for the year ending 31st March 2024          | 30th May 2024      |

**Date of book closure for payment of dividend** : 15th July 2023 to 21st July 2023  
(both days inclusive)

**Date of payment of equity dividend** : Dividend shall be paid within 30 days from the date of Annual General Meeting

**Listing on Stock Exchanges**

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

The Company has paid the annual listing fees for the year 2023-24 on 10th April, 2023 to the National Stock Exchange of India Limited

**Stock Code** : UNITEDTEA  
**ISIN** : INE 458F 01011

**High, low and closing price of Company's shares during each month in NSE in the last financial year and performance in comparison with broad based indices**

| Month          | NSE (Rs.) |        |             | NIFTY 50 INDEX |          |             |
|----------------|-----------|--------|-------------|----------------|----------|-------------|
|                | High      | Low    | Month Close | High           | Low      | Month Close |
| April 2022     | 432.90    | 331.40 | 386.15      | 18114.65       | 16824.70 | 17102.55    |
| May 2022       | 398.95    | 308.55 | 348.15      | 17132.85       | 15735.75 | 16584.55    |
| June 2022      | 407.80    | 312.55 | 335.65      | 16793.85       | 15183.40 | 15780.25    |
| July 2022      | 339.15    | 304.00 | 328.65      | 17172.80       | 15511.05 | 17158.25    |
| August 2022    | 335.95    | 303.00 | 310.80      | 17992.20       | 17154.80 | 17759.30    |
| September 2022 | 355.80    | 292.05 | 295.35      | 18096.15       | 16747.70 | 17094.35    |
| October 2022   | 309.90    | 261.20 | 297.65      | 18022.80       | 16855.55 | 18012.20    |
| November 2022  | 303.90    | 265.20 | 289.95      | 18816.05       | 17959.20 | 18758.35    |
| December 2022  | 298.40    | 269.00 | 279.45      | 18887.60       | 17774.25 | 18105.30    |
| January 2023   | 285.45    | 263.00 | 265.95      | 18251.95       | 17405.55 | 17662.15    |
| February 2023  | 294.40    | 267.05 | 271.80      | 18134.75       | 17255.20 | 17303.95    |
| March 2023     | 290.00    | 264.50 | 269.70      | 17799.95       | 16828.35 | 17359.75    |

The shares of the Company are regularly traded and in no point of time the shares were suspended for trading in the stock exchange.

## Registrar and Share Transfer Agents

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

## Share Transfer System

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

## Distribution of Equity Shareholding as on 31<sup>st</sup> March 2023

| Range of shareholdings | Shareholders           |               | Shares           |               |
|------------------------|------------------------|---------------|------------------|---------------|
|                        | Number of shareholders | %             | Number of shares | %             |
| Upto 5000              | 4,490                  | 98.18         | 9,16,865         | 18.35         |
| 5001 – 10000           | 47                     | 1.03          | 3,17,228         | 6.35          |
| 10001 – 20000          | 17                     | 0.37          | 2,44,148         | 4.89          |
| 20001 – 30000          | 4                      | 0.09          | 99,685           | 2.00          |
| 30001 – 40000          | 3                      | 0.07          | 90,791           | 1.82          |
| 40001 – 50000          | —                      | —             | —                | —             |
| 50001 and above        | 12                     | 0.26          | 33,27,849        | 66.60         |
| <b>Total</b>           | <b>4573</b>            | <b>100.00</b> | <b>49,96,566</b> | <b>100.00</b> |

## Category of Shareholders as on 31<sup>st</sup> March 2023

| S. No. | Category  | Number of Shares | %             |
|--------|---|------------------|---------------|
| A      | Indian Promoters & Promoters Group                        | 24,87,982        | 49.79         |
|        | <b>Total Promoters &amp; Promoters Group Shareholding</b> | <b>24,87,982</b> | <b>49.79</b>  |
| B      | Public Shareholding                                       |                  |               |
|        | <b>1. Institutions</b>                                    |                  |               |
|        | a) Financial Institutions / banks                         | 2,747            | 0.05          |
|        | b) Insurance Companies                                    | 3,56,503         | 7.14          |
|        | c) Central / State Governments                            | —                | —             |
|        | <b>2. Non Institutions</b>                                |                  |               |
|        | a) Bodies Corporate                                       | 4,40,294         | 8.81          |
|        | b) Individuals  | 17,09,040        | 34.21         |
|        | <b>Total Public Shareholding (1 + 2)</b>                  | <b>25,08,584</b> | <b>50.21</b>  |
|        | <b>Total (A + B)</b>                                      | <b>49,96,566</b> | <b>100.00</b> |

## Dematerialisation of shares as on 31<sup>st</sup> March 2023

Equity shares representing 89.06% of the company's paid up share capital has been dematerialized as on 31st March, 2023.

| Name of the Depository                      | Number of shares dematerialised | % on Equity Share Capital |
|---|---------------------------------|---------------------------|
| National Securities Depository Limited      | 39,84,443                       | 79.74                     |
| Central Depository Services (India) Limited | 4,65,447                        | 9.32                      |
| <b>Total</b>                                | <b>44,49,890</b>                | <b>89.06</b>              |

**Outstanding GDRs or ADRs or warrants or any convertible instruments and their impact on equity:**

There are no outstanding warrants or any convertible instruments. The company has not issued GDR/ADR during the year.

**Commodity price risk or foreign exchange risk and hedging activities:**

The Company did not engage in commodity or hedging activities during the financial year ended 31st March, 2023.

**Estate Location**

Chamraj Estate, Allada Valley Estate and Devabetta Estate  
Chamraj Estate & Post,  
The Nilgiris - 643 204.

Korakundah Estate,  
Korakundah Estate and Post,  
The Nilgiris - 643 219



**Address for Correspondence**

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

**Email ID for Investor Grievance Redressal : [headoffice@unitea.co.in](mailto:headoffice@unitea.co.in)**

**Credit Rating**

The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires Credit Rating.

**12. OTHER DISCLOSURES**

**Related Party Transactions**

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

The Related Party Transaction Policy as approved by the Board of Directors is uploaded on the Company's website [unitednilgiritea.com/?page\\_id=945](http://unitednilgiritea.com/?page_id=945).

**Details of non-compliance by the Company**

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



## **Whistle Blower Policy and Vigil Mechanism**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism for Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's code of conduct. No person has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company [unitednilgiritea.com/?page\\_id=879](http://unitednilgiritea.com/?page_id=879).

No complaints have been received during the year under review.

## **Compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company's financial statement for the year 2022-23 does not contain any audit qualification.
2. Deloitte, Touche Tohmatsu India LLP, the internal auditors of the Company make quarterly presentations directly to the Audit Committee on their reports.

## **Material Subsidiaries**

The Company does not have any subsidiary.

## **Commodity price risks and hedging activities**

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

## **Utilization of funds raised through preferential allotment or qualified institutions placement**

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **Certificate on non-disqualification of directors**

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

## **Recommendations of the Committees of the Board**

During the year under review, the recommendations made by various committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

## **Total fees for all services paid to the Statutory Auditor**

The Company has paid a sum of Rs. 10,12,912/- (last year Rs.11,92,390/-) as fees including out of pocket expenses and applicable taxes on consolidated basis to the statutory auditor and all entities in the network firm/entity of which the statutory auditor is a part for the services rendered by them.

## **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

No complaint was received by the Committee during the year 2022-23 and none outstanding at the end of the financial year.

**Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL**

**Non-compliance with any requirement of corporate governance report**

There has been no instances of non-compliance of any requirement of corporate governance report as stated above.

**Disclosure with respect to demat suspense account/unclaimed suspense account**

| <b>S. No.</b> | <b>Particulars</b>   | <b>Number of shareholders</b> | <b>Number of shares</b> |
|---------------|--|-------------------------------|-------------------------|
| a             | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 37                            | 30,378                  |
| b             | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year       | —                             | —                       |
| c             | Number of shareholders to whom shares were transferred from suspense account during the year                           | —                             | —                       |
| d             | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year       | 37                            | 30,378                  |
| e             | The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.         |                               |                         |

**Certificate from CEO/CFO**

The CEO/ CFO certification of the financial statements for the year has been submitted to the Board of Directors at its meeting held on 18th May, 2023 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Declaration for Code of Conduct**

I hereby affirm and state that all members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of board of directors and senior management for the financial year 2022-23.

Chennai  
18<sup>th</sup> May, 2023

**R. RAJKUMAR**  
Whole-time Director  
DIN: 10044122

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

**The Members of  
The United Nilgiri Tea Estates Company Limited  
3, Savithri Shanmugam Road  
Race Course  
Coimbatore - 641018**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The United Nilgiri Tea Estates Company Limited having CIN L01132TZ1922PLC000234 and having registered office at 3, Savithri Shanmugam Road, Race Course, Coimbatore - 641 018 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

| Sl. No. | Name of Director                | DIN      | Date of appointment in Company |
|---------|---------------------------------|----------|--------------------------------|
| 1       | SANKAR DATTA                    | 00025380 | 28/12/2005                     |
| 2       | MALLIKA SRINIVASAN              | 00037022 | 25/01/2011                     |
| 3       | PARAKKAT SHOBHANA RAVI          | 08815863 | 10/08/2020                     |
| 4       | RAJAGOPAL RAJKUMAR              | 10044122 | 30/03/2023                     |
| 5       | SAMBATH BAHUKUDUMBI PILLAPAKKAM | 00037043 | 09/08/2022                     |
| 6       | RANGANATHAN VIJAYARHAGAVAN      | 00026763 | 09/08/2022                     |

Ensuring the eligibility of and for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **L K & Associates**  
Company Secretaries

**LALITHA KANNAN**

C.P. 1894

UDIN: A008304E00012036

Place : Chennai  
Date : 16.05.2023

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

### THE MEMBERS OF THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 12th August 2022.
2. We, K.S. Aiyar & Co, Chartered Accountants, the Statutory Auditors of **The United Nilgiri Tea Estates Company Limited** ("the company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### Managements' Responsibility

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

### Auditor's Responsibility

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

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**(S. KALYANARAMAN)**  
Partner

Membership No. 200565  
UDIN: 23200565BGWUZN5425

Date : 18.05.2023  
Place : Coimbatore

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **The United Nilgiri Tea Estates Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### Key Audit Matters

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

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

| Sl. No | Key Audit Matter  | Auditor's Response  |
|--------|---|---|
| 1      | <p><b>PROCUREMENT OF GREEN LEAF:</b></p> <p>Green Leaves are purchased from Traders and Small Growers over and above from the Company's own estate tea leaves to meet the production requirements. The Green Leaves are supplied on a continuous basis and judgments are applied by the management on the quality of the leaves for fixation of prices. The management decision taken will cause a significant impact on the costs and thus it is considered as a Key Audit Matter.</p> | <p>Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / Process like</p> <p>Verified the process and control over the Leaves Procurement, weighment and moisture content.</p> <p>Verified inward Register and weighment slips accepted by the supplier at the respective factories.</p> <p>Scrutinized the rates charged and confirmed the reasonableness of the same based on the quality of the green leaf procured and compared with the Prices agreed by the Other Comparable Tea Producers</p> |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

- Our Opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and Cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

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

the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.



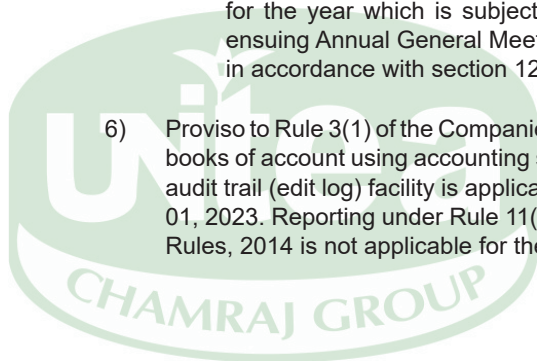
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (Contd.)

- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- 1) The Company has disclosed the impact of pending litigation as at 31 March 2023 on its financial position in its Financial Statements- Refer Note 28 to the financial statements.
  - 2) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 4) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) In our Opinion and based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

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

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

- 5) As stated in Note no 35 to the financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- 6) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.



Date : 18.05.2023  
Place : Coimbatore

For **K.S.Aiyar & Co.**,  
Chartered Accountants  
Firm Registration No. 100186W  
**(S. KALYANARAMAN)**  
Partner  
Membership No. 200565  
UDIN: 23200565BGWUZK2088

**INDEPENDENT  
AUDITOR'S  
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TO THE  
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(Contd.)**

**Annexure A to the Independent Auditors' Report**

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report to the members of **The United Nilgiri Tea Estates Company Limited** of even date.

To the best of our information and according to the explanations provided to us by the management of the Company and the books of account and records examined by us in the normal course of audit we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets
- (b) As per information and explanations given to us, physical verification of Property, Plant and Equipment has been carried out by the Management during the year in accordance with the phased programme of verification of all assets at reasonable intervals. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of title deed like registered sale deed provided to us, the title deeds of all the immovable property are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us and as shown by the records verified by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year.
- (e) According to the information and explanations given to us and based on the records examined by us, no proceedings have been initiated or are pending against the company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder as the Company does not hold any Benami Property
- (ii) (a) The inventories (excluding stocks with third parties) has been physically verified by the Management during the year at reasonable intervals. In respect to inventory of tea lying at third party warehouses, the Company has obtained confirmations from such warehouses for the inventory held by them. In our opinion, the coverage and procedure for such verification is appropriate considering the size and nature of the business of the company. As per information and explanations given to us, no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on the said physical verification carried out by the management.
- (b) The Company has not been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from any banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any advances in the

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

nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the year. Accordingly, clause (iii) of the Order is not applicable

- (iv) In our opinion, and according to the information and explanations given to us, the Company has not given any loans or provided any guarantee or security as specified under section 185 of the Companies Act, 2013 and the Company has complied with the provision of Section 186 of the Companies Act, 2013 in respect of investments made, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and it does not have any amounts which are deemed to be deposits within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act. Hence reporting under clause 3(v) of the Order is not applicable. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013 for the manufacturing of tea and tea products, the prescribed cost records have been made and maintained. We have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
- a) The Company has been generally regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Income-Tax and other material statutory dues applicable to it. According to the information and explanations given to us and the records of the Company examined by us, there were no undisputed amount payable in respect of Goods and Service Tax, Provident Fund, Income-Tax and any other material statutory dues applicable to it, were outstanding, as on the last day of the financial year, for a period of more than six months from the date they became payable;
- b) According to the information and explanation given to us, the statutory dues referred to in (vii)(a) above, which have not been deposited on account of any dispute are given below:

| Name of the Statute      | Nature of the Dues              | Amount not deposited in Rs. | Period to which the amount relates | Forum where dispute is pending       |
|--------------------------|---------------------------------|-----------------------------|------------------------------------|--------------------------------------|
| The Income-tax Act, 1961 | Income-tax (Including Interest) | 29,16,760                   | Assessment Year – 2012-13          | Commissioner of Income-tax (Appeals) |
| The Income-tax Act, 1961 | Income-tax (Including Interest) | 15,21,526                   | Assessment Year – 2013 -14         | Commissioner of Income-tax (Appeals) |

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

|                          |                                 |           |                            |                                      |
|--------------------------|---------------------------------|-----------|----------------------------|--------------------------------------|
| The Income-tax Act, 1961 | Income-tax (Including Interest) | 59,41,990 | Assessment Year – 2014 -15 | Commissioner of Income-tax (Appeals) |
|--------------------------|---------------------------------|-----------|----------------------------|--------------------------------------|

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the Company has not obtained any term loans during the year and there are no outstanding term loans at the beginning of the year and accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term purpose by the company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable
- (x) (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, which have been relied upon by us, no instances of fraud by the Company or any fraud on the Company has been noticed or reported during the year;

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

- b) According to the information and explanation given to us, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations furnished by the management, which have been relied upon by us, no Whistle Blower Complaint was received by the Company during the year
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, clause 3(xv) of the Order is not applicable
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- (b) The Company is not a Non-Banking Finance Company or a Housing Finance Company. Accordingly, provision of clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- (d) According to the information and explanations given to us, the Company does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and

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

payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects, requiring a transfer the unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) pursuant to any ongoing projects and hence transferring unspent amount to a special account in compliance with provisions of sub-section 6 of Section 135 of the Act is not applicable to Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable

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

**(S. KALYANARAMAN)**  
Partner

Membership No. 200565  
UDIN: 23200565BGWUZK2088

Date : 18.05.2023  
Place : Coimbatore

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## **Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 (f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of **The United Nilgiri Tea Estates Company Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **The United Nilgiri Tea Estates Company Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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

## Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(S. KALYANARAMAN)**  
Partner

Date : 18.05.2023  
Place : Coimbatore

Membership No. 200565  
UDIN: 23200565BGWUZK2088

# ACCOUNTS



# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Balance Sheet as at 31st March 2023

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | Note No. | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|----------|--------------------------|--------------------------|
| <b>ASSETS</b>  |          |                          |                          |
| <b>Non-current assets</b>  |          |                          |                          |
| (a) Property, plant and equipment  | 3        | 2,96,857                 | 2,81,862                 |
| (b) Capital work in progress   | 30       | 26,397                   | 24,956                   |
| (c) Intangible assets  | 3        | 1,196                    | 786                      |
| (d) Investment property  | 4        | 1,37,866                 | 1,51,179                 |
| (e) Financial assets   |          |                          |                          |
| (i) Investments  | 5a       | 10,67,903                | 9,74,830                 |
| (ii) Other financial assets  | 5e       | 5,364                    | 4,737                    |
| <b>Total non-current assets</b>  |          | <u>15,35,583</u>         | <u>14,38,350</u>         |
| <b>Current assets</b>  |          |                          |                          |
| (a) Inventories  | 6        | 70,919                   | 95,852                   |
| (b) Financial assets   |          |                          |                          |
| (i) Investments  | 5a       | 2,04,310                 | 91,169                   |
| (ii) Trade receivables   | 5b       | 54,057                   | 82,498                   |
| (iii) Cash and cash equivalents  | 5c       | 32,800                   | 27,831                   |
| (iv) Bank balances other than (iii) above                                      | 5d       | 30,066                   | 80,585                   |
| (v) Other financial assets   | 5e       | 7,768                    | 8,439                    |
| (c) Current tax assets   | 14       | 14,324                   | 15,815                   |
| (d) Other current assets   | 7        | 30,939                   | 28,080                   |
| <b>Total current assets</b>  |          | <u>4,45,183</u>          | <u>4,30,269</u>          |
| <b>Total Assets</b>  |          | <u>19,80,766</u>         | <u>18,68,619</u>         |
| <b>EQUITY AND LIABILITIES</b>  |          |                          |                          |
| <b>Equity</b>  |          |                          |                          |
| (a) Equity share capital   | 8a       | 49,966                   | 49,966                   |
| (b) Other equity   | 8b       | 18,21,144                | 17,02,687                |
| <b>Total Equity</b>  |          | <u>18,71,110</u>         | <u>17,52,653</u>         |
| <b>Liabilities</b>   |          |                          |                          |
| <b>Non-current liabilities</b>   |          |                          |                          |
| (a) Financial Liabilities  |          |                          |                          |
| Other financial liabilities  | 9a       | 20,159                   | 20,436                   |
| (b) Provisions   | 10       | 943                      | 775                      |
| (c) Deferred tax liabilities (net)   | 11       | 19,467                   | 16,264                   |
| (d) Other non current liabilities  | 12       | 6,360                    | 7,311                    |
| <b>Total non-current liabilities</b>   |          | <u>46,929</u>            | <u>44,786</u>            |
| <b>Current liabilities</b>   |          |                          |                          |
| (a) Financial liabilities  |          |                          |                          |
| (i) Trade payables   |          |                          |                          |
| (a) total outstanding dues of micro and small enterprises                      | 9b       | 74                       | 1,425                    |
| (b) total outstanding dues of creditors other than micro and small enterprises | 9b       | 16,607                   | 23,807                   |
| (ii) Other financial liabilities   | 9a       | 13,854                   | 10,943                   |
| (b) Provisions   | 10       | 126                      | 168                      |
| (c) Other current liabilities  | 13       | 32,066                   | 34,837                   |
| <b>Total current liabilities</b>   |          | <u>62,727</u>            | <u>71,180</u>            |
| <b>Total liabilities</b>   |          | <u>1,09,656</u>          | <u>1,15,966</u>          |
| <b>Total equity and liabilities</b>  |          | <u>19,80,766</u>         | <u>18,68,619</u>         |
| <b>Summary of significant accounting policies</b>                              | 2        |                          |                          |
| The accompanying notes form an integral part of these financial statements     |          |                          |                          |

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 18.05.2023

MALLIKA SRINIVASAN  
(DIN : 00037022)  
Chairman

S.RAGHURAMAN  
Chief Financial Officer

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
Director

R.V.SRIDHARAN  
Company Secretary

R. RAJKUMAR  
(DIN : 10044122)  
Director

Place : Chennai  
Date : 18.05.2023

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | Note No. | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|--|----------|------------------------------------|------------------------------------|
| <b>I Income</b>  |          |                                    |                                    |
| Revenue from operations  | 15       | 8,36,521                           | 7,56,576                           |
| Other Income   | 16       | 49,159                             | 53,751                             |
| <b>Total Income (I)</b>  |          | <b>8,85,680</b>                    | <b>8,10,327</b>                    |
| <b>II Expenses</b>   |          |                                    |                                    |
| Cost of green leaf purchased and consumed                                  |          | 1,59,633                           | 1,59,713                           |
| Purchase of tea  |          | 25,366                             | 5,630                              |
| Changes in value of finished goods (Tea)                                   | 17       | 20,588                             | 9,085                              |
| Employee benefits expense  | 18       | 2,35,243                           | 2,26,262                           |
| Finance cost   | 19       | 1,023                              | 1,023                              |
| Depreciation and amortisation expense                                      |          | 36,508                             | 34,942                             |
| Other expenses   | 20       | 2,58,111                           | 2,44,841                           |
| <b>Total Expenses (II)</b>   |          | <b>7,36,472</b>                    | <b>6,81,496</b>                    |
| <b>III Profit before tax (I - II)</b>                                      |          | <b>1,49,208</b>                    | <b>1,28,831</b>                    |
| <b>IV Tax expense:</b>   |          |                                    |                                    |
| Current tax  | 21       | 25,600                             | 23,600                             |
| Deferred tax   | 11       | 2,455                              | 2,340                              |
| <b>Total tax expense (IV)</b>  |          | <b>28,055</b>                      | <b>25,940</b>                      |
| <b>V Profit for the year (III-IV)</b>                                      |          | <b>1,21,153</b>                    | <b>1,02,891</b>                    |
| <b>VI Other comprehensive income</b>                                       |          |                                    |                                    |
| Items that will not be reclassified to profit or loss:                     |          |                                    |                                    |
| — Re-measurement of gains / (losses) on defined benefit obligation         |          | 7,431                              | 4,057                              |
| — Tax on re-measurement of defined benefit obligation                      |          | (748)                              | (409)                              |
| — Changes in fair value of FVOCI Equity instruments                        |          | 9,109                              | 4,131                              |
| <b>Total other comprehensive income (VI)</b>                               |          | <b>15,792</b>                      | <b>7,779</b>                       |
| <b>Total comprehensive income for the year (V+VI)</b>                      |          | <b>1,36,945</b>                    | <b>1,10,670</b>                    |
| <b>Earnings per equity share (of Rs.10/- each)</b>                         |          |                                    |                                    |
| Basic and diluted (in Rs.)   | 24       | 24.25                              | 20.59                              |
| <b>Summary of significant accounting policies</b>                          | 2        |                                    |                                    |
| The accompanying notes form an integral part of these financial statements |          |                                    |                                    |

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 18.05.2023

MALLIKA SRINIVASAN  
(DIN : 00037022)  
Chairman

S.RAGHURAMAN  
Chief Financial Officer

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
Director

R.V.SRIDHARAN  
Company Secretary

R. RAJKUMAR  
(DIN : 10044122)  
Director

Place : Chennai  
Date : 18.05.2023

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Statement of Changes in Equity for the year ended 31st March 2023

(All amounts in Rs. thousands unless otherwise stated)

### A. Equity Share Capital — (Refer Note 8a)

#### Year ended 31st March 2023

| Balance as at April 1, 2022 | Changes in equity share capital during the year | Balance as at March 31, 2023 |
|-----------------------------|---|------------------------------|
| 49,966                      | —   | 49,966                       |

#### Year ended 31st March 2022

| Balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
|-----------------------------|---|------------------------------|
| 49,966                      | —   | 49,966                       |

### B. Other Equity — (Refer Note 8b)

#### Year ended 31st March 2023

|   | Reserves and surplus |                   | Other Reserves           | Total            |
|---|----------------------|-------------------|--------------------------|------------------|
|   | General Reserve      | Retained Earnings | FVOCI Equity instruments |                  |
| Balance as at April 1, 2022                       | 12,65,000            | 1,47,465          | 2,90,222                 | 17,02,687        |
| Total Comprehensive Income for the current year : |                      |                   |                          |                  |
| Profit for the year                               |                      | 1,21,153          |                          | 1,21,153         |
| Other comprehensive income for the year           |                      | 6,683             | 9,109                    | 15,792           |
| Dividends   |                      |                   |                          |                  |
| - Final 2022                                      |                      | (13,491)          |                          | (13,491)         |
| - Interim 2023                                    |                      | (4,997)           |                          | (4,997)          |
| Transfer to General Reserve                       | 80,000               | (80,000)          |                          |                  |
| <b>Balance as at March 31, 2023</b>               | <b>13,45,000</b>     | <b>1,76,813</b>   | <b>2,99,331</b>          | <b>18,21,144</b> |

#### Year ended 31st March 2022

|  | Reserves and surplus |                   | Other Reserves           | Total            |
|--|----------------------|-------------------|--------------------------|------------------|
|  | General Reserve      | Retained Earnings | FVOCI Equity instruments |                  |
| Balance as at April 1, 2021                        | 11,65,000            | 1,54,416          | 2,86,091                 | 16,05,507        |
| Total Comprehensive Income for the previous year : |                      |                   |                          |                  |
| Profit for the year                                |                      | 1,02,891          |                          | 1,02,891         |
| Other comprehensive income for the year            |                      | 3,649             | 4,131                    | 7,780            |
| Dividends  |                      |                   |                          |                  |
| - Final 2021                                       |                      | (8,494)           |                          | (8,494)          |
| - Interim 2022                                     |                      | (4,997)           |                          | (4,997)          |
| Transfer to General Reserve                        | 1,00,000             | (1,00,000)        |                          |                  |
| <b>Balance as at March 31, 2022</b>                | <b>12,65,000</b>     | <b>1,47,465</b>   | <b>2,90,222</b>          | <b>17,02,687</b> |

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 18.05.2023

MALLIKA SRINIVASAN  
(DIN : 00037022)  
Chairman

S.RAGHURAMAN  
Chief Financial Officer

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
Director

R.V.SRIDHARAN  
Company Secretary

R. RAJKUMAR  
(DIN : 10044122)  
Director

Place : Chennai  
Date : 18.05.2023

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Cash Flow Statement for the year ended 31st March, 2023

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | For the year ended<br>31st March 2023 | For the year ended<br>31st March 2022 |
|--|---------------------------------------|---------------------------------------|
| <b>Cash flow from operating activities</b>                               |                                       |                                       |
| Profit before tax  | 1,49,208                              | 1,28,831                              |
| <b>Adjustments for:</b>  |                                       |                                       |
| Depreciation and amortisation expense                                    | 36,508                                | 34,942                                |
| (Gain) on disposal of property, plant and equipment                      | (2,633)                               | (850)                                 |
| Interest on financial liability  | 1,023                                 | 1,023                                 |
| Deferred license fees  | (951)                                 | (905)                                 |
| Fair value gain from financial assets (mutual funds)                     | (29,971)                              | (26,805)                              |
| Interest income  | (3,035)                               | (3,889)                               |
| Dividend Income  | (1,781)                               | (11,103)                              |
| Profit on switch out /redemption of financial assets (mutual funds)      | (7,747)                               | (10,922)                              |
| Net unrealised exchange (gain)/loss                                      | 65                                    | (425)                                 |
| <b>Operating profit before changes in operating assets / liabilities</b> | <b>1,40,686</b>                       | <b>1,09,897</b>                       |
| <b>Adjustments for increase / (decrease) in liabilities:</b>             |                                       |                                       |
| Other financial liabilities  | (2,364)                               | (1,389)                               |
| Trade payables   | (8,551)                               | (379)                                 |
| Other non current liabilities  | (951)                                 | (905)                                 |
| Other current liabilities  | (2,770)                               | 572                                   |
| Non current Provision  | 168                                   | (302)                                 |
| Current Provision  | (42)                                  | (277)                                 |
| <b>Adjustments for (increase) / decrease in assets:</b>                  |                                       |                                       |
| Trade receivables  | 28,441                                | (33,849)                              |
| Inventories  | 24,933                                | 8,309                                 |
| Other current assets   | (2,859)                               | (10,050)                              |
| Other financial assets   | (1,552)                               | 13,621                                |
| Cash generated from operations   | <b>1,75,139</b>                       | <b>85,248</b>                         |
| Income tax paid  | <b>(24,564)</b>                       | <b>(30,639)</b>                       |
| <b>Net cash flow from operating activities (A)</b>                       | <b>1,50,575</b>                       | <b>54,609</b>                         |
| <b>Cash flow from investing activities :</b>                             |                                       |                                       |
| Payments for purchase of property, plant and equipment                   | (44,802)                              | (41,747)                              |
| Proceeds from sale of property, plant and equipment                      | 7,392                                 | 850                                   |
| Capital advance  | 0                                     | 139                                   |
| Payment for purchase of non-current investments                          | (2,10,000)                            | (1,00,250)                            |
| Payment for purchase of current investments                              | (2,59,800)                            | (2,25,800)                            |
| Proceeds from sale of non current investments                            | 1,42,918                              | 90,004                                |
| Proceeds from sale of current investments                                | 1,67,500                              | 2,22,274                              |
| (Increase) in Bank balances not considered as cash and cash equivalents  | 50,518                                | (3,245)                               |
| Profit on switch out /redemption of financial assets (mutual funds)      | 7,747                                 | 10,922                                |
| Interest received  | 4,631                                 | 3,796                                 |
| Dividend received  | 1,781                                 | 11,103                                |
| <b>Net cash flow used in investing activities (B)</b>                    | <b>(1,32,115)</b>                     | <b>(31,954)</b>                       |
| <b>Cash flow from financing activities :</b>                             |                                       |                                       |
| Dividends paid   | <b>(13,491)</b>                       | <b>(13,491)</b>                       |
| <b>Net cash flow used in financing activities (C)</b>                    | <b>(13,491)</b>                       | <b>(13,491)</b>                       |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2023 – (Contd.)**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars   | For the year ended<br>31st March 2023 | For the year ended<br>31st March 2022 |
|---|---------------------------------------|---------------------------------------|
| Net Increase/(decrease) in Cash and cash equivalents (A+B+C)                    | 4,969                                 | 9,164                                 |
| Cash and cash equivalents at the beginning of the year (Note 5c)                | 27,831                                | 18,667                                |
| Cash and cash equivalents at the end of the year                                | 32,800                                | 27,831                                |
| <b>Components of cash and cash equivalents at the end of the year comprise:</b> |                                       |                                       |
| Cash on hand  | 142                                   | 40                                    |
| Balances with banks   |                                       |                                       |
| In current accounts   | 23,554                                | 27,791                                |
| In EEFC account   | 9,104                                 | —                                     |
| Total Cash and cash equivalents (Refer Note 5c )                                | 32,800                                | 27,831                                |
| The accompanying notes form an integral part of these financial statements      |                                       |                                       |

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

As per our Report of even date attached  
For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 18.05.2023

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

For and on behalf of the Board of Directors  
SANKAR DATTA  
(DIN : 00025380)  
*Director*

R. RAJKUMAR  
(DIN : 10044122)  
*Director*

S.RAGHURAMAN  
*Chief Financial Officer*

R.V.SRIDHARAN  
*Company Secretary*

Place : Chennai  
Date : 18.05.2023

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

### 1. CORPORATE INFORMATION:

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

#### 2.1 Basis of preparation of financial statements

##### (a) Statement of compliance

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

##### (b) Basis of measurement

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

##### (c) Current / Non current classification

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

#### 2.2 Use of estimates and judgement

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

#### 2.3 Significant estimates and judgements

The areas involving significant estimates and judgements are :

- i) Estimation of fair value of investment property – (Refer Note.4.3)
- ii) Defined benefit Obligation – (Refer Note 22)
- iii) Tax expense – (Refer Note.21)



# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

### 2.4 Property, Plant and Equipment

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

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

- (b) Biological Assets

#### Bearer Plants

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

### 2.5 Investment Property

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

### 2.6 Depreciation and amortisation

Depreciation on tangible assets (Property, plant and equipment and Investment property) is provided using straight line method over the useful life of the assets in line with the rates specified in Schedule II to the Act, except for the following categories of assets, in whose case the life of the assets has been determined based on technical evaluation, taking into account the estimated usage and past history of replacement.

| Name of the Asset                                       | Useful life prescribed In Schedule II to the Companies Act, 2013 | Useful life followed by the Company |
|---|--|-------------------------------------|
| <b>Property, plant and equipment</b>                    |  |                                     |
| Bearer Plant  | Not specified  | 60 years                            |
| Vehicles  | 8 years  | 5 years                             |
| <b>Investment property</b>                              |  |                                     |
| Certain items of machinery and Electrical installations | 15 years   | 8 years                             |

Cost of Intangible asset is amortized over its estimated useful life of three years on a straight line basis.

### 2.7 Impairment

The carrying values of assets/cash generating units at each Balance Sheet date are annually reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### 2.8 Foreign Currency translation

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

Initial Recognition

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

Subsequent recognition

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

Forward contracts

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

### 2.9 Inventories

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

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

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

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

### 2.10 Cash and cash equivalents

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

### 2.11 Trade receivables

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost less provision for impairment loss, if any.

### 2.12 Investments and other financial assets

#### i) Classification

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

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

- b) those measured at amortized cost.

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

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

### ii) Measurement

Initial recognition :

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

Subsequent measurement :

#### a. Equity Instruments

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

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

#### b. Debt Instruments

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

### iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. Impairment is considered when there is significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk.

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

### iv) De-recognition of financial assets

A financial asset is de-recognised only when :

- a) The Company's contractual right to the cash flow expires or

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

### 2.12 Investments and other financial assets — (Contd.)

- b) The Company has transferred the rights to receive cash flows from the financial asset.

### 2.13 Revenue recognition

- (i) Revenue from Contracts with customers

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

Revenue is measured at transaction price which is the consideration received or receivable and is net of returns, allowances, rebates and Goods and Services Tax.

- (ii) Export benefits are accounted for based on eligibility and when there is no uncertainty in receiving them.
- (iii) The Company recognises the License fee as per Leave and License agreements with the lessees in respect of its let-out property as revenue on a straight line basis over the lease term.
- (iv) Interest income from debt instruments is recognized using the effective interest rate method.
- (v) Dividends are recognized in the statement of profit and loss only when the right to receive payment is established.

### 2.14 Leases

#### As a Lessee

Leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Company as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized on a straight-line basis as an expense in the profit or loss.

The Company's lease arrangements are all short term in nature and accordingly the lease rentals are recognised as an expense in the profit or loss on a straight line basis.

#### As a Lessor

Lease income (Licence fees) from the lease arrangements where the Company is a lessor is recognised as income on a straight line basis over the lease term unless the license fees is structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases in which event such increases are recognised in the year in which such benefits accrue. The related leased assets are included in the balance sheet based on their nature.

### 2.15 Government grant

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

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

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

### 2.16 Employee benefits / Obligations

#### (i) Short term obligations

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

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

#### (ii) Post employment obligations

The Company has the following post employment obligations / plans :

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

##### (a) Gratuity

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

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest cost recognized in profit or loss is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

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

##### (b) Provident Fund

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

### 2.16 Employee benefits / Obligations — (Contd.)

#### (c) Superannuation Fund

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

#### (iii) Other long term employee benefit obligation

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

### 2.17 Taxes on Income

Taxes on Income comprise current tax and deferred tax.

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

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

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

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

### 2.18 Provisions and contingencies

#### Provisions

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

#### Contingencies

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2023

### 2.18 Provisions and contingencies — (Contd.)

outflow of resources embodying economic benefits will be required to settle the obligation ; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability. Show Cause notices are not considered as contingent liabilities unless converted into demand.

### 2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

### 2.20 Premium from Fair Trade International (FLO)

Sale of tea under “Fair Trade International (FLO) charter” offers a certain premium besides “minimum price” for the grade.

Fair Trade premium is recognised as part of revenue from operations and the premium transferred to the registered joint body as required by FLO Charters is treated as staff welfare expenses.

### 2.21 Segment Reporting

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

### 2.22 Dividend to Shareholders

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

### 2.23 Recent Pronouncements which have become effective April 1, 2023

On March 31, 2023, the Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The rules predominantly amended Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS are primarily in the nature of clarifications.

These amendments are not expected to have material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 3. Property, Plant and Equipment and Intangible Assets**

|   | Property, plant and equipment |           |  |                        |                               |          |              |          | Intangible Assets |             |
|---|-------------------------------|-----------|--|------------------------|-------------------------------|----------|--------------|----------|-------------------|-------------|
|   | Freehold Land and Development | Buildings | Machinery and Electrical Installations | Furniture and Fixtures | Office and Computer equipment | Vehicles | Bearer plant | Total    | Software          | Grand Total |
| <b>Year ended March 31, 2022</b>                  |                               |           |  |                        |                               |          |              |          |                   |             |
| <b>Gross carrying amount</b>                      |                               |           |  |                        |                               |          |              |          |                   |             |
| <b>Balance as at March 31, 2021</b>               | 1,02,768                      | 76,473    | 1,23,480                               | 6,886                  | 3,523                         | 20,492   | 12,829       | 3,46,451 | 554               | 3,47,005    |
| Additions   | —                             | 13,434    | 6,302                                  | 1,742                  | 2,036                         | 3,060    | 2,391        | 28,965   | 707               | 29,672      |
| <b>Balance as at March 31, 2022</b>               | 1,02,768                      | 89,907    | 1,29,782                               | 8,628                  | 5,559                         | 23,552   | 15,220       | 3,75,416 | 1,261             | 3,76,677    |
| Accumulated depreciation / amortisation           |                               |           |  |                        |                               |          |              |          |                   |             |
| Depreciation/amortisation charge during the year  | —                             | 15,313    | 42,089                                 | 1,815                  | 1,604                         | 9,683    | 1,741        | 72,245   | 408               | 72,653      |
| <b>Balance as at March 31, 2022</b>               | —                             | 3,388     | 12,607                                 | 509                    | 1,215                         | 3,183    | 407          | 21,309   | 67                | 21,376      |
| <b>Net carrying amount as on March 31, 2022</b>   | 1,02,768                      | 71,206    | 75,086                                 | 6,304                  | 2,740                         | 10,686   | 13,072       | 2,81,862 | 786               | 2,82,648    |
|   |                               |           |  |                        |                               |          |              |          |                   |             |
| <b>Year ended March 31, 2023</b>                  |                               |           |  |                        |                               |          |              |          |                   |             |
| <b>Gross carrying amount</b>                      |                               |           |  |                        |                               |          |              |          |                   |             |
| <b>Balance as at March 31, 2022</b>               | 1,02,768                      | 89,907    | 1,29,782                               | 8,628                  | 5,559                         | 23,552   | 15,220       | 3,75,416 | 1,261             | 3,76,677    |
| Additions   | —                             | 14,823    | 21,399                                 | 75                     | 1,089                         | 2,272    | 2,948        | 42,606   | 726               | 43,332      |
| Disposals   | —                             | 5,944     | 18                                     | —                      | 72                            | 3,642    | —            | 9,676    | —                 | 9,676       |
| <b>Balance as at March 31, 2023</b>               | 1,02,768                      | 98,786    | 1,51,163                               | 8,703                  | 6,576                         | 22,182   | 18,168       | 4,08,346 | 1,987             | 4,10,333    |
| Accumulated depreciation/amortisation             |                               |           |  |                        |                               |          |              |          |                   |             |
| Depreciation /amortisation charge during the year | —                             | 18,701    | 54,696                                 | 2,324                  | 2,819                         | 12,866   | 2,148        | 93,554   | 475               | 94,029      |
| Disposals   | —                             | 3,753     | 12,864                                 | 605                    | 1,503                         | 3,687    | 438          | 22,850   | 316               | 23,166      |
| <b>Balance as at March 31, 2023</b>               | —                             | 20,896    | 67,542                                 | 2,929                  | 4,250                         | 13,286   | 2,586        | 1,11,489 | 791               | 1,12,280    |
| <b>Net carrying amount as at March 31, 2023</b>   | 1,02,768                      | 77,890    | 83,621                                 | 5,774                  | 2,326                         | 8,896    | 15,582       | 2,96,857 | 1,196             | 2,98,053    |



**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 4. Investment Property**

| Description of Assets                            | Freehold Land | Buildings       | Machinery and Electrical Installations | Total           |
|--|---------------|-----------------|--|-----------------|
| <b>Year ended March 31, 2022</b>                 |               |                 |  |                 |
| <b>Gross carrying amount</b>                     |               |                 |  |                 |
| <b>Balance as at March 31, 2021</b>              | 400           | 1,47,458        | 70,880                                 | 2,18,738        |
| Additions  | —             | —               | —                                      | —               |
| Disposals  | —             | —               | —                                      | —               |
| <b>Balance as at March 31, 2022</b>              | <b>400</b>    | <b>1,47,458</b> | <b>70,880</b>                          | <b>2,18,738</b> |
| Accumulated depreciation / amortisation          | —             | 29,490          | 24,503                                 | 53,993          |
| Depreciation/amortisation charge during the year | —             | 5,898           | 7,668                                  | 13,566          |
| <b>Balance as at March 31, 2022</b>              | <b>—</b>      | <b>35,388</b>   | <b>32,171</b>                          | <b>67,559</b>   |
| <b>Net carrying amount as at March 31, 2022</b>  | <b>400</b>    | <b>1,12,070</b> | <b>38,709</b>                          | <b>1,51,179</b> |
| <b>Year ended March 31, 2023</b>                 |               |                 |  |                 |
| <b>Gross carrying amount</b>                     |               |                 |  |                 |
| <b>Balance as at March 31, 2022</b>              | 400           | 1,47,458        | 70,880                                 | 2,18,738        |
| Additions  | —             | —               | 29                                     | 29              |
| <b>Balance as at March 31, 2023</b>              | <b>400</b>    | <b>1,47,458</b> | <b>70,909</b>                          | <b>2,18,767</b> |
| Accumulated depreciation / amortisation          | —             | 35,388          | 32,171                                 | 67,559          |
| Depreciation/amortisation charge during the year | —             | 5,898           | 7,444                                  | 13,342          |
| <b>Balance as at March 31, 2023</b>              | <b>—</b>      | <b>41,286</b>   | <b>39,615</b>                          | <b>80,901</b>   |
| <b>Net carrying amount as at March 31, 2023</b>  | <b>400</b>    | <b>1,06,172</b> | <b>31,294</b>                          | <b>1,37,866</b> |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

|   | Year ended         |                    |
|---|--------------------|--------------------|
|   | 31st March<br>2023 | 31st March<br>2022 |
| <b>4.1 Amounts recognised in profit and loss for investment property :</b>  |                    |                    |
| Rental income from freehold buildings   | <b>56,754</b>      | 55,824             |
| Direct operating expense from property that generated rental income   | <b>9,369</b>       | 11,158             |
| <b>Profit from investment property before depreciation</b>  | <b>47,385</b>      | 44,666             |
| Depreciation  | <b>13,342</b>      | 13,566             |
| <b>Profit from investment property</b>  | <b>34,043</b>      | 31,100             |
|   |                    |                    |
|   | Year ended         |                    |
|   | 31st March<br>2023 | 31st March<br>2022 |
| <b>4.2 Fair Value</b>   |                    |                    |
| Land  | <b>4,88,920</b>    | 4,60,160           |
| Buildings   | <b>2,43,187</b>    | 2,40,247           |
| Machinery and Electrical installations  | <b>53,607</b>      | 51,900             |
|   | <b>7,85,714</b>    | 7,52,307           |
| <b>4.3 Estimation of Fair Value</b>   |                    |                    |
| <p>The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable leases, the market rates for sale / purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. The market approach is being followed for ascertaining the fair value of the investment properties and hence fair value is ascertained on the basis of market rates prevailing for similar properties in those locations determined by an independent registered valuer. Consequently this is classified as a Level 2 valuation.</p> |                    |                    |
| <b>4.4 Minimum lease payments receivable on lease of immovable property are as follows :</b>  |                    |                    |
|   | Year ended         |                    |
| Particulars   | March 31, 2023     | March 31, 2022     |
| Less than one year  | <b>52,704</b>      | 50,493             |
| One to five years   | <b>2,85,680</b>    | 2,38,283           |
| More than five years  | <b>1,33,879</b>    | 1,72,685           |
| Total   | <b>4,72,263</b>    | 4,61,461           |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 5 a. Investments**  
**Non-current investments**

| Particulars   | Nominal value of Shares/units | As at 31st March 2023 |          | As at 31st March 2022 |          |
|---|-------------------------------|-----------------------|----------|-----------------------|----------|
|   |                               | No. of shares/Units   | Amount   | No. of shares/Units   | Amount   |
| <b>A Investments in equity instruments</b>  |                               |                       |          |                       |          |
| (i) <b>Investment in Associates at cost - Unquoted (fully paid)</b>   |                               |                       |          |                       |          |
| Sivasailam Chamraj Education Foundation*  | 10                            | 12,500                | 125      | 12,500                | 125      |
| Sivasailam Chamraj Hospital Foundation*   | 10                            | 12,500                | 125      | 12,500                | 125      |
| * incorporated under Section 8 of the Companies Act, 2013 and are not - for - profit Companies  |                               |                       | 250      |                       | 250      |
| (ii) <b>Investments in equity instruments designated at fair value through other comprehensive income</b>                                 |                               |                       |          |                       |          |
| a. <b>Unquoted (fully paid)</b>   |                               |                       |          |                       |          |
| Stanes Amalgamated Estates Limited  | 10                            | 81,783                | 4,630    | 81,783                | 4,630    |
| Simpson and Company Limited   | 2500                          | 65                    | 2,41,475 | 65                    | 2,41,475 |
| Orkay Industries Limited  | 10                            | 450                   | —        | 450                   | —        |
| Palani Andavar Cotton & Synthetic Spinners Ltd.   | 10                            | 500                   | —        | 500                   | —        |
|   |                               |                       | 2,46,105 |                       | 2,46,105 |
| b. <b>Quoted (fully paid)</b>   |                               |                       |          |                       |          |
| IP Rings Limited  | 10                            | 3,600                 | 318      | 3,600                 | 423      |
| TATA Coffee Limited   | 1                             | 10,000                | 2,059    | 10,000                | 2,168    |
| Tata Steel Limited **   | 1*                            | 67,390                | 7,042    | 6,739                 | 8,809    |
| The Tata Power Company Limited  | 1                             | 10,000                | 1,903    | 10,000                | 2,387    |
| Uniworth India Limited  | 10                            | 750                   | —        | 750                   | —        |
| ZF Commercial Vehicle Control Systems India Limited   | 5                             | 4,300                 | 44,757   | 4,300                 | 33,183   |
|   |                               |                       | 56,079   |                       | 46,970   |
|   |                               |                       | 3,02,434 |                       | 2,93,325 |
| <b>Total Investments in equity instruments</b>  |                               |                       |          |                       |          |
| ** Sub-divided into nominal value of Re.1/- per equity share from the nominal value of Rs.10/- per equity share effective 28th July 2022. |                               |                       |          |                       |          |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 5 a. Investments**

**Non-current investments**

| Particulars   | Nominal value of Shares/units | As at 31st March 2023 |                  | As at 31st March 2022 |                 |
|---|-------------------------------|-----------------------|------------------|-----------------------|-----------------|
|   |                               | No. of shares/Units   | Amount           | No. of shares/Units   | Amount          |
| <b>B Investments in debt instruments designated as Fair Value through Profit and Loss</b> |                               |                       |                  |                       |                 |
| <b>Investments in Mutual Funds</b>  |                               |                       |                  |                       |                 |
| Nippon India Short Term Fund-Growth   | 10                            | 83,721                | 3,715            | 83,721                | 3,583           |
| Nippon India Fixed Horizon Fund-Series XXXV-09 - Growth                                   | 10                            | —                     | —                | 10,00,000             | 13,371          |
| Nippon India Banking and PSU Debt Fund - Growth - Direct                                  | 10                            | 29,26,534             | 52,678           | 29,26,534             | 50,496          |
| HDFC Fixed Maturity Plan-Growth   | 10                            | —                     | —                | 2,50,000              | 3,273           |
| HDFC Corporate Bond Fund -Growth-Direct   | 10                            | 17,08,135             | 47,177           | 17,08,135             | 45,234          |
| HDFC Nifty G-Sec Dec 2026 Index Fund - Growth-Direct                                      | 10                            | 78,55,244             | 80,894           | —                     | —               |
| Aditya Birla Sunlife Banking and PSU Debt Fund-Growth-Direct                              | 10                            | 95,839                | 30,533           | 95,839                | 29,166          |
| Bandhan(formerly IDFC) Banking and PSU Debt Fund - Growth - Direct                        | 10                            | 48,06,722             | 1,02,637         | 48,06,722             | 98,053          |
| Bandhan Crisil Gilt 2027 Index Fund - Growth - Direct                                     | 10                            | 37,54,517             | 41,001           | —                     | —               |
| AXIS Banking and PSU Debt Fund - Growth - Direct  | 1000                          | 38,522                | 88,161           | 38,522                | 84,250          |
| LIC MF Banking and PSU Debt Fund - Growth - Direct  | 10                            | —                     | —                | 22,33,522             | 67,082          |
| LIC Short Term Bond Fund - Growth-Direct  | 10                            | 10,94,612             | 14,210           | 10,94,612             | 13,659          |
| HSBC(formerly L&T) MF Banking and PSU Debt Fund - Growth - Direct                         | 10                            | —                     | —                | 32,47,491             | 68,251          |
| HSBC(formerly L&T Triple Ace Bond Fund) Corporate Bond Fund-Growth-Direct                 | 10                            | 4,77,469              | 31,063           | 4,77,469              | 30,014          |
| UTI Corporate Bond Fund -Growth - Direct  | 10                            | 55,21,056             | 77,297           | 55,21,056             | 73,998          |
| Kotak Corporate Bond Fund - Growth - Direct   | 1000                          | 16,131                | 52,848           | 16,131                | 50,537          |
| Invesco Corporate Bond Fund - Growth - Direct   | 1000                          | 18,479                | 52,497           | 18,479                | 50,538          |
| TATA Crisil-IBX Gilt April 2026 Index Fund - Growth - Direct                              | 10                            | 87,42,310             | 90,758           | —                     | —               |
| <b>Total investments in debt instruments</b>  |                               |                       | <b>7,65,469</b>  |                       | <b>6,81,505</b> |
| <b>Total non current investments</b>  |                               |                       | <b>10,67,903</b> |                       | <b>9,74,830</b> |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

**Note 5 a. Investments** (All amounts in Rs. thousands unless otherwise stated)

**Non-current investments (Contd.)**

| Particulars  | Nominal value of Shares/units | As at 31st March 2023 |                  | As at 31st March 2022 |          |
|--|-------------------------------|-----------------------|------------------|-----------------------|----------|
|  |                               | No. of shares/Units   | Amount           | No. of shares/Units   | Amount   |
| <b>Other Disclosures</b>                               |                               |                       |                  |                       |          |
| <b>Aggregate carrying amount of quoted investments</b> |                               |                       | <b>56,079</b>    |                       | 46,970   |
| <b>Aggregate market value of quoted investments</b>    |                               |                       | <b>56,079</b>    |                       | 46,970   |
| <b>Aggregate amount of unquoted investments</b>        |                               |                       | <b>10,11,824</b> |                       | 9,27,860 |

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

**Current Investments**

| Particulars  | Nominal value of Shares/units | As at 31st March 2023 |                 | As at 31st March 2022 |        |
|--|-------------------------------|-----------------------|-----------------|-----------------------|--------|
|  |                               | No. of shares/Units   | Amount          | No. of shares/Units   | Amount |
| <b>Investments in debt instruments at fair value through profit and loss</b> |                               |                       |                 |                       |        |
| <b>Investments in Mutual Funds</b>   |                               |                       |                 |                       |        |
| Nippon India Liquid Fund - Growth-Direct                                     | 1000                          | <b>13,798</b>         | <b>75,987</b>   | 5,020                 | 26,141 |
| DSP Liquid Fund - Growth-Direct  | 1000                          | <b>39,887</b>         | <b>1,28,323</b> | 21,370                | 65,028 |
| <b>Total current investments</b>   |                               |                       | <b>2,04,310</b> |                       | 91,169 |

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | As at<br>31st March<br>2023                                | As at<br>31st March<br>2022 |                      |           |           |                      |        |
|--|--|-----------------------------|----------------------|-----------|-----------|----------------------|--------|
| <b>Note 5b - Trade Receivables</b>   |  |                             |                      |           |           |                      |        |
| Unsecured - considered good  | <b>54,057</b>  | 82,498                      |                      |           |           |                      |        |
| <b>Total</b>   | <b>54,057</b>  | 82,498                      |                      |           |           |                      |        |
| There are no dues from related parties.  |  |                             |                      |           |           |                      |        |
| <b>Note 5b(1) Trade Receivables ageing Schedule - Year ended 31st March 2023</b> |  |                             |                      |           |           |                      |        |
|  | Outstanding for following periods from due date of payment |                             |                      |           |           |                      |        |
| Particulars  | Not due  | Less than<br>6 months       | 6 months -<br>1 year | 1-2 years | 2-3 years | More than<br>3 years | Total  |
| (i) Trade receivables - Considered good-undisputed                               | 21,012   | 33,045                      | —                    | —         | —         | —                    | 54,057 |
| <b>Trade Receivables ageing Schedule - Year ended 31st March 2022</b>            |  |                             |                      |           |           |                      |        |
|  | Outstanding for following periods from due date of payment |                             |                      |           |           |                      |        |
| Particulars  | Not due  | Less than<br>6 months       | 6 months -<br>1 year | 1-2 years | 2-3 years | More than<br>3 years | Total  |
| (i) Trade receivables - Considered good-undisputed                               | 25,126   | 57,372                      | —                    | —         | —         | —                    | 82,498 |
| <b>Note 5 c - Cash and cash equivalents</b>                                      |  |                             |                      |           |           |                      |        |
| (a) Cash on hand   |  |                             |                      |           |           | 142                  | 40     |
| (b) Balances with banks  |  |                             |                      |           |           |                      |        |
| - In current accounts  |  |                             |                      |           |           | 23,554               | 27,791 |
| - In EEFC account  |  |                             |                      |           |           | 9,104                | —      |
| <b>Total</b>   |  |                             |                      |           |           | <b>32,800</b>        | 27,831 |
| <b>Note 5 d - Bank balances other than cash and cash equivalents</b>             |  |                             |                      |           |           |                      |        |
| (a) In deposit accounts (original maturity of more than three months)            |  |                             |                      |           |           | 26,640               | 72,042 |
| (b) In earmarked accounts:   |  |                             |                      |           |           |                      |        |
| Unpaid dividend accounts   |  |                             |                      |           |           | 3,426                | 8,543  |
| <b>Total</b>   |  |                             |                      |           |           | <b>30,066</b>        | 80,585 |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**  
(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | As at<br>31st March<br>2023 | As at<br>31st March<br>2022 |
|--|-----------------------------|-----------------------------|
| <b>Note 5 e - Other financial assets (Unsecured - considered good)</b> |                             |                             |
| <b>Non current</b>   |                             |                             |
| Security Deposits  | 5,364                       | 4,737                       |
| <b>Total</b>   | <u>5,364</u>                | <u>4,737</u>                |
| <b>Current</b>   |                             |                             |
| Accrued interest on fixed deposits                                     | 987                         | 2,583                       |
| Replanting / Orthodox Subsidy receivable                               | 5,586                       | 5,856                       |
| GST refund receivable  | 925                         | —                           |
| <b>Total</b>   | <u>7,768</u>                | <u>8,439</u>                |
| <b>Note 6. Inventories</b>   |                             |                             |
| Finished goods (Tea)   | 57,951                      | 78,539                      |
| Stores and Spare Parts   | 12,177                      | 14,703                      |
| Nursery Stock  | 791                         | 2,610                       |
| <b>Total</b>   | <u>70,919</u>               | <u>95,852</u>               |
| <b>Note 7. Other current assets (Unsecured - considered good)</b>      |                             |                             |
| Advances - Trade and supplies  | 3,680                       | 3,826                       |
| Prepaid expenses   | 12,993                      | 11,911                      |
| Capital Advance  | —                           | 4,549                       |
| Due from Gratuity Trust (Note 22)                                      | 11,759                      | 3,521                       |
| Others   | 2,507                       | 4,273                       |
| <b>Total</b>   | <u>30,939</u>               | <u>28,080</u>               |



**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Description of Assets  | As at 31st March 2023 |               | As at 31st March 2022 |               |
|--|-----------------------|---------------|-----------------------|---------------|
|  | No. of Shares         | Amount        | No. of Shares         | Amount        |
| <b>8a. Equity share capital</b>  |                       |               |                       |               |
| <b>Authorised</b>  |                       |               |                       |               |
| Equity shares of Rs.10/- each  | <b>50,00,000</b>      | <b>50,000</b> | 50,00,000             | 50,000        |
| <b>Issued, subscribed and fully paid-up</b>  |                       |               |                       |               |
| Equity shares of Rs. 10/- each   | <b>49,96,566</b>      | <b>49,966</b> | 49,96,566             | 49,966        |
|  |                       | <u>49,966</u> |                       | <u>49,966</u> |
| <b>i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year</b>  |                       |               |                       |               |
| <b>Equity Shares</b>   |                       |               |                       |               |
| At the beginning of the year   | <b>49,96,566</b>      | <b>49,966</b> | 49,96,566             | 49,966        |
| Less: Changes during the year  | —                     | —             | —                     | —             |
| Outstanding at the end of the year   | <u>49,96,566</u>      | <u>49,966</u> | <u>49,96,566</u>      | <u>49,966</u> |
| <b>ii. Rights, preferences and restrictions attached to equity shares</b>  |                       |               |                       |               |
| Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013. |                       |               |                       |               |
| <b>iii. Details of shares held by each shareholder holding more than 5% of share capital</b>   | <b>No. of shares</b>  | <b>%</b>      | <b>No. of Shares</b>  | <b>%</b>      |
| Tractors and Farm Equipment Limited  | <b>8,55,363</b>       | <b>17.12%</b> | 8,55,363              | 17.12%        |
| T Stanes & Company Limited   | <b>8,40,441</b>       | <b>16.82%</b> | 8,36,688              | 16.75%        |
| Life Insurance Corporation of India  | <b>2,81,485</b>       | <b>5.63%</b>  | 5,37,046              | 10.75%        |
| Amalgamations Private Limited  | <b>4,09,213</b>       | <b>8.19%</b>  | 4,05,460              | 8.11%         |
| Trustees T Stanes & Co Limited Staff Pension Fund  | <b>2,64,816</b>       | <b>5.30%</b>  | 2,64,816              | 5.30%         |
|  | <u>26,51,318</u>      |               | <u>28,99,373</u>      |               |



**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**  
(All amounts in Rs. thousands unless otherwise stated)

**iv. Shareholding of Promoters and Promoter Group**

Shares held by promoters as at 31.03.2023

| S. No. | Promoter Name                                      | No. of shares    | % of total shares | % Change during the year |
|--------|--|------------------|-------------------|--------------------------|
| 1      | Tractors and Farm Equipment Limited                | 8,55,363         | 17.12%            | —                        |
| 2      | T.Stanes and Company Limited                       | 8,40,441         | 16.82%            | 0.07                     |
| 3      | Amalgamations Private Limited                      | 4,09,213         | 8.19%             | 0.08                     |
| 4      | Ms. Mallika Srinivasan                             | 1,43,100         | 2.86%             | —                        |
| 5      | Stanes Amalgamated Estates Limited                 | —                | —                 | (0.15)                   |
| 6      | Mr.Murali Venkatraman                              | 76,185           | 1.52%             | —                        |
| 7      | Simpson and Company Limited                        | 61,506           | 1.23%             | —                        |
| 8      | Addison & Company Limited                          | 24,344           | 0.49%             | —                        |
| 9      | Bimetal Bearings Limited                           | 17,264           | 0.35%             | —                        |
| 10     | Associated Printers (Madras) Private Limited       | 16,652           | 0.33%             | —                        |
| 11     | Sri Rama Vilas Service Limited                     | 10,934           | 0.22%             | —                        |
| 12     | Southern Tree Farms Limited                        | 7,520            | 0.15%             | —                        |
| 13     | Mrs.Bhavani Krishnamoorthy                         | 6,680            | 0.13%             | —                        |
| 14     | Speed-A-Way Private Limited                        | 3,224            | 0.06%             | —                        |
| 15     | Simpson and General Finance Co. Limited            | 2,700            | 0.05%             | —                        |
| 16     | Mr.Sudarshan Venu                                  | 2,000            | 0.04%             | —                        |
| 17     | Mr.A.Krishnamoorthy                                | 732              | 0.01%             | —                        |
| 18     | Mr.A.Krishnamoorthy and Mrs.Bhavani Krishnamoorthy | 10,124           | 0.20%             | —                        |
|        | <b>Total</b>                                       | <b>24,87,982</b> | <b>49.79%</b>     |                          |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**  
(All amounts in Rs. thousands unless otherwise stated)

| Shares held by promoters as at 31.03.2022 |  |                  |                   |                          |
|---|--|------------------|-------------------|--------------------------|
| S. No.                                    | Promoter Name                                      | No. of shares    | % of total shares | % Change during the year |
| 1   | Tractors and Farm Equipment Limited                | 8,55,363         | 17.12%            | —                        |
| 2   | T.Stanes and Company Limited                       | 8,36,688         | 16.75%            | —                        |
| 3   | Amalgamations Private Limited                      | 4,05,460         | 8.11%             | —                        |
| 4   | Ms. Mallika Srinivasan                             | 1,43,100         | 2.86%             | —                        |
| 5   | Stanes Amalgamated Estates Limited                 | 7,506            | 0.15%             | —                        |
| 6   | Mr.Shriram Murali                                  | —                | —                 | (1.52)                   |
| 7   | Mr.Murali Venkatraman                              | 76,185           | 1.52%             | 1.52                     |
| 8   | Simpson and Company Limited                        | 61,506           | 1.23%             | —                        |
| 9   | Addison & Company Limited                          | 24,344           | 0.49%             | —                        |
| 10  | Bimetal Bearing Limited                            | 17,264           | 0.35%             | —                        |
| 11  | Associated Printers (Madras) Private Limited       | 16,652           | 0.33%             | —                        |
| 12  | Sri Rama Vilas Service Limited                     | 10,934           | 0.22%             | —                        |
| 13  | Southern Tree Farms Limited                        | 7,520            | 0.15%             | —                        |
| 14  | Mrs.Bhavani Krishnamoorthy                         | 6,680            | 0.13%             | —                        |
| 15  | Speed-A-Way Private Limited                        | 3,224            | 0.06%             | —                        |
| 16  | Simpson and General Finance Co. Limited            | 2,700            | 0.05%             | —                        |
| 17  | Mr.Sudarshan Venu                                  | 2,000            | 0.04%             | —                        |
| 18  | Mr.A.Krishnamoorthy                                | 732              | 0.01%             | —                        |
| 19  | Mr.A.Krishnamoorthy and Mrs.Bhavani Krishnamoorthy | 10,124           | 0.20%             | —                        |
|   | <b>Total</b>                                       | <b>24,87,982</b> | <b>49.79%</b>     |                          |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | As at<br>31st March<br>2023 | As at<br>31st March<br>2022 |
|--|-----------------------------|-----------------------------|
| <b>Note 8 b. Other equity</b>  |                             |                             |
| <b>Reserves and Surplus</b>  |                             |                             |
| <b>General Reserve</b>   | <b>13,45,000</b>            | 12,65,000                   |
| Retained earnings (Surplus)  | <b>1,76,813</b>             | 1,47,465                    |
| Other reserves - FVOCI Equity Instruments  | <b>2,99,331</b>             | 2,90,222                    |
| <b>Total</b>   | <b>18,21,144</b>            | 17,02,687                   |
| <b>(i) General reserve</b>   |                             |                             |
| Opening balance  | <b>12,65,000</b>            | 11,65,000                   |
| Add : Transfer from retained earnings  | <b>80,000</b>               | 1,00,000                    |
| <b>Closing balance</b>   | <b>13,45,000</b>            | 12,65,000                   |
| <b>(ii) Retained earnings (surplus)</b>  |                             |                             |
| Opening balance  | <b>1,47,465</b>             | 1,54,416                    |
| Add : Profit for the year  | <b>1,21,153</b>             | 1,02,891                    |
| Add: Items of Other Comprehensive income recognised directly in retained earnings:   |                             |                             |
| Remeasurements of post-employment benefit obligations, net of tax  | <b>6,683</b>                | 3,649                       |
| Less: Appropriations   |                             |                             |
| Transfer to General reserve  | <b>(80,000)</b>             | (1,00,000)                  |
| Transaction with owners in their capacity as owners:   |                             |                             |
| Dividend declared and paid during the year - Final 2022 / Final 2021   | <b>(13,491)</b>             | (8,494)                     |
| - Interim 2023 / Interim 2022  | <b>(4,997)</b>              | (4,997)                     |
| <b>Closing Balance</b>   | <b>1,76,813</b>             | 1,47,465                    |
| <b>(iii) Other Reserves :</b>  |                             |                             |
| <b>FVOCI Equity Instruments</b>  |                             |                             |
| Opening balance  | <b>2,90,222</b>             | 2,86,091                    |
| Add: Change in fair value of FVOCI equity instruments  | <b>9,109</b>                | 4,131                       |
| <b>Closing balance</b>   | <b>2,99,331</b>             | 2,90,222                    |
| <b>Nature and Purpose of Other Reserves :</b>  |                             |                             |
| The Company has elected to recognise changes in the fair value of investments in equity instruments in Other Comprehensive Income. These changes are accumulated within FVOCI equity instruments in Other Equity. The Company has an option of transferring amounts from FVOCI equity instruments to retained earnings on de-recognition of the relevant equity instruments. |                             |                             |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**  
(All amounts in Rs. thousands unless otherwise stated)

| Particulars   | As at<br>31st March<br>2023 | As at<br>31st March<br>2022 |
|---|-----------------------------|-----------------------------|
| <b>Note 9 a. Other financial liabilities</b>  |                             |                             |
| <b>Non Current (carried at amortized cost)</b>  |                             |                             |
| Security deposits   | 20,159                      | 20,436                      |
| <b>Total</b>  | <b>20,159</b>               | <b>20,436</b>               |
| <b>Current</b>  |                             |                             |
| Security Deposit  | 1,300                       | 2,400                       |
| Unclaimed Dividend  | 3,426                       | 3,546                       |
| Interim Dividend Payable  | 4,997                       | 4,997                       |
| Other payables  | 4,131                       | —                           |
| <b>Total</b>  | <b>13,854</b>               | <b>10,943</b>               |
| <b>Note 9 b. Trade payables</b>   |                             |                             |
| Total outstanding dues of micro and small enterprises (Refer note 27)   | 74                          | 1,425                       |
| Total outstanding dues of creditors other than micro and small enterprises  | 16,607                      | 23,807                      |
| <b>Total</b>  | <b>16,681</b>               | <b>25,232</b>               |
| <b>9 b 1.</b> There are no dues to any related party nor were there any acceptances outstanding as at the year end. |                             |                             |

**Trade Payables ageing Schedule - year ended 31st March 2023**

| Particulars | Not due | Outstanding for following periods from due date of payment |                      |           |           |                      | Total  |
|-------------|---------|--|----------------------|-----------|-----------|----------------------|--------|
|             |         | Less than<br>6 months                                      | 6 months -<br>1 year | 1-2 years | 2-3 years | More than<br>3 years |        |
| (i) MSME    | —       | 74   | —                    | —         | —         | —                    | 74     |
| (ii) Others | 5,479   | 11,128   | —                    | —         | —         | —                    | 16,607 |

**Trade Payables ageing Schedule - year ended 31st March 2022**

| Particulars | Not due | Outstanding for following periods from due date of payment |                      |           |           |                      | Total  |
|-------------|---------|--|----------------------|-----------|-----------|----------------------|--------|
|             |         | Less than<br>6 months                                      | 6 months -<br>1 year | 1-2 years | 2-3 years | More than<br>3 years |        |
| (i) MSME    | —       | 1,425  | —                    | —         | —         | —                    | 1,425  |
| (ii) Others | 11,971  | 11,836   | —                    | —         | —         | —                    | 23,807 |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | As at<br>31st March<br>2023 | As at<br>31st March<br>2022 |
|--|-----------------------------|-----------------------------|
| <b>Note 10. Provisions</b>   |                             |                             |
| <b>Non Current</b>   |                             |                             |
| Provision for Compensated Absences                                     | 943                         | 775                         |
|  | <u>943</u>                  | <u>775</u>                  |
| <b>Current</b>   |                             |                             |
| Provision for Compensated Absences                                     | 126                         | 168                         |
|  | <u>126</u>                  | <u>168</u>                  |
| <b>Note 11 Deferred tax Liabilities / (Assets) (Net)</b>               |                             |                             |
| <b>11. 1. Balance comprises temporary differences attributable to:</b> |                             |                             |
| <b>Deferred tax liabilities :</b>                                      |                             |                             |
| — Property, Plant and Equipment and Intangible Assets                  | 1,166                       | 1,055                       |
| — Investments  | 17,562                      | 15,305                      |
| — Provision for Employee benefit                                       | 739                         | —                           |
|  | <u>19,467</u>               | <u>16,360</u>               |
| <b>Deferred tax assets :</b>   |                             |                             |
| Provision for Employee benefit   | —                           | (96)                        |
|  | <u>—</u>                    | <u>(96)</u>                 |
| <b>Net deferred tax liabilities</b>                                    | <u>19,467</u>               | <u>16,264</u>               |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| <b>11. 2. Movement in deferred tax liability / (asset)</b> |                                  |               |                     |                             |                             |
|--|----------------------------------|---------------|---------------------|-----------------------------|-----------------------------|
|  | Property, Plant<br>and equipment | Investments   | Employee<br>benefit | Total                       |                             |
| As at April 1, 2021  | 1,227                            | 12,759        | (471)               | 13,515                      |                             |
| Charged/(credited) to                                      |                                  |               |                     |                             |                             |
| — Profit and Loss  | (172)                            | 2,546         | (34)                | 2,340                       |                             |
| — Other comprehensive income                               | —                                | —             | 409                 | 409                         |                             |
| <b>As at March 31, 2022</b>                                | <b>1,055</b>                     | <b>15,305</b> | <b>(96)</b>         | <b>16,264</b>               |                             |
| <b>As at April 1, 2022</b>                                 | <b>1,055</b>                     | <b>15,305</b> | <b>(96)</b>         | <b>16,264</b>               |                             |
| Charged/(credited) to                                      |                                  |               |                     |                             |                             |
| — Profit and Loss  | 111                              | 2,257         | 87                  | 2,455                       |                             |
| — Other comprehensive income                               | —                                | —             | 748                 | 748                         |                             |
| <b>As at March 31, 2023</b>                                | <b>1,166</b>                     | <b>17,562</b> | <b>739</b>          | <b>19,467</b>               |                             |
| Particulars  |                                  |               |                     | As at<br>31st March<br>2023 | As at<br>31st March<br>2022 |
| <b>Note 12. Other non current liabilities</b>              |                                  |               |                     |                             |                             |
| Deferred Government grants                                 |                                  |               |                     | <b>1,232</b>                | 1,232                       |
| Deferred license income                                    |                                  |               |                     | <b>5,128</b>                | 6,079                       |
| <b>Total</b>   |                                  |               |                     | <b>6,360</b>                | 7,311                       |
| <b>Note 13. Other current liabilities</b>                  |                                  |               |                     |                             |                             |
| Statutory remittances                                      |                                  |               |                     | <b>6,420</b>                | 5,449                       |
| Payable on purchase of property, plant and equipment       |                                  |               |                     | <b>—</b>                    | 1,461                       |
| Advance from customers                                     |                                  |               |                     | <b>196</b>                  | 599                         |
| Employee Benefits payable                                  |                                  |               |                     | <b>24,703</b>               | 21,566                      |
| Other Liabilities  |                                  |               |                     | <b>747</b>                  | 5,762                       |
| <b>Total</b>   |                                  |               |                     | <b>32,066</b>               | 34,837                      |
| <b>Note 14. Current tax assets</b>                         |                                  |               |                     |                             |                             |
| Advance tax paid   |                                  |               |                     | <b>1,89,727</b>             | 2,23,899                    |
| Tax deducted at source                                     |                                  |               |                     | <b>41,898</b>               | 43,524                      |
| Less : Provision for Current Tax                           |                                  |               |                     | <b>2,17,301</b>             | 2,51,608                    |
| <b>Total</b>   |                                  |               |                     | <b>14,324</b>               | 15,815                      |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | For the<br>year ended<br>31st March 2023 | For the<br>year ended<br>31st March 2022 |
|--|--|--|
| <b>Note 15. Revenue from operations</b>  |  |  |
| a) Sale of Products - Tea (Refer note 15(i) below)   | <b>7,64,001</b>                          | 6,84,341                                 |
| b) Sale of services - License fees from letting of property  | <b>56,754</b>                            | 55,824                                   |
| c) Other operating revenues (Refer note 15(ii) below)  | <b>15,766</b>                            | 16,411                                   |
| <b>Total</b>   | <b>8,36,521</b>                          | 7,56,576                                 |
| Note : (i) Includes Revenue from contracts with customers  | <b>4,43,223</b>                          | 3,99,869                                 |
| Note : (ii) Other operating revenues comprise  |  |  |
| Export benefits:   |  |  |
| Duty Drawback  | <b>589</b>                               | 427                                      |
| MEIS License   | <b>6,610</b>                             | 7,150                                    |
| Scrap sales  | <b>757</b>                               | 375                                      |
| Income from other planting activities  | <b>7,810</b>                             | 8,459                                    |
|  | <b>15,766</b>                            | 16,411                                   |
| <b>Note 16. Other Income</b>   |  |  |
| Fair value gain from financial assets (mutual funds) mandatorily measured at FVTPL   | <b>29,971</b>                            | 26,805                                   |
| Profit on switch out / redemption of financial assets (mutual funds)   | <b>7,747</b>                             | 10,922                                   |
| Interest Income on   |  |  |
| Bank deposits  | <b>2,386</b>                             | 3,883                                    |
| Others   | <b>649</b>                               | 6  |
| Dividend Income on   |  |  |
| Non current investments  | <b>1,781</b>                             | 11,095                                   |
| Current investments  | <b>—</b>                                 | 8  |
| Gain on Foreign currency transactions (net)  | <b>3,992</b>                             | 182                                      |
| Gain on disposal of property, plant and equipment  | <b>2,633</b>                             | 850*                                     |
| <b>Total</b>   | <b>49,159</b>                            | 53,751                                   |
| * represents amount realised on disposal of certain items of Property, plant and equipment, as the related WDV was nil which was considered as deemed cost when Ind AS was first time adopted as permitted by Ind AS 101. Accordingly no amounts have been shown under disposal in note 3. |  |  |
| <b>Note 17. Changes in value of finished goods (Tea)</b>   |  |  |
| Inventories at the end of the year   | <b>57,951</b>                            | 78,539                                   |
| Inventories at the beginning of the year   | <b>78,539</b>                            | 87,624                                   |
| Net (increase)/decrease  | <b>20,588</b>                            | 9,085                                    |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars  | For the<br>year ended<br>31st March 2023 | For the<br>year ended<br>31st March 2022 |
|--|--|--|
| <b>Note 18. Employee benefits expense</b>                |  |  |
| Salaries, wages and bonus                                | 1,74,863                                 | 1,72,334                                 |
| Contribution to provident and family pension funds       | 16,663                                   | 13,248                                   |
| Contribution to Superannuation Fund                      | 1,057                                    | 2,301                                    |
| Gratuity (Refer note: 22)                                | 5,565                                    | 5,989                                    |
| Workmen and staff welfare expenses                       | 37,095                                   | 32,390                                   |
| <b>Total</b>   | <u>2,35,243</u>                          | <u>2,26,262</u>                          |
| <b>Note 19. Finance Cost</b>                             |  |  |
| Interest expense on financial liability at FVTPL         | 1,023                                    | 1,023                                    |
| <b>Total</b>   | <u>1,023</u>                             | <u>1,023</u>                             |
| <b>Note 20. Other Expenses</b>                           |  |  |
| Consumption of stores and spares                         | 36,243                                   | 26,851                                   |
| Power and fuel   | 53,113                                   | 48,237                                   |
| Repairs and maintenance                                  |  |  |
| Building   | 15,845                                   | 27,009                                   |
| Machinery  | 6,547                                    | 6,094                                    |
| Others   | 4,381                                    | 4,502                                    |
| Rates and taxes  | 4,938                                    | 3,678                                    |
| Insurance  | 9,023                                    | 9,007                                    |
| Selling expenses   |  |  |
| Packing materials  | 16,400                                   | 12,743                                   |
| Brokerage and Commission                                 | 4,529                                    | 1,490                                    |
| Freight and other transport charges                      | 42,093                                   | 54,687                                   |
| Sampling and Other Expenses                              | 8,829                                    | 6,789                                    |
| Commission to Non-Wholetime Directors                    | 875                                      | 816                                      |
| Donation   | —  | 500                                      |
| Corporate Social Responsibility expense (Refer Note :25) | 2,211                                    | 2,414                                    |
| Directors' Sitting Fees                                  | 245                                      | 258                                      |
| Remuneration to Auditors :                               |  |  |
| - for Audit  | 800                                      | 800                                      |
| - for certification                                      | 38                                       | 45                                       |
| - for taxation   | 20                                       | 165                                      |
| Professional Charges                                     | 8,675                                    | 5,721                                    |
| Transport charges  | 12,069                                   | 10,738                                   |
| Travelling expenses                                      | 8,871                                    | 6,131                                    |
| Rent   | 1,141                                    | 1,511                                    |
| Miscellaneous expenses                                   | 21,225                                   | 14,655                                   |
| <b>Total</b>   | <u>2,58,111</u>                          | <u>2,44,841</u>                          |



**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| Particulars   | For the<br>year ended<br>31st March 2023 | For the<br>year ended<br>31st March 2022 |                           |                   |
|---|--|--|---------------------------|-------------------|
| <b>Note 21. Tax Expense</b>   |  |  |                           |                   |
| <b>21.1 Current Tax:</b>  |  |  |                           |                   |
| Current tax   | 25,600                                   | 23,600                                   |                           |                   |
| Deffered tax (Refer Note: 11.2)   | 2,455                                    | 2,340                                    |                           |                   |
| <b>Total Tax Expenses</b>   | <b>28,055</b>                            | <b>25,940</b>                            |                           |                   |
| <b>21.2 Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>   |  |  |                           |                   |
| Profit before tax   | 1,49,208                                 | 1,28,831                                 |                           |                   |
| Tax at the applicable tax rate of 25.168% (previous year 25.168%)   | 37,553                                   | 32,424                                   |                           |                   |
| <b>Tax effect of:</b>   |  |  |                           |                   |
| Income that is exempt from tax  | (14,100)                                 | (9,720)                                  |                           |                   |
| Expenses that are not deductible in determining taxable profit  | 4,738                                    | 4,276                                    |                           |                   |
| Income subject to different tax rate  | (685)                                    | (613)                                    |                           |                   |
| Others  | 549                                      | (427)                                    |                           |                   |
| <b>Tax expense recognised in the statement of profit and loss</b>   | <b>28,055</b>                            | <b>25,940</b>                            |                           |                   |
| <b>Note 22. Employee benefit obligations</b>  |  |  |                           |                   |
|   | <b>March 31,<br/>2023</b>                | March 31,<br>2022                        | <b>March 31,<br/>2023</b> | March 31,<br>2022 |
|   | Compensated absence                      |  | Gratuity                  |                   |
| Current   | 126                                      | 168                                      | (11,759)                  | (3,521)           |
| Non current   | 943                                      | 775                                      | —                         | —                 |
| <b>Total</b>  | <b>1,069</b>                             | 943                                      | <b>(11,759)</b>           | (3,521)           |
| <b>Other long-term employee benefits</b>  |  |  |                           |                   |
| <b>Compensated absence</b>  |  |  |                           |                   |
| The compensated absences cover the Company's liability for earned leave.  |  |  |                           |                   |
| The amount of provision of Rs.126/(March 31, 2022 - Rs.168/-) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.   |  |  |                           |                   |
| <b>Post employment benefits</b>   |  |  |                           |                   |
| <b>(a) Defined contribution plan - Provident fund and Superannuation fund</b>   |  |  |                           |                   |
| Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to recognised provident fund administered by the government. The Company also makes contribution to superannuation fund at a specified percentage of the basic pay of the eligible employees in accordance with the Company's scheme administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. |  |  |                           |                   |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| <b>Note 22. Employee benefit obligations (Contd.)</b>   |                             |                           |                 |
|---|-----------------------------|---------------------------|-----------------|
| <b>Amount recognised in statement of profit and loss</b>  | <b>March 31, 2023</b>       | <b>March 31, 2022</b>     |                 |
| Provident Fund  | <b>16,663</b>               | 13,248                    |                 |
| Superannuation Fund   | <b>1,057</b>                | 2,301                     |                 |
| <b>Total</b>  | <b>17,720</b>               | 15,549                    |                 |
| <b>(b) Defined benefit plan - Gratuity</b>  |                             |                           |                 |
| <p>The Company provides for Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied by the number of years of service. The Gratuity plan is a funded plan and the Company makes contribution to LIC.</p> |                             |                           |                 |
| <b>(i) Reconciliation</b>   | Present value of obligation | Fair value of plan assets | Net amount      |
| <b>April 1, 2021</b>  | 71,072                      | 74,521                    | (3,449)         |
| Current service cost  | 6,322                       | —                         | (6,322)         |
| Interest expense/(income)   | 5,092                       | 5,425                     | 333             |
| <b>Total amount recognised in the statement of profit and loss</b>  | 11,414                      | 5,425                     | (5,989)         |
| <b>Remeasurements</b>   |                             |                           |                 |
| Return on plan assets, excluding amounts included in interest expense/(income)  | —                           | 1,047                     | 1,047           |
| (Gain)/loss from change in financial assumptions  | (1,721)                     | —                         | (1,721)         |
| Experience (gains)/losses   | (3,383)                     | —                         | (3,383)         |
| <b>Total amount recognised in other comprehensive income</b>  | (5,104)                     | 1,047                     | (4,057)         |
| Employer contributions  | —                           | 2,004                     | 2,004           |
| Benefit payments  | (5,992)                     | 5,992                     | —               |
| <b>March 31, 2022</b>   | 71,390                      | 74,911                    | (3,521)         |
| <b>April 1, 2022</b>  | 71,390                      | 74,911                    | (3,521)         |
| Current service cost  | 5,828                       | —                         | (5,828)         |
| Interest expense/(income)   | 5,339                       | 5,602                     | 263             |
| <b>Total amount recognised in the statement of profit and loss</b>  | 11,167                      | 5,602                     | (5,565)         |
| <b>Remeasurements</b>   |                             |                           |                 |
| Return on plan assets excluding amounts included in interest expense/(income)   | —                           | <b>1,042</b>              | <b>1,042</b>    |
| (Gain) / loss from change in financial assumptions  | <b>(86)</b>                 | —                         | <b>(86)</b>     |
| Experience (gains)/losses   | <b>(8,387)</b>              | —                         | <b>(8,387)</b>  |
| <b>Total amount recognised in other comprehensive income</b>  | <b>(8,473)</b>              | <b>1,042</b>              | <b>(7,431)</b>  |
| Employer contributions  | —                           | <b>6,373</b>              | <b>6,373</b>    |
| Benefit payments  | <b>(13,097)</b>             | <b>13,097</b>             | —               |
| <b>March 31, 2023</b>   | <b>60,987</b>               | <b>72,746</b>             | <b>(11,759)</b> |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

| <b>Note 22. Employee benefit obligations (Contd.)</b>  |                       |                  |                            |                  |
|--|-----------------------|------------------|----------------------------|------------------|
| <b>Net Asset / (liability) disclosed above relating to funded obligations are as follows:</b>  |                       |                  |                            |                  |
|  | <b>March 31,</b>      |                  | <b>March 31,</b>           |                  |
|  | <b>2023</b>           |                  | <b>2022</b>                |                  |
| Present value of funded obligations  | <b>60,987</b>         |                  | 71,390                     |                  |
| Fair value of plan assets  | <b>72,746</b>         |                  | 74,911                     |                  |
| <b>(Surplus) / Deficit of funded plan</b>  | <b>(11,759)</b>       |                  | (3,521)                    |                  |
| <b>(ii) Significant actuarial assumptions :</b>  |                       |                  |                            |                  |
| The significant actuarial assumptions are as follows:  |                       |                  |                            |                  |
| Discount rate  | <b>7.50%</b>          |                  | 7.48%                      |                  |
| Expected return on plan assets   | <b>7.50%</b>          |                  | 7.48%                      |                  |
| Salary growth rate   | <b>5.00%</b>          |                  | 5.00%                      |                  |
| Attrition rate   | <b>5.00%</b>          |                  | 5.00%                      |                  |
| The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.   |                       |                  |                            |                  |
| <b>(iii) (a) Sensitivity Analysis</b>  |                       |                  |                            |                  |
|  | <b>March 31,</b>      | <b>March 31,</b> | <b>March 31,</b>           | <b>March 31,</b> |
|  | <b>2023</b>           | <b>2022</b>      | <b>2023</b>                | <b>2022</b>      |
|  | Change in assumption  |                  | Defined Benefit Obligation |                  |
| Discount rate  | <b>1.00%</b>          | 1.00%            | <b>56,949</b>              | 66,572           |
|  | <b>-1.00%</b>         | -1.00%           | <b>65,629</b>              | 76,943           |
| Salary growth rate   | <b>1.00%</b>          | 1.00%            | <b>65,612</b>              | 76,844           |
|  | <b>-1.00%</b>         | -1.00%           | <b>56,846</b>              | 66,586           |
| The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period. |                       |                  |                            |                  |
| <b>(b) The expected maturity analysis of undiscounted gratuity is as follows.:</b>   |                       |                  |                            |                  |
|  | <b>Year ended</b>     |                  | <b>Year ended</b>          |                  |
|  | <b>March 31, 2023</b> |                  | <b>March 31, 2022</b>      |                  |
| Within one year  | <b>9,823</b>          |                  | 8,308                      |                  |
| 1 - 2 years  | <b>6,507</b>          |                  | 6,089                      |                  |
| 2 - 3 years  | <b>6,205</b>          |                  | 7,222                      |                  |
| 3 - 4 years  | <b>6,009</b>          |                  | 7,599                      |                  |
| 4 - 5 years  | <b>7,145</b>          |                  | 5,909                      |                  |
| 5-10 years   | <b>27,229</b>         |                  | 30,928                     |                  |
| Above ten years  | <b>61,576</b>         |                  | 81,246                     |                  |
| <b>Total</b>   | <b>1,24,494</b>       |                  | 1,47,301                   |                  |
| The Company has plan assets by way of investments in LIC.  |                       |                  |                            |                  |

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|   |                                       |                               |
|---|---------------------------------------|-------------------------------|
| <p><b>Note 22. Employee benefit obligations (Contd.)</b></p> <p><b>(iv) Risk exposure</b></p> <p>Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:</p> <p><b>Asset volatility</b></p> <p>The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bond rate. If the return on plan asset is lower than this rate, then it will create a plan deficit.</p> <p><b>Changes in bond yields</b></p> <p>A decrease in bond yields will increase plan liabilities, although this will be partly offset by increase in the value of the plan holdings.</p> <p><b>(v)</b> The weighted average duration of the defined benefit obligation is 7 years (2022 – 11.63 years).</p> <p><b>Note 23.</b> The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous to the planted area in the tea garden but due to rocky terrain, the land could not be cultivated as stipulated by Government and eviction proceedings relating to the aforesaid piece of land had been stayed by the Supreme Court of India. In its final order dated 7th August 2013, the Supreme Court has directed the Land Board to review the case afresh.</p> |                                       |                               |
| Particulars   | <b>Year ended<br/>31st March 2023</b> | Year ended<br>31st March 2022 |
| <p><b>Note 24. Earnings per Share</b></p> <p>For the purpose of computing the earnings per share the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered as the denominator.</p> <p>Profit for the year as per Statement of Profit and Loss</p> <p>Weighted average number of shares outstanding(Nos in thousands)</p> <p>Earnings per Share - (Basic and Diluted) - (Face value of Rs.10/-) - (Rs.)</p>  |                                       |                               |
|   | <b>1,21,153</b>                       | 1,02,891                      |
|   | <b>4,997</b>                          | 4,997                         |
|   | <b>24.25</b>                          | 20.59                         |
| <p><b>Note 25. Corporate Social Responsibility :</b></p> <p>(a) In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend Rs.2,165/-(previous year Rs.2,500/-) calculated at 2% of the average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. Amounts spent towards CSR activities are monitored by CSR Committee and CSR Policy of the Company which covers predominantly Orphanage, Healthcare and Rural development and Tribal welfare. The Company has incurred an expenditure of Rs,2,211/-(previous year Rs.2,414/-) as below :</p> <p>(b) Amounts spent during the year in cash on :</p> <p>(i) Construction /acquisition of any asset</p> <p>(ii) Purpose other than (i) above</p> <p><b>Total</b></p> <p>Previous year's expenditure is net off Rs.90/- being excess amount spent during the year ended 31st March 2021.</p>  |                                       |                               |
|   | <b>—</b>                              | —                             |
|   | <b>2,211</b>                          | 2,414                         |
|   | <b>2,211</b>                          | 2,414                         |

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| Particulars   | Year ended<br>31st March 2023   | Year ended<br>31st March 2022 |
|---|---|-------------------------------|
| <b>Note 26. Repairs to Building and Machinery include</b>   |   |                               |
| Salaries and Wages  | 10,201  | 10,426                        |
| Consumption of stores   | 10,134  | 15,191                        |
| <b>Total</b>  | <b>20,335</b>   | <b>25,617</b>                 |
| <b>Note 27. Due to Micro, Small and Medium Enterprises :</b>  |   |                               |
| The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")                  |   |                               |
| The disclosures pursuant to the said MSMED Act are as follows:  |   |                               |
| Particulars   | Year ended<br>31st March 2023   | Year ended<br>31st March 2022 |
| i. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.  | 74  | 1,425                         |
| ii. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.   | —   | —                             |
| iii. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.                                  | —   | —                             |
| iv. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year. | —   | —                             |
| v. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.             | —   | —                             |
| vi. Interest due and payable towards suppliers registered under MSMED Act, for payments already made.   | —   | —                             |
| vii. Further interest remaining due and payable for earlier years.  | —   | —                             |
| <b>Note 28. Contingent Liabilities and commitments</b>  |   |                               |
| i) Estimated amount of contracts remaining to be executed on capital accounts (Net of advances Rs. Nil; previous year Rs. 4,549)                    | —   | 12,987                        |
| ii) Claim against the Company not acknowledged as debt in respect of Income tax matters   | 10,380  | 2,917                         |
| <b>Note 29. Related Party Disclosures</b>   |   |                               |
| <b>1. List of related parties and nature of relationship are as under :</b>   |   |                               |
| i) Associates   | Sivasailam Chamraj Education Foundation<br>Sivasailam Chamraj Hospital Foundation   |                               |
| ii) Key Managerial Personnel  | Mr. T.G.B. Pinto, Wholetime Director (Upto 31st December 2021)<br>Mr. R. Rajkumar, Vice President (became Whole-time Director-effective 30th March 2023)<br>Mr. Shilajit Roy Choudhury, Vice President<br>Mr. S. Raghuraman, Chief Financial Officer<br>Mr. R.V. Sridharan, Company Secretary |                               |

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| <b>Note 29. Related Party Disclosures (Contd.)</b>         |   |            |           |                          |         |         |         |
|--|---|------------|-----------|--------------------------|---------|---------|---------|
| <b>2. Particulars of transactions with related parties</b> |   |            |           |                          |         |         |         |
|  | Description   | Associates |           | Key Managerial Personnel |         | Total   |         |
|  |   | 2022-23    | 2021-22   | 2022-23                  | 2021-22 | 2022-23 | 2021-22 |
| <b>(a)</b>   | <b>Transactions during the year:</b>                          |            |           |                          |         |         |         |
|  | (i) CSR Expenditure   | 300        | —         |                          |         | 300     | —       |
|  | (ii) Reimbursement of Expenses                                | 2,387      | —         |                          |         | 2,387   | —       |
|  | (iii) <b>Remuneration to Key Managerial Personnel</b>         |            |           | 10,261                   | 8,990   | 10,261  | 8,990   |
|  | Mr.T.G.B.Pinto  |            |           | —                        | 4,315   | —       | 4,315   |
|  | Mr.S.Raghuraman   | —          | —         | 3,160                    | 3,062   | 3,160   | 3,062   |
|  | Mr.R.V.Sridharan  | —          | —         | 988                      | 945     | 988     | 945     |
|  | Mr.R.Rajkumar   | —          | —         | 3,093                    | *338    | 3,093   | * 338   |
|  | Mr.Shilajit Roy Choudhury                                     | —          | —         | 3,020                    | * 330   | 3,020   | * 330   |
|  | *(with effect from 14th February 2022)                        |            |           |                          |         |         |         |
|  | (iv) <b>Dividend Paid</b>                                     |            |           | 15                       | 11      | 15      | 11      |
|  | Mr. T.G.B. Pinto  | —          | —         | 11                       | 8       | 11      | 8       |
|  | Mr. S. Raghuraman   | —          | —         | 4                        | 3       | 4       | 3       |
| <b>(b)</b>   | <b>Balance at the end of the year:</b>                        |            |           |                          |         |         |         |
|  | <i>Other Current Assets</i>                                   |            |           |                          |         |         |         |
|  | Amount receivable from Sivasailam Chamraj Hospital Foundation | 1,043      | —         |                          |         | 1,043   | —       |
| <b>(c) Payment to Directors</b>                            |   |            |           |                          |         |         |         |
|  | Description   | Directors  |           |                          |         |         |         |
|  |   | 2022-2023  | 2021-2022 |                          |         |         |         |
| <b>(i)</b>   | <b>Sitting Fees paid :</b>                                    | 245        | 258       |                          |         |         |         |
|  | Ms. Mallika Srinivasan  | 30         | 38        |                          |         |         |         |
|  | Mr.Sankar Datta   | 60         | 60        |                          |         |         |         |
|  | Mr.K.V.Sriram   | 28         | 62        |                          |         |         |         |
|  | Mr.Krishna Srinivasan   | 28         | 68        |                          |         |         |         |
|  | Ms. P. Shobana Ravi   | 25         | 30        |                          |         |         |         |
|  | Mr.P.B.Samath   | 38         | —         |                          |         |         |         |
|  | Mr. R.Vijayaraghavan  | 38         | —         |                          |         |         |         |

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(All amounts in Rs. thousands unless otherwise stated)

| Description |   | Directors   |           |
|-------------|---|-------------|-----------|
|             |   | 2022-2023   | 2021-2022 |
| (ii)        | <b>Commission paid :</b>                  | <b>875</b>  | 816       |
|             | Ms. Mallika Srinivasan                    | <b>175</b>  | 175       |
|             | Mr. Sankar Datta                          | <b>175</b>  | 175       |
|             | Mr. K.V.Sriram                            | <b>175</b>  | 175       |
|             | Mr. Krishna Srinivasan                    | <b>175</b>  | 175       |
|             | Ms. P. Shobhana Ravi                      | <b>175</b>  | 116       |
| (iii)       | <b>Consultancy fees paid :</b>            | <b>3825</b> | 1275      |
|             | Mr.T.G.B. Pinto (upto 31st December 2022) | <b>3825</b> | 1275      |

**30. Ageing of Capital-work-in-progress :**

| Particulars                             | Amount in CWIP for period of |              |              |                   |               |
|---|------------------------------|--------------|--------------|-------------------|---------------|
|   | Less than 1 year             | 1-2 years    | 2-3 years    | More than 3 years | Total         |
| Projects in progress - As at 31.03.2023 | <b>15,174</b>                | <b>5,226</b> | <b>4,752</b> | <b>1,245</b>      | <b>26,397</b> |
| Projects in progress - As at 31.03.2022 | 14,884                       | 6,518        | 2,822        | 732               | 24,956        |

**31 Financial ratios :**

| Sl. No. | Ratio                                    | Numerator and denominator                          | Ratio as at      |                  | % of Change | Reason for change of more than 25%                         |
|---------|--|--|------------------|------------------|-------------|--|
|         |  |  | As at 31.03.2023 | As at 31.03.2022 |             |  |
| 1       | Current Ratio (Times)                    | Current Assets / Current Liabilities               | <b>7.10</b>      | 6.04             | 18          | NA   |
| 2       | Return on Equity Ratio (%)               | Profit after tax/ Average shareholders' equity     | <b>7.99</b>      | 7.27             | 10          | NA   |
| 3       | Inventory turnover Ratio (Times)         | Sale of Products/ Average Inventory                | <b>11.19</b>     | 8.24             | 36          | Due to increase in sales as well as reduction in inventory |
| 4       | Trade Receivables turnover Ratio (Times) | Revenue from Operations/ Average Trade Receivables | <b>12.25</b>     | 11.54            | 6           | NA   |
| 5       | Trade payables turnover Ratio (Times)    | Purchases/Average trade payables                   | <b>18.15</b>     | 14.60            | 24          | NA   |
| 6       | Net Capital turnover Ratio (Times)       | Revenue from Operations/Net Working Capital        | <b>2.19</b>      | 2.11             | 4           | NA   |
| 7       | Net Profit ratio (%)                     | Profit after tax/ Revenue from Operations          | <b>14.48</b>     | 13.60            | 6           | NA   |

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| Sl. No. | Ratio                          | Numerator and denominator                                   | Ratio as at      |                  | % of Change | Reason for change of more than 25% |
|---------|--------------------------------|---|------------------|------------------|-------------|------------------------------------|
|         |                                |   | As at 31.03.2023 | As at 31.03.2022 |             |                                    |
| 8       | Return on Capital employed (%) | Earnings before Interest and Tax / Average capital employed | 9.79             | 9.08             | 8           | NA                                 |
| 9       | Return on investment (%)       | Income from Investments/Average invested funds              | 4.19             | 5.11             | -18         | NA                                 |

**Note 32. Segment Information**

**32.1** The Vice Presidents of the Company (one of whom has become Wholetime Director effective 30th March, 2023) have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators for business as a whole. The Company's main business is growing and manufacturing of tea and letting of Commercial Property. Income from investments and interest income are not allocated to segments as the related activities are carried out by the central treasury function which manages the cash position of the Company.

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

| Particulars                                  | 31st March 2023 |                     |                  | 31st March 2022 |                     |                  |
|--|-----------------|---------------------|------------------|-----------------|---------------------|------------------|
|  | Segment I       | Segment II          | Total            | Segment I       | Segment II          | Total            |
|  | Plantation      | Commercial Property |                  | Plantation      | Commercial Property |                  |
| <b>Segment revenue</b>                       |                 |                     |                  |                 |                     |                  |
| External sales                               | 7,79,767        | 56,754              | 8,36,521         | 7,00,752        | 55,824              | 7,56,576         |
| Inter-segment sales                          | —               | —                   | —                | —               | —                   | —                |
| <b>Total Revenue</b>                         | <b>7,79,767</b> | <b>56,754</b>       | <b>8,36,521</b>  | <b>7,00,752</b> | <b>55,824</b>       | <b>7,56,576</b>  |
| <b>Segment results - Profit</b>              | <b>1,07,443</b> | <b>34,043</b>       | <b>1,41,486</b>  | <b>77,047</b>   | <b>31,100</b>       | <b>1,08,147</b>  |
| Unallocated corporate expenses (H O expense) |                 |                     | 33,140           |                 |                     | 31,007           |
| <b>Profit from operations</b>                |                 |                     | <b>1,08,346</b>  |                 |                     | <b>77,140</b>    |
| Investment income                            |                 |                     | 41,885           |                 |                     | 52,714           |
| Finance cost                                 |                 |                     | 1,023            |                 |                     | 1,023            |
| Income taxes                                 |                 |                     | 28,055           |                 |                     | 25,940           |
| <b>Net Profit</b>                            |                 |                     | <b>1,21,153</b>  |                 |                     | <b>1,02,891</b>  |
| <b>Segment assets</b>                        | <b>4,72,068</b> | <b>1,48,265</b>     | <b>6,20,333</b>  | <b>5,23,662</b> | <b>1,57,651</b>     | <b>6,81,313</b>  |
| Unallocated corporate assets                 |                 |                     | 13,60,433        |                 |                     | 11,87,306        |
| <b>Total assets</b>                          |                 |                     | <b>19,80,766</b> |                 |                     | <b>18,68,619</b> |



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| Particulars  | 31st March 2023 |                     |                                  | 31st March 2022 |                     |                                  |
|--|-----------------|---------------------|----------------------------------|-----------------|---------------------|----------------------------------|
|  | Segment I       | Segment II          | Total                            | Segment I       | Segment II          | Total                            |
|  | Plantation      | Commercial Property |                                  | Plantation      | Commercial Property |                                  |
| <b>Segment liabilities</b>   | <b>52,190</b>   | <b>27,820</b>       | <b>80,010</b>                    | 56,114          | 30,910              | 87,024                           |
| Unallocated corporate liabilities  |                 |                     | <b>29,646</b>                    |                 |                     | 28,942                           |
| Total liabilities  |                 |                     | <b>1,09,656</b>                  |                 |                     | 1,15,966                         |
| <b>32.2(b) Segment Information - Geographical</b>  |                 |                     |                                  |                 |                     |                                  |
| Particulars  |                 |                     | Year ended<br>31st March<br>2023 |                 |                     | Year ended<br>31st March<br>2022 |
| <b>(i) Revenue</b>   |                 |                     |                                  |                 |                     |                                  |
| India  |                 |                     | <b>3,93,298</b>                  |                 |                     | 3,56,707                         |
| Outside India  |                 |                     | <b>4,43,223</b>                  |                 |                     | 3,99,869                         |
| <b>Total</b>   |                 |                     | <b>8,36,521</b>                  |                 |                     | 7,56,576                         |
| <b>(ii) Assets *</b>   |                 |                     |                                  |                 |                     |                                  |
| India  |                 |                     | <b>19,53,146</b>                 |                 |                     | 18,18,119                        |
| Outside India  |                 |                     | <b>27,620</b>                    |                 |                     | 50,500                           |
| <b>Total</b>   |                 |                     | <b>19,80,766</b>                 |                 |                     | 18,68,619                        |
| <p>* Trade receivables are disclosed on geographical locations of customers. Other assets are not identifiable separately to any reportable segments as these are used interchangeably between segments and are disclosed under "India".</p> |                 |                     |                                  |                 |                     |                                  |

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**Note 33. Fair Value Measurements** (All amounts in Rs. thousands unless otherwise stated)

**(a) Financial instrument by category and hierarchy**

| Particulars   | Hierarchy | Notes | 31st March 2023 |          |                | 31st March 2022 |          |                |
|---|-----------|-------|-----------------|----------|----------------|-----------------|----------|----------------|
|   |           |       | FVTPL           | FVOCI    | Amortized cost | FVTPL           | FVOCI    | Amortized cost |
| <b>Financial assets</b>                             |           |       |                 |          |                |                 |          |                |
| <b>(i) Financial assets at fair value</b>           |           |       |                 |          |                |                 |          |                |
| Investments   |           |       |                 |          |                |                 |          |                |
| Equity instruments - quoted                         | 1         | 5 a   | —               | 56,079   | —              | —               | 46,970   | —              |
| Equity instruments - unquoted                       | 3         | 5 a   | —               | 2,46,105 | 250            | —               | 2,46,105 | 250            |
| Mutual funds  | 2         | 5 a   | 9,69,779        | —        | —              | 7,72,674        | —        | —              |
| <b>(ii) Financial assets at amortized cost</b>      |           |       |                 |          |                |                 |          |                |
| Trade receivables                                   | 3         | 5b    | —               | —        | 54,057         | —               | —        | 82,498         |
| Cash and cash equivalents                           | 3         | 5c    | —               | —        | 32,800         | —               | —        | 27,831         |
| Bank balances other than cash and cash equivalents  | 3         | 5d    | —               | —        | 30,066         | —               | —        | 80,585         |
| Other financial assets                              | 3         | 5e    | —               | —        | 13,132         | —               | —        | 13,176         |
| <b>Financial liabilities</b>                        |           |       |                 |          |                |                 |          |                |
| <b>Financial liabilities held at amortized cost</b> |           |       |                 |          |                |                 |          |                |
| Trade payables                                      | 3         | 9 b   | —               | —        | 16,681         | —               | —        | 25,232         |
| Other financial liabilities                         | 3         | 9 a   | —               | —        | 34,013         | —               | —        | 31,379         |

**Hierarchy**

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

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

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

**(b) Valuation processes**

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

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

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

**(d) Valuation techniques**

- (i) Quoted equity instruments are valued using quoted prices.
- (ii) Open ended Mutual funds are valued at NAV/s declared.
- (iii) The fair value of non current financial liabilities is determined using discounted cash flow analysis.

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**Note 34. Financial Risk Management**

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

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

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

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**Note 34. Financial Risk Management (Contd.)**

**(A) Credit Risk**

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

**(i) Credit risk management**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with Nationalised / Scheduled Commercial banks. Investments in equity are made only in AAA rated instruments. The Board of Directors periodically reviews the investment portfolio of the Company.

Credit risk with respect to domestic and export trade receivables is managed by the Company through setting up credit limits for customers and also periodically reviewing their credit worthiness.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Based on the assessment made by the Company, credit risk increases significantly since the initial recognition if the financial assets are realised after three months from the due date.

A default on a financial asset occurs when the counterparty fails to make contractual payments within six months from the due date. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

**(ii) Provision for expected credit losses**

The Company provides for loss allowance based on 12 month expected credit loss except for trade receivables. Trade receivables consist of large number of customers spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables. The Company has adopted a policy of only dealing with credit worthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from default.

In determining the allowances or credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance of trade receivables taking into account historical credit loss experience and is adjusted for forward looking information.

**Year ended March 31, 2023:**

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

| Ageing  | Less than<br>twelve months | More than<br>twelve months | Total         |
|---|----------------------------|----------------------------|---------------|
| Gross carrying amount                             | <b>54,057</b>              | —                          | <b>54,057</b> |
| Loss allowance rate                               | <b>0%</b>                  | <b>0%</b>                  | <b>0%</b>     |
| Expected credit losses (Loss allowance provision) | —                          | —                          | —             |
| <b>Carrying amount of trade receivables</b>       | <b>54,057</b>              | <b>—</b>                   | <b>54,057</b> |

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**Note 34. Financial Risk Management (Contd.)**

**(A) Credit Risk (Contd.)**

- (b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.13,132/- are classified as standard assets and hence no provision for expected credit loss has been made.

**Year ended March 31, 2022:**

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

| Ageing  | Less than<br>twelve months | More than<br>twelve months | Total         |
|---|----------------------------|----------------------------|---------------|
| Gross carrying amount                             | 82,498                     | —                          | 82,498        |
| Loss allowance rate                               | 0%                         | 0%                         | 0%            |
| Expected credit losses (Loss allowance provision) | —                          | —                          | —             |
| <b>Carrying amount of trade receivables</b>       | <b>82,498</b>              | <b>—</b>                   | <b>82,498</b> |

- (b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.13,176/- are classified as standard assets and hence no provision for expected credit loss has been made.

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

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

During the years ended March 31, 2023 and March 31, 2022 the Company has not made any write offs of trade receivables.

**B. Liquidity risk**

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

**(i) Financing arrangements**

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

**(ii) Maturities of financial liabilities**

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

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 34. Financial Risk Management (Contd.)**

**(B) Liquidity Risk (Contd.)**

**Contractual maturities of financial liabilities:**

|   | Less than 6 months | 6 months to 1 year | More than 1 year |
|---|--------------------|--------------------|------------------|
| <b>March 31, 2023</b>                   |                    |                    |                  |
| <b>Non-derivatives</b>                  |                    |                    |                  |
| Trade payables                          | <b>16,681</b>      | —                  | —                |
| Other financial liabilities             | <b>13,854</b>      | —                  | <b>26,587</b>    |
| <b>Total non-derivative liabilities</b> | <b>30,535</b>      | —                  | <b>26,587</b>    |

|   | Less than 6 months | 6 months to 1 year | More than 1 year |
|---|--------------------|--------------------|------------------|
| <b>March 31, 2022</b>                   |                    |                    |                  |
| <b>Non-derivatives</b>                  |                    |                    |                  |
| Trade payables                          | 25,232             | —                  | —                |
| Other financial liabilities             | 9,743              | 1,200              | 28,915           |
| <b>Total non-derivative liabilities</b> | <b>34,975</b>      | <b>1,200</b>       | <b>28,915</b>    |

**(C) Market risk**

**(i) Foreign currency exposure**

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

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

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

| Particulars                               | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| <b>Trade Receivables</b>                  |                |                |
| USD {3,35,945 (March 31, 2022: 6,45,308)} | <b>27,620</b>  | 48,822         |
| EURO {Nil (March 31, 2022: 1,400)}        | —              | 118            |
| GBP {Nil (March 31, 2022 : 15,670)}       | —              | 1,560          |
| <b>Total</b>                              | <b>27,620</b>  | 50,500         |

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 34. Financial Risk Management (Contd.)**

**(C) Market Risk (Contd.)**

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

|      | Impact on Profit after tax |                |
|------|----------------------------|----------------|
|      | March 31, 2023             | March 31, 2022 |
| USD  | 2,762                      | 4,882          |
| EURO | —                          | 12             |
| GBP  | —                          | 156            |

**(ii) Price risk**

- (a) **Exposure:** The Company has invested in equity instruments and the exposure is equity securities price risk from investments held by the Company and classified in the balance sheet as FVOCI.
- (b) **Sensitivity:** An increase in the price risk by 100 basis points would increase the impact in the other comprehensive income by Rs.561/- as on March 31, 2023 and Rs. 470/- as on March 31, 2022. A corresponding reduction in the other comprehensive income would be noted upon decreasing the market index levels.

**D. Other Risk**

**COVID19 pandemic**

The Company's business has not been impacted by Covid 19 disruptions during the year ended 31st March 2023 and also for the year ended 31st March 2022.

**Note 35. Capital Management**

**(a) Risk management**

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

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

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

| Particulars  | March 31, 2023   | March 31, 2022 |
|--|------------------|----------------|
| <b>Equity</b>  | <b>18,71,110</b> | 17,52,653      |
| Less : Tangible and other assets (net)   | 4,20,751         | 4,18,734       |
| Working capital  | 1,51,506         | 1,95,878       |
| <b>Investment in equity instruments, debt instruments, bank and other deposits</b> | <b>12,98,853</b> | 11,38,041      |

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2023**

(All amounts in Rs. thousands unless otherwise stated)

**Note 35. Capital Management (Contd.)**

**(b) Dividends**

| Particulars  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| (i) Dividends recognised on equity shares  |                |                |
| Final dividend for the year ended 31st March 2022 of Rs.2.70 [including a centenary year dividend of Re.1/- per share] (31st March 2021-Rs.1.70) per fully paid up share.  | <b>13,491</b>  | 8,494          |
| Interim dividend for the year ended 31st March 2023 of Re.1/- (31st March 2022- Re. 1/-) per fully paid up share.  | <b>4,997</b>   | 4,997          |
| (ii) Dividends not recognised at the end of the reporting period :   |                |                |
| In addition to the above dividends, since year end the Directors have recommended a final dividend of Rs.1.70 per fully paid up equity share.{31st March 2022-Rs.2.70 [including a centenary year dividend of Re.1/- per share]}. This proposed final dividend is subject to approval of the shareholders in the ensuing Annual General meeting. The proposed dividend when approved by the shareholders will be met out of surplus in the retained earnings in the Balance Sheet. | <b>8,494</b>   | 13,491         |

**Note 36. Events occurring after the reporting period**

**(a) Final dividend**

Refer note 35 above for the final dividend recommended by the Directors, which is subject to approval of the shareholders in the ensuing Annual General meeting.

**(b) Transfer of profits to general reserve**

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

| Particulars   | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|
| Transfer of profits to general reserve not recognised as at the end of the reporting period | <b>1,00,000</b> | 80,000          |

**(c) The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issuance on May 18, 2023.**

**Note 37.** Previous year's figures have been re-grouped wherever necessary to conform to current year's presentation.

As per our Report of even date attached  
 For K.S. Aiyar & Co.  
 Chartered Accountants  
 Firm Registration No.100186W  
 S. KALYANARAMAN  
 Partner  
 Membership No.200565  
 Place : Coimbatore  
 Date : 18.05.2023

MALLIKA SRINIVASAN  
 (DIN : 00037022)  
*Chairman*

For and on behalf of the Board of Directors  
 SANKAR DATTA  
 (DIN : 00025380)  
*Director*

R. RAJKUMAR  
 (DIN : 10044122)  
*Director*

S.RAGHURAMAN  
*Chief Financial Officer*

R.V.SRIDHARAN  
*Company Secretary*

Place : Chennai  
 Date : 18.05.2023